

Proactive climate efforts

Climate change places clear demands on a transition of society. NCC constructs, maintains and develops the built environment with a focus on how materials, methods and processes can reduce the environmental burden and contribute positively to society, taking the needs of current and future generations into account.

NCC takes a long-term responsibility and works actively to contribute to this transition and to reduce the climate impact from production of materials and throughout the entire construction process by reducing carbon emissions, increasing the efficiency of energy consumption, using resources responsibly, and increasing the recycling and reuse of materials. NCC provides data and expertise as well as extensive digital information about processes and products, thus contributing to a positive change.

Reduced climate footprint

NCC strives to minimize its own climate impact and eliminate carbon emissions from the entire value chain. NCC has set a target of becoming climate neutral by 2045, and works in a focused and determined manner with that transition.

Cooperation and dialogue with customers, suppliers and other stakeholders for the implementation of measures and changed work methods is of the utmost importance for reducing climate impact and reaching the objective of climate neutrality.

NCC's interim target is to reduce emissions from its own operations (Scope 1 and 2)¹⁾ by 60 percent by 2030 (base year 2015), measured as tons of carbon dioxide equivalents per SEK M of sales (emission intensity).

Emission intensity in 2021 was 3.5 CO₂e tons/SEK M, down 41 percent compared with 2015. Carbon emissions related to purchases of electricity, district heating and district cooling declined during the year. This was largely due to energy efficiency improvements, and an increased use of electricity from renewable sources. The share of renewable fuels also increased during the year.

Carbon emissions related to fuel rose slightly due to an increase in the total amount of purchased fuels.

NCC is also working to reduce carbon emissions in the value chain. The interim target is a 50-percent reduction in CO₂e (Scope 3)²⁾ by 2030 (base year 2015), within the four areas where the climate impact is greatest: concrete, steel, asphalt and transportation²⁾, measured as kilograms of CO₂e /purchased volume. Read more on p. 91–94.

Thorough mapping of Scope 3 emissions

During the past year, NCC has focused on mapping and capturing the climate emissions related to the categories of concrete, steel, asphalt and transport. Collecting quality-assured data about purchased volumes of these product categories is a key jigsaw piece in the overall effort to reduce emissions.

Path to climate-neutral concrete-based construction

The use of concrete leads to one of the Group's largest scope 3 emissions. The climate impact of concrete structures is related to the amount and quality of the concrete and steel reinforcement that is used. More than 90 percent of the climate impact of concrete derives from the manufacture of cement, which is a component in concrete.

During the year, NCC formulated an internal roadmap for climate

neutral concrete-based construction, which includes reducing the proportion of cement in concrete, optimizing concrete recipes and reviewing the design of structures to reduce the amount of concrete, while ensuring the right strength and performance, and reducing waste from production.

Achieving climate neutral construction requires cooperation, product development, innovation, requirement specifications and knowledge sharing with suppliers, customers and other players in the industry, not least to reduce emissions from the use of concrete in general. An example of NCC working actively to reduce climate impact is the Kungsörnen project, which involves construction of 67 rental apartments, two eight-story buildings and two two-story buildings in Helsingborg. NCC has worked to optimize several features, such as the brick facade, steel reinforcement and concrete. The concrete has been optimized by reducing the volume of concrete, minimizing waste, using the right concrete at the right place and finally, using climate-improved concrete with about 40 percent of slag in large parts. Through this structured and target-oriented work, the climate impact was reduced to nearly half.

Transportation, asphalt and steel

NCC is also formulating a roadmap for reducing its climate impact from transportation. There are a large number of players in this sector and, to move climate efforts forward, it is crucial that work on data collection and the reduction of emissions is conducted in cooperation. Read more on p.92 about how NCC is working to optimize transportation.

Action plans will also be formulated for the targets set for asphalt and steel.

Climate adaptation

The impact of climate change is tangible and is expected to escalate in the future, and the expectations of society, customers and other stakeholders concerning a transition are unmistakable. The risks connected to climate change include rising temperatures, floods and extreme weather, at the same time as new opportunities are created through the use of innovative technologies.

NCC develops materials that help society to adapt to a changed climate, such as drainage products, while buildings and civil engineering projects are increasingly being designed to cope with future climate effects. An example is the Kalvebod Brygge Skybrudstunnel, NCC's assignment to construct a tunnel to deal with surface water and stormwater in Copenhagen.

Climate calculations

Customer interest in and demand for climate calculations is increasing. NCC has early on been involved in focused efforts to implement climate calculations in construction projects. Work is ongoing to ensure the calculation process is becoming increasingly digitalized in order to ensure high quality outcomes.

The purpose of climate calculations is to gain an overview and check the total climate impact of a project and including all of its

1) *Scope 1*: All direct emissions from an organization's operations or the ones it controls. This includes fuel combustion at the site; such as fuel for the company's own vehicles and fuel for production plants and construction sites. *Scope 2*: Indirect emissions from electricity, district heating and district cooling purchased and used by the organization. Emissions arise during the generation of energy and are included in data for the party that uses the energy. *Scope 3*: All indirect emissions from an organization's operations and from sources that it does not own or control, such as emissions from built-in materials and transport.

2) Emissions from transport were not reported for 2021. Initially, emissions from ready-mixed concrete, steel reinforcement and internally purchased asphalt are reported.

components. This enables decisions based on quality, cost and climate impact. A climate calculation can be used to reduce climate impact and encompasses data, including related carbon emissions, connected to such aspects as materials, transportation, the energy consumption in the use phase of the final structure and waste.

Energy

Central and key components of efforts to reduce the carbon footprint include energy efficiency of processes and production, as well as replacing fossil energy sources with renewable ones. The amount of fossil-based electricity in kWh has been reduced by 93 percent since 2015 and the use of fossil fuels by 27 percent. An important measure has been to convert asphalt plants to the use of biofuel, whereby fossil fuels have primarily been replaced by wood pellets. The wood pellets used are derived from industrial residue from Swedish sawmills. All asphalt plants in Sweden have been converted for the use of biofuel and one plant in Norway is operated on biofuel. The plan is to convert additional asphalt plants in Norway to use renewable instead of fossil fuels. NCC is also investigating the possibility to replace the use of natural gas with biogas at the two largest asphalt plants in Denmark.

Considerable work has also been devoted to reducing the number of starts and stops of asphalt plants.

NCC has also worked to keep the reused asphalt that is mixed into the asphalt dry, in order to reduce energy consumption in connection with asphalt production.

NCC is increasing the use of renewable energy and has set a target of only purchasing renewable electricity. In 2021, the proportion of renewable electricity was 95 percent.

NCC has continued the energy analysis of its own operations in Sweden in order to identify energy-saving potential in production. The energy analysis includes worksite visits, climate assessments and calculations at asphalt plants and quarries, as well as construction sites. On the basis of the analysis, further actions to reduce energy consumption can be identified and taken. See below for examples of how energy consumption is reduced at construction sites in Denmark.

Electrification

During the year, NCC implemented a major project containing several initiatives aimed at electrifying production worksites. Within the Industry business area, electrification of mobile crushing facilities has yielded major climate effects and reduced emissions.

Another example is Hercules, part of the Infrastructure business area, which put the world's first battery-powered pile driver into operation. As part of the Electric Worksite development project, the way electric machinery can function in real environments is being tested, with the ultimate aim of achieving fully electrified production worksites.

Increased demand for Environmental Product Declarations

An ever-increasing share of NCC's base materials, such as asphalt and stone materials, are covered by Environmental Product Declarations (EPDs). EPDs are third-party verified and include transparent and comparable environmental impact information throughout a product's lifecycle, from the extraction of stone and other raw materials up to delivery to the customer and in connection with future recycling.

The customers gain access to objective and reliable data, and can thus assess the products' environmental performance, making it easier for them to make environmentally conscious choices and reduce their climate impact.

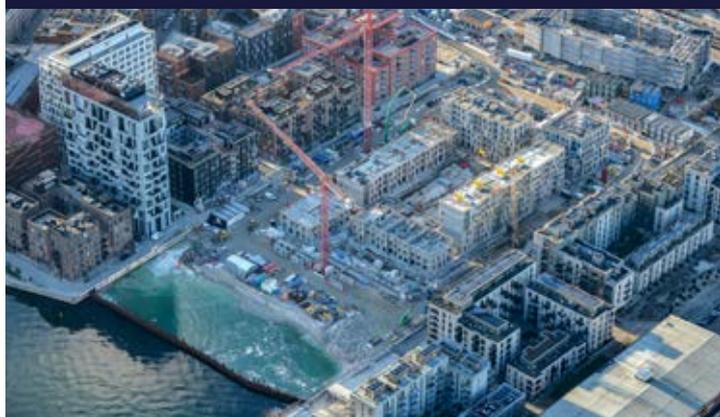
NCC's EPDs are location and product specific, which means that NCC can also use the EPDs internally to make fact-based climate and environmental improvements in its production processes.

→ Read more on p. 86.



NCC Kielo – our living quarry

NCC works to promote biodiversity at places where gravel pit operations are conducted, both during the production phase and during post-processing in conjunction with pit closures. NCC has developed NCC Kielo, a method that promotes biodiversity in quarries, enabling NCC to work in a structured manner based on a number of criteria. An additional three quarries became Kielo quarries during the year, including Helle in Norway.



IoT solution reduces energy consumption at Danish construction sites

With the help of detailed data and an Internet of Things (IoT) solution involving sensors, NCC has reduced energy consumption at its construction sites in Denmark, which has led to a sharp reduction in carbon emissions and lower costs.

An analysis conducted by NCC showed that about half of the energy consumption at construction sites in Denmark occurred outside working hours. By working in a more data-informed manner, NCC was able to reduce this energy consumption by 50 percent.

Data-informed work methods

NCC installed an IoT solution using sensors on, for example, cranes, portacabins, lighting and containers, and collected data that was subsequently analyzed. NCC was thereby able to identify and eliminate unnecessary energy consumption.

Across an office area of 15,000 square meters, energy consumption outside working hours was reduced by 50 percent, equal to 41 tons of CO₂e annually.

Great potential

The IoT solution has been introduced at major construction sites in Denmark and further implementation will occur in 2022.

In addition to energy savings from its own projects, NCC also sees major potential for its customers to use this solution for finished construction projects or for other buildings that are already in use.

A culture based on shared values and behaviors

NCC's corporate culture is a cornerstone in the Group's strategic direction and contributes to the development of NCC as a knowledge-based company. NCC has well-established values and works actively to develop them.

NCC has four Star behaviors, which complement the Group's values of honesty, respect and trust. These connect the corporate culture with business value by pointing to the behaviors that drive successful and profitable operations for NCC. By clearly describing the behavior that NCC expects of its managers and employees, strong aspects of the culture can be developed, while desired cultural changes receive an extra boost.

Implementation 2021

In 2021, 75 percent of NCC's employees participated in workshops about how NCC's Star behaviors will drive improvements and change at an individual, team and company level. This work was led by NCC's managers with the support of facilitators – NCC employees who have undergone training in assisting in the change project. In parallel, all performance-driving processes and competence-development programs were updated. This encompassed such processes as employee dialogues, leadership training, recruitment and succession planning.

The implementation plan extends over several years and the reception has been highly favorable; NCC's Star behaviors have gained a foothold in the operations as a guide and a governance tool, from management work to start-up meetings. A new employee survey adapted to support continued work on the corporate culture is scheduled for 2022.

Health and Safety

A safe and healthy work environment always has the highest priority for NCC. NCC's employees must always be able to go to work in the knowledge that everyone at the workplace will do their utmost to create an environment without accidents. The same goes for all NCC's partners, subcontractors and suppliers.

Viewed over the past five years, NCC has succeeded in reducing the accident frequency rate at production worksites. During 2021, a minor increase was noted in accidents resulting in four days or more of absence. This serves as a clear signal that a continued decline cannot be taken for granted. The focused and systematic work that has encompassed initiatives in various areas, such as attitudes, behaviors and leadership, reporting and analysis, as well as improved work procedures and planning, must continue with undiminished intensity.

During 2021, NCC launched a new focus for its health and safety work, which will be implemented in 2022. The aim is to continue to reduce all types of accidents but with an increased focus on eliminating serious incidents and fatal accidents. Accordingly, NCC's occupational health and safety (OHS) work will take a decisive step from a vision zero to a concrete target of zero serious incidents and zero fatal accidents at NCC's workplaces.

As a result of a better basis from incident reporting and an improved analysis, knowledge within NCC has been raised about

Star behaviors

- **Act with passion to perform:** We challenge ourselves and each other to constantly improve and outperform our targets and results
- **Build together:** We work actively to ensure effective collaboration internally, in and between units, and with our customers
- **Follow through and follow up:** We take data-informed decisions, communicate them clearly and always act on what's decided
- **Act with care:** We take responsibility for our actions and use of resources. We mitigate risk and act with integrity to ensure safe, high-quality sustainable operations

Accident frequency

NCC has a corporate OHS target for the number of work-related accidents resulting in more than four calendar days of absence per million working hours (Lost Time Injury Frequency, LTIF4). In 2021, this accident frequency rate was 3.7, somewhat higher than the 3.6 noted in 2020. The target for 2022 is to achieve an LTIF4 rate of 3.0.

Accident frequency rate¹⁾



1) Accident frequency rate: Worksite accidents resulting in more than four days of absence from work per million worked hours.

where, how and when serious incidents can occur. A fundamental part of NCC's work in the future is to create more effective safety barriers between potential risks and the employees in three identified high-risk areas – lifting by cranes, working at heights and work near heavy machinery. A safety barrier could be of an organizational, human or technical in nature, depending on what would be most effective to tackle risks in a certain situation.

Competence development and learning organization

NCC is a long-term and stable employer in all Nordic markets. Having and developing employees with relevant expertise is decisive to NCC's success. NCC's operations are knowledge intensive and the number of large-scale projects extending over several years is increasing. The increased specialization and complexity of construction projects, demands for proactivity and leadership, cooperative ability and customer understanding are factors influencing the type of competencies that NCC requires. The capacity to use the company's collective experiences, combined with the employees' individual skills, is the foundation for the company's long-term competitiveness. The ambition is to build a learning organization and develop the most skilled employees in the industry.

The NCC Academy initiative ensures that the employees have access to the best competence development in the industry, even for the very most experienced. Leadership training programs and networks ensure a stable succession of future managers, not least for the growing number of large-scale, complex projects. At the same time, clear career and development opportunities help to ensure that employees have job satisfaction and see the benefits of working for NCC.

This initiative encompasses a portfolio of seven different manager-training programs, which attracted around 250 participants during the year. A high number of participants was maintained during the corona pandemic through a rapid adjustment to digital solutions and continuous adaptations of the programs. In addition to raising the level of competence of the participants, the programs create effects in the form of active networks, knowledge sharing within NCC, mentorship and feedback – a culture where employees build each other.

Engagement and inclusion

NCC monitors its employees' engagement through employee surveys, from which it can note a steady improvement over the past three years. NCC is convinced that a high degree of inclusion, considerable employee engagement and pride in what NCC achieves contribute to better performance.

In 2021, all employees were involved in efforts to strengthen NCC's corporate culture through work on the Star behaviors. As a result of broad-based and open dialogues concerning expectations about the behavior of employees, managers and the team, they are provided with potential to influence their own ability to perform well, and to engage in the team's and NCC's development.

Updated diversity and inclusion targets were launched during the year. NCC needs to recruit, develop and retain the most competent people in the industry and, support the progress of high-performing teams and work actively so that no one is excluded unfairly or due to unconscious biases. The balance between women and men in NCC's management teams and inclusion are aspects that are monitored.

To strengthen its employer brand, NCC has defined a new Employer Value Proposition, which is intended to strengthen the image of NCC as an attractive company, in which people build each other in order to develop, while simultaneously contributing to NCC's performance. The Employer Value Proposition is based on the strategic focus, dialogue with employees and the strong results of recent years in the employee survey.

NCC Academy

NCC Academy is a strategic initiative at NCC with a portfolio of manager-training programs adapted to develop managers of the present and the future within the NCC Group. Some examples:

Mega Project Management Program.

Prepares senior project managers for taking on projects of a multi-billion kronor magnitude. The program has been developed and implemented with KTH Executive School and Copenhagen Business School.

Senior Executive Program.

Customized development program in leadership and business management for senior executive levels, such as department and division managers. The program is arranged jointly with the IMD Business School in Lausanne.

Practical leadership.

Development program targeted at site managers in order to strengthen them in their role as leaders at the construction work site. Includes the main areas of organization, communication and leadership skills.

Strategic Leadership Program.

Training program with a focus on leadership, strategy, finances, change and innovation. It is designed for senior managers with at least two years of experience and the potential to assume a greater management role.



Sustainability Report

Sustainability reporting

NCC is one of the leading companies in the Nordic region in commercial property development, building and infrastructure project contracting, and asphalt and stone materials production, and works continuously and systematically to help the transition to a more sustainable society.

NCC constructs, maintains and develops the built environment with a focus on how materials, methods and processes can reduce the burden on the environment and make a positive contribution to society. NCC is a knowledge-based company and its core is its ability to manage the complexity of a construction process. Our strength is a proactive approach to take the customer through the construction process, for a positive end result for all stakeholders.

Create value through sustainability

NCC aims to be an empowering partner and, through cooperation and dialogue with customers, various societal players and other stakeholder groups, enable the construction of healthy, safe and secure environments. Through property development, NCC serves as a support to urban planning in issues such as the health and wellbeing of people in both office buildings and their surroundings.

NCC provides expertise and extensive digital information about processes and products in order to support decisions based on facts and high-quality data, thus contributing to a positive change now, and in the future.

NCC takes a long-term responsibility and works actively to reduce the climate impact throughout the construction process by: reducing carbon emissions, increasing energy efficiency, using resources responsibly, reducing the use of virgin materials and closing the loops, as well as by increasing the recycling and reuse of materials and the waste generated in the construction process.

NCC seeks to ensure a safe and healthy work environment for all employees, with the aim of reducing all types of accidents in accordance with NCC's vision zero, but with an increased focus on eliminating serious incidents and fatal accidents. NCC shall also maintain the highest ethical standards and conduct operations while ensuring sound working conditions.

Reduced climate footprint

Through NCC's business areas, various activities are conducted to lower the climate impact of the Group's own manufacturing of materials and production as well as of the operation and maintenance of the finished products.

Work to reduce carbon emissions in the value chain focuses on the four areas where our climate impact is the greatest: concrete, steel, asphalt and transportation. During the past year, NCC worked to analyze and record climate emissions in these prioritized areas and thus reports, initially as of 2021, emissions related to ready-mix concrete, steel reinforcement and internally purchased asphalt. NCC's ambition is to include more products in the above-mentioned categories, as well as additional categories, in order to steadily cover an even larger share of the Group's Scope 3 emissions. Work is in progress to also report emissions from transportation.

NCC's sustainability framework

NCC's sustainability framework is the starting point for the Group's sustainability work. During 2021, NCC updated its sustainability framework with the aim of better illuminating which areas and issues are most important for NCC to work with and where the impact is the greatest. The framework is divided into eight impact areas: Data and expertise, Natural resources and biodiversity, Materials and circularity, Climate and energy, Health and safety, People and team, Ethics and compliance and Economic performance. Healthy and sustainable profitability is a precondition for long-term sustainability work. The framework is presented on p. 79. The foundation for the sustainability work comprises the Group's values and Star behaviors.

NCC also works to make a positive contribution to and reduce the negative impact on the Sustainable Development Goals. The starting point for this work is the Group's sustainability framework. Read more below.

Targets

NCC has external targets in two areas: Health and safety and Climate and energy. These two targets connect to the Group's high-priority impact areas in respect of proactive work to promote sustainable development for all stakeholders. NCC also has a number of internal targets in several impact areas.

Financial disclosures

NCC publishes an annual investor report for Green Bonds, reports to CDP and, in 2021, took additional steps to report climate risks and opportunities according to the Task Force on Climate-related Financial Disclosures (TCFD) framework's recommendations.

NCC is subject to the EU's Taxonomy and reports according to this at Group level.

Sustainable Development Goals

NCC supports Agenda 2030 and the Sustainable Development Goals (SDGs). NCC has previously selected four SDGs where the Group has the greatest potential to contribute through various societal solutions, and another 11 SDGs that are fundamental to our operations and for the Group's offerings, see below. NCC has also evaluated the SDGs at the target level and selected 50 of the 169 targets as relevant and guiding. NCC intends to continue its efforts to implement the SDGs in its operations, in part by developing new solutions and involving more functions in business areas and their operations in order to increase commitment and participation.

Positive impact through core business

NCC's expertise and solutions influence sustainable development in places where people live, work, travel and spend their spare time together. NCC has an important role to play in the Nordic contribution to achieving the SDGs 7: Affordable and clean energy; 9: Industry, innovation and infrastructure; 11: Sustainable cities and communities; and 12: Responsible consumption and production. By planning and shaping the physical environment, NCC can contribute to increased safety, security, well-being and inclusion. This will be achieved, for example, by creating inclusive societies with housing and infrastructure. It will also involve building resilient solutions and communities that can manage climate changes in the form of, for example, rising temperatures and increased amounts of rain. Work to increase resource efficiency, develop new circular material flows and reduce waste, as well as NCC's efforts towards independence from fossil fuels, are other important aspects in reducing the Group's environmental impact and increasing its operational efficiency.

Resource management

The Group has long been proactive in its work to formulate offerings and work methods that improve the situation for both people and the environment. Accordingly, NCC regards the SDGs 3: Good health and wellbeing; 6: Clean water and sanitation; 13: Climate action; 14: Life below water and 15: Life on land, as fundamental to its operations and a prerequisite for the long-term retention of the natural resources needed by NCC. The health and well-being of people can be promoted by intelligent buildings and sustainable infrastructure. By integrating green areas into urban environments and promoting various species in quarries, NCC also contributes to increasing biodiversity and sustainable ecosystems. Although access to clean water is relatively favorable in the Nordic region, NCC regards clean water and life below water as important goals to promote, for example, through ecosystem services and water efficiency throughout the value chain.

NCC's Sustainability Framework

NCC's Sustainability Framework is the starting point for the Group's sustainability work. In addition to the Group-wide sustainability targets, the business areas set operations-specific sustainability targets.

Impact areas

Data & Expertise	Natural resources & Biodiversity	Materials & Circularity	Climate & Energy	Health & Safety	People & Team	Ethics & Compliance
<ul style="list-style-type: none"> ♦ Certified constructions and buildings ♦ Products and concepts with sustainability profiles ♦ Environmental product declarations and climate calculations 	<ul style="list-style-type: none"> ♦ Biodiversity ♦ Raw materials ♦ Water 	<ul style="list-style-type: none"> ♦ Design and material selection ♦ Recycling and reuse ♦ Waste 	<ul style="list-style-type: none"> ♦ Greenhouse gas emissions ♦ Energy ♦ Climate adaptation 	<ul style="list-style-type: none"> ♦ Occupational health and safety 	<ul style="list-style-type: none"> ♦ Diversity and inclusion ♦ Employee engagement ♦ Non-discrimination ♦ Learning and development 	<ul style="list-style-type: none"> ♦ Anti-corruption ♦ Fair competition ♦ Human rights ♦ Supplier assessment

Economic performance

Stable, sustainable financial performance

Our core

Our core
Our ability to manage the complexity of a construction process

Our purpose
To take the customer through the construction process to ensure a positive end-result for all stakeholders

Our values
Honesty / Trust / Respect

Our Star behaviors
Act with passion to perform / Build together / Follow through and follow up / Act with care

Value-guided

NCC implements activities aimed at achieving the SDGs 4: Quality education; 5: Gender equality; 8: Decent work and economic growth; 10: Reduced inequalities; 16: Peace, justice and strong institutions; and 17: Partnerships for the goals. In these areas, NCC raises awareness and competencies internally through in-house training. NCC complies with principles for equality, reduced inequality, decent labor conditions and economic growth, which can be directly linked to SDGs 5, 8 and 10. NCC works to counteract corruption and bribery and to ensure compliance with the highest ethical standards. The company also works to promote employment for young people and ensure a healthy and safe work environment while proactively working to end all types of discrimination. Cooperation and partnerships with various stakeholders are prerequisites for making the transition to a sustainable world by 2030, as reflected in SDGs 16 and 17. Read more at: www.ncc.group/globalgoals.

Memberships, initiatives and networks involving sustainability

NCC participates in industry-wide collaborations and initiatives promoting sustainable business in all markets, and actively participates in the work of, for example, industry associations, business organizations and chambers of commerce. A small selection of commitments signed by NCC and organizations in which NCC works actively through, for example, Board membership, is presented below.

Signed commitments and guidelines supported by NCC

- UN Global Compact
- Fossil-free Sweden (Fossilfritt Sverige)
- Sveriges Bergmaterialindustri - SBMI (The Swedish Aggregates Producers Association)
- Agreement on counteracting bribery and corruption (ÖMK)
- Task Force on Climate-related Financial Disclosures

Selection of memberships, networks and initiatives

- CDP (formerly Carbon Disclosure Project)
- Industry associations Byggföretagen (Sweden), EBA (Norway), DI Byggeri (Denmark) and the Confederation of Finnish Construction Industries RT (Rakennusteollisuus RY)
- Sweden Green Building Council, Green Building Council Denmark, Green Building Council Finland, Norwegian Green Building Council
- Entreprenørforeningen - Bygg og Anlegg (Norway), Foreningen for Byggeriets Samfundsansvar (Denmark)
- The Swedish Anti-Corruption Institute (IMM), Transparency International - Sweden
- The Chamber of Commerce and Industry of Southern Sweden, The West Sweden Chamber of Commerce, The Stockholm Chamber of Commerce

Sustainability governance

Sustainability work in NCC is governed, inter alia, by the Group's sustainability framework, the Code of Conduct and other policies, such as a Sustainability Policy featuring an Environmental Policy, a Health and Safety Policy and a Compliance Directive. NCC supports the UN's Global Compact initiative and its ten principles involving human rights, labor conditions, the environment and anti-corruption. NCC also complies with the UN declaration on human rights, the ILO's declaration on fundamental principles and rights at work, the OECD's principles and norms for multinational companies and the Rio Declaration including the precautionary principle, which entails that NCC undertakes to prevent and minimize risks in the environmental area.

Code of Conduct

NCC's Code of Conduct describes the expected conduct of all parties concerned – employees, managers, Board members and business partners – and is based on NCC's values and the voluntary initiatives undertaken by the Group. All employees receive regular training in the Code of Conduct's fundamentals and are expected to comply with these principles in their daily work. NCC's Senior Management Team (SMT) is responsible for compliance with the Code of Conduct, which is continuously followed up within the framework of operating activities. Awareness of the Code of Conduct is very high at NCC.

NCC's Code of Conduct for suppliers

NCC's business partners play an important role in the operations and NCC expects them to respect and live up to the Group's values. Suppliers must comply with NCC's Code of Conduct for suppliers. The Code of Conduct for suppliers applies to all parties who supply NCC with products, personnel or services, including direct and indirect suppliers, service suppliers, subcontractors, intermediaries and agents, as well as, where relevant, employees of suppliers and their subcontractors and agents.

NCC also has an Ask Me and a Tell Me function. NCC encourages employees to ask questions through the Ask-me function, and provides several resources that can respond to questions concerning compliance. These are available on the in-house website, and those officers who respond to questions include the employees managers and representatives from HR, Legal, Finance and Compliance. In the event of any doubt, all employees are urged to ask before they act. Tell Me is a whistleblower function through which employees and other stakeholders, anonymously if they so wish, can report their suspicions about behaviors and actions that contradict the Code of Conduct. All reports are investigated in an impartial and thorough manner, when needed also with external expertise, to guarantee legally secure treatment. Information on how the Group manages personal data and any inquiries and incidents in accordance with GDPR is available on both NCC's external website and intranet. NCC continuously provides compliance, anti-corruption, competition law and GDPR training to its employees.

Read more under Ethics and compliance, p. 99.

Sustainability organization

The CEO is ultimately responsible for NCC's sustainability efforts and NCC's SMT takes decisions concerning which of the Group-wide sustainability targets are to be followed up. The sustainability work is conducted in the five business areas and is coordinated regularly both by country and at the Group level when relevant. Operations-specific targets are set in the business areas, which are followed up in the SMT through the relevant Business Area Manager. All business areas have a sustainability manager. The Board of Directors is informed continuously about various aspects of the Group's sustainability work. The Board of Directors reviews and follows up both sustainability work and strategy, and that NCC's operates in line with the Group's sustainability targets.

NCC's Sustainability Board manages NCC's Group-wide sustainability-related data. Permanent members are the business areas' sustainability managers, the Head of Sustainability Governance, the Head of Sustainability Communication and representatives of R&I and Purchasing. Representatives from other parts of the Group participate when required. The Sustainability Board has been mandated to make decisions for NCC concerning sustainability matters, together with NCC's Sustainability Sponsors: the CFO and Head of Finance & IT and the Head of Communication.

The managers of each business area, in collaboration with their sustainability organization, reports the outcome of their targets. Group-wide targets and initiatives are coordinated by the Sustainability Reporting and Control unit.

The Sustainability Reporting Forum, which consists of members of the business areas' sustainability organization, mainly focuses on targets and sustainability data, and coordinates data collection and reporting.

In addition, the various Group functions, such as Communication, Purchasing, Finance, Strategy and HR, are responsible for their own sustainability-related activities.

Compliance organization

NCC's compliance-related efforts are conducted via the NCC Group Compliance Officer together with selected representatives from Group staff functions and all business areas.

Health and safety organization

The overall occupational health and safety work (OHS) is coordinated by the Group's Head of Health and Safety. Each business area has a health and safety manager, as well as specialists focusing on health and safety. The responsibility for systematic OHS work at the worksite is delegated to managers with personnel responsibility.

NCC's policies

Area	Anti-corruption	The environment	Social issues incl. HR and human rights
Policies	Code of Conduct	Code of Conduct	Code of Conduct
	Compliance Directive	Sustainability Policy featuring an Environmental Policy	Compliance Directive
	Code of Conduct for Suppliers	Code of Conduct for Suppliers	Health and Safety Policy
			Health and Safety Directive
			Code of Conduct for Suppliers
			Directive on alcohol and drug use

Stakeholder dialogue

NCC engages in ongoing dialogue with its stakeholders in order to gain insights into the type of issues that are most important to them and to find out their needs and their expectations of NCC.

The principal stakeholder groups are: shareholders, investors and banks, employees, customers, suppliers and subcontractors, and society. These groups have been known to NCC for some time, with the point of departure being the extent by which they influence or are influenced by the Group's work.

NCC regularly conducts various types of dialogues with stakeholder groups, such as customer surveys and employee surveys. During 2021, in-depth interviews were conducted with investors and analysts, as well as Group-wide suppliers. A project was initiated to develop formats for additional ongoing dialogues with employees. This work will continue in 2022. These dialogues show that there is considerable commitment to NCC's sustainability work.

Stakeholder group	Issues in focus	Type of dialogue
Shareholders, investors and banks	Responsible ethical enterprise, including sound working conditions and anti-corruption. Long-term economic value growth. Responsibility throughout the value chain. Ongoing risk assessment and risk management. Reduce climate impact, including work to reduce emissions, circularity, the use of materials, water, waste and biodiversity. Safety and health.	Annual General Meeting, meetings with analysts, responses to and dialogue concerning questionnaires from investors and analysts, meetings with investors, meetings with individual shareholders, national and international evaluations. In-depth interviews with investors and analysts.
Employees	Responsible ethical enterprise. Safe and secure workplaces. Skills and career development. Good leadership. Equal treatment, diversity and inclusion.	Pilot study for the development of additional dialogue with employees. Daily dialogues, employee surveys, work environment measurements, work environment dialogues, workplace meetings, in-house training, incident follow-ups, performance reviews and student relations.
Customers	Responsible ethical enterprise. Professional entrepreneurship. Cooperation and partnerships. Knowledge and skills. Resource capacity, quality, availability. Good working and employment conditions, including safe and secure worksites. Certifications. Climate and environmental awareness and measures to reduce the climate and environmental impact. Focus on resource efficiency, recycling and selection of sustainable materials. Contributing through sustainable innovation and sustainable solutions. Support customers in achieving their climate and environmental objectives. Contribute to local community development. Adaptation of cities and municipalities to climate change, environmental challenges and social requirements.	Personal meetings, partnership projects, dialogue meetings, customer meetings, trade fairs, customer questionnaires, question forms from customers, procurement processes and audits. Worksite visits, partnering projects, information meetings, networks, contacts with county councils/municipalities and environmental reports.
Suppliers and subcontractors	Responsible ethical enterprise. Code of Conduct. Climate, emissions in the value chain, transportation, circularity, use of raw materials, energy: reduce energy consumption and use renewable energy, sound working conditions, safety, continuous work to integrate suppliers' employees at worksites.	In-depth interviews with Group-wide suppliers. Procurement processes, supplier assessments, personal meetings, meetings with suppliers, supplier audits, sustainability dialogues and partnership projects.
Society	Good dialogues prior to, during and after the construction and work process, to achieve a favorable end result for all stakeholders. Create accessible, safe, secure and vibrant city districts and living environments. Create appropriate, safe and secure indoor and outdoor environments. Good work environment. Adapt and build with climate change in mind and respect for the environment.	Neighbor dialogues. Dialogue, inclusion and social commitment through, for example, the zoning process, citizen dialogues and communication with tenants and key individuals. Cooperation with colleges and universities. Participation in industry organizations.

Materiality analysis

NCC uses the results of stakeholder dialogues, analyses of NCC's strategic issues, risks, challenges and goals, as well as macro-trends and driving forces in society to define the most significant sustainability issues. The method for defining these material topics follows the GRI guidelines and comprises identification, prioritization and validation. The materiality analysis is validated annually. As part of the work to update the Group's sustainability framework, the impact area of Natural resources and biodiversity and the material topics of Biodiversity and Water have been added, as well as the impact area of Data and expertise including the material topics of Products and concepts with sustainability

profiles and Environmental product declarations and climate calculations. Certified constructions and buildings are also included in this area. Material is addressed within Raw materials, Design and material selection and Recycling and reuse.

In 2022, NCC will intensify its reporting in respect of the new material topics that were added after the 2021 stakeholder dialogue and materiality analysis. Read more about the sustainability framework on p. 79.

The material topics pervade every link of the value chain.

NCC's impact areas	NCC's material topics	Corresponding topics according to GRI Standards	Significant impact		
			among suppliers	in NCC's operations	among customers
Data and expertise	Certified constructions and buildings	Own topic	x	x	x
	Products and concepts with sustainability profiles	-		x	x
	Environmental product declarations and climate calculations	-		x	x
Natural resources and biodiversity	Biodiversity	Biodiversity		x	
	Raw materials	Material	x	x	
	Water	Water and emissions		x	
Materials and circularity	Design and material selection	Material	x	x	x
	Recycling and reuse	Material	x	x	x
	Waste	Waste	x	x	x
Climate and energy	Greenhouse gas emissions	Emissions	x	x	
	Energy	Energy		x	x
	Climate adaptation	Economic performance		x	x
Health and safety	Occupational health and safety	Occupational health and safety	x	x	
People and team	Diversity and inclusion	Diversity and equal opportunity		x	
	Employee engagement	Occupational health and safety	x	x	
	Non-discrimination	Non-discrimination		x	
	Learning and development	Training and education		x	
Ethics and compliance	Anti-corruption	Anti-corruption	x	x	x
	Fair competition	Anti-competitive behavior	x	x	
	Human rights	Supplier social assessment	x		
	Supplier assessment	Supplier social and environmental assessment	x		
Economic performance	Economic performance		x		

EU Taxonomy

When preparing data for the Group, NCC has complied with the instructions stipulated in the Taxonomy Regulation issued by the European Commission. Turnover include revenue, which has been recognized in accordance with IAS 1 p.82a, and the reporting is only based on external revenue. Applicable capital expenditure (CapEx) for NCC includes both property, plant and equipment, intangible assets, excluding goodwill, and adjustments of additional right-of-use assets in accordance with IAS 16 p.73 e i and iii, IAS 38 p.118 e i and IFRS 16 p.53 h. Operating expenses (OpEx) consist of costs for short-term leases since other items in the Taxonomy regarding operating expenses are not regarded as being applicable to NCC.

To determine how large a share of NCC's total turnover is eligible with the EU Taxonomy, NCC analyzed which financial activities in each respective business area are eligible. For the contracting operations, business areas Infrastructure, Building Sweden and Building Nordics, the analysis has been made on construction project level. In those cases where projects can be classified according to more than one of the financial activities described in the Taxonomy Regulation's Delegated Act for the two climate-related objectives, the project has been classified as the financial activity regarded as the project's main purpose. If, for example, a project constructing wind-turbine foundations also constructs associated maintenance roads, the project has been classified according to the financial activity "4.3 Electricity generation from

wind power" because this activity comprises "Construction or operation of electricity generation facilities that produce electricity from wind power" and constitutes the project's main purpose. For business areas Building Sweden and Building Nordics, it is assumed that all projects in the product portfolio are eligible by the Taxonomy. Also for business area Property Development, all projects are covered, apart from sales of land. For business area Infrastructure, projects corresponding to 80 percent of annual turnover have been reviewed. For the remaining projects, mainly short-term, small projects, these have been allocated according to the allocation and classification of projects constituting the span between 60–80 percent of Infrastructure's turnover. Regarding business area Industry, which does not have project-based operations, the entire business has been evaluated. The financial activities that involve recycling and reuse of materials, such as recycled asphalt, reused excavated rock and recycled stone materials, are eligible according to the Taxonomy.

Work to analyze alignment with the technical screening criteria and DNSH (Do No Significant Harm) criteria for the entire business is ongoing. NCC's taxonomy reporting is based on the information available at the end of January 2022.

For more information on NCC's CapEx, refer to notes 15, 16 and 33 on pages 43, 44, 55 and 56. For more information on turnover, refer to notes 2 and 3 on page 34, 35 and 36.

KPIs	Financial activity ¹⁾	Total, SEK	Proportion of Taxonomy eligible activities (%)	Proportion of Taxonomy non-eligible activities (%)
Turnover	Construction and real estate activities	29,490,310,502	100%	0%
	Transport	7,491,021,058	96%	4%
	Water supply, sewerage, waste management and remediation	2,952,337,555	98%	2%
	Energy	994,192,088	97%	3%
	Other ⁴⁾	11,920,664,797	0%	100%
	Total	52,848,514,000	77%	23%
CapEx ²⁾	Total	1,067,136,000	37%	63%
OpEx ³⁾	Total	1,013,843,187	89%	11%

¹⁾ The eligible financial activities, by business area, according to the categorization in the Taxonomy Regulation's Delegated Act for the two climate-related objectives in the Taxonomy, Annex I and II, where Annex I refers to climate change mitigation and Annex II to climate change adaptation, are:

– NCC Industry: 5.9 (according to Annex I)

– NCC Infrastructure: 4.3, 4.5, 4.9, 4.10, 4.12, 4.14, 4.15, 4.19, 4.20, 5.1, 5.2, 5.3, 5.4, 5.9, 6.13, 6.14, 6.15, 6.16, 7.1, 7.2 (according to Annex I)

– NCC Infrastructure - NCC Infrastructure: 4.3, 4.5, 4.9, 4.10, 4.12, 4.14, 4.15, 4.19, 4.20, 5.1, 5.2, 5.3, 5.4, 6.13, 6.14, 6.15, 6.16, 7.1, 7.2 (according to Annex II)

– NCC Building Sweden and NCC Building Nordics: 7.1, 7.2 (according to Annex I and Annex II)

– NCC Property Development: 7.1 (according to Annex I and Annex II)

²⁾ CapEx for each business area has been obtained from internal systems and, to calculate the percentage share of taxonomy eligible CapEx, the percentage of eligible turnover has been used as the allocation key for Infrastructure, Building Sweden and Building Nordics. For Industry, taxonomy eligible CapEx is calculated as the sum total of CapEx in equipment for asphalt recycling and for mobile stone crushing equipment and other equipment at plants where stone materials are received for recycling and reuse. The assessment is that NCC Property Development did not have any CapEx in 2021 that could be included in taxonomy reporting.

³⁾ OpEx for each business area comprises short-term leases and has been obtained from internal systems. In order to calculate the percentage share of OpEx that is taxonomy eligible, the percentage of eligible turnover has been used as the allocation key. The assessment is that NCC Property Development did not have any OpEx in 2021 that could be included in taxonomy reporting.

⁴⁾ The proportion of turnover deriving from financial activities that does not fall under any of the above categories is reported under Other.

Task Force on Climate-related Financial Disclosures

In 2021, NCC initiated work to report climate risks and opportunities according to the framework of the Task Force on Climate-related Financial Disclosures (TCFD).

Climate change is impacting people and society and is leading to changes in work methods and products, and climate-change adaptation is essential if we are to remain competitive. NCC works continuously to integrate the issue of climate change into the project development process, and to drive development in order to promote the use of climate-adapted products and solutions, reduce its carbon emissions and work for increased resilience.

Governance

NCC's CEO has overall responsibility for the Group's climate-related risks and opportunities. The Senior Management Team (SMT) and each business area address climate-related risks and opportunities at an operational level. The work conducted in the five business areas is coordinated regularly both by country and at Group level where relevant.

NCC's board manages Group-wide sustainability strategy and targets, including the climate-related targets determined in 2020. The board is continuously kept updated of the business areas' work, including the work with climate-related risks and opportunities.

NCC's Sustainability Board also manages Group-wide sustainability-related tasks involving climate and the environment. Read

more under Sustainability governance p. 80 and Corporate governance p. 105.

During 2022, NCC will continue to develop its work on climate-related risks and opportunities, as well as reporting.

Strategy

NCC's strategic focus is to be a knowledge-based company with the know-how and expertise to manage the complexity of a construction process. This also applies to the Group's work on climate-related matters. The starting point for the work is the Group's sustainability framework (see p. 79). Climate and Energy is one of the prioritized areas.

During the year, each business area evaluated climate-related risks and opportunities for the Group based on two scenarios: RCP 2.6, meaning a scenario with a level of warming of 2°C, and RCP 8.5, a scenario with a level of warming of 4°C degrees, in accordance with the UN Intergovernmental Panel on Climate Change's scenarios. Both of these scenarios included an assessment of the impact on a short-term basis, by 2030, and a long-term basis, by 2050.

In respect of the risk impact, the difference between the two scenarios is relatively small, and therefore only a collective assessment of the outcome is reported in the table below.

	Risk	Opportunity
Regulatory risks/opportunities		
Increased demand for climate-related reporting		
Increased price for carbon emissions and raw materials	●	○ ○
Increased climate-related regulation of buildings and infrastructure	●	
Risks/opportunities connected to market/reputation		
Increased demand for sustainable products and services	●	○
Changes in access to capital due to climate-related regulations		○
Increased expectations that NCC will contribute to limiting climate effects		
Physical risks/opportunities		
Floods, erosion or earthquakes on purchased land	●	
Project delays due to extreme weather events		
Damage to inventories, materials and structures due to extreme weather events		
Damage to finished buildings due to extreme weather events		
Increased demand for products and services connected to climate adaptation		○
Change in length of working season		

● / ○ Greatest risks/opportunities contracting operations
 ● / ○ Greatest risks/opportunities property development
 ● / ○ Greatest risks/opportunities industry

The table above shows the main climate-related risks and opportunities that have been identified and the greatest risks/opportunities for each type of operation are highlighted.

The table above shows the main climate-related risks and opportunities that the operation have identified and evaluated during 2021. Since the business areas that conduct contracting operations, Infrastructure, Building Sweden and Building Nordics, have identified the same risks and opportunities as being most important to their business, these risks and opportunities are reported divided by type of operation. The greatest risks and opportunities were subsequently identified for each operation in a number of workshops. These are described in greater detail below.

Comments

Regulatory risk – Increased price for carbon emissions and raw materials

NCC's industrial operations purchase large amounts of energy in the form of fuel, mainly for the production of asphalt. This means that even a relatively slight price increase could impact its operations. To mitigate this risk, NCC is working actively to

replace fossil fuels with renewable alternatives, with the target that at least 95 percent of the energy used in the Swedish asphalt plants will come from biofuel as of 2024. Similarly, there is a plan to convert the asphalt plants in Norway and Denmark (see p. 91). Work is also under way in other parts of the operations aimed at replacing fossil fuels, either with renewable alternatives or with electricity. Energy-efficiency initiatives are under way throughout the Group. The operations are also striving to increase the amount of recycled stone materials and asphalt in production, in order to reduce the use of virgin materials.

Regulatory opportunity – Increased price for carbon emissions and raw materials

The opportunities for NCC's industrial operations are to remain at the cutting edge when it comes to the transition from fossil fuels to electricity or renewable fuels. A price increase for stone materials would also be beneficial for the operations, as NCC is a

significant player in the Nordic market for stone materials. NCC's property development operations have opportunities to capture market shares by offering buildings with a higher climate performance than other players in the market.

Regulatory risk – increased climate-related regulation of buildings and infrastructure

To turn this risk into an opportunity for NCC's contracting operations, NCC needs to secure resources for the development of tools and work methods, and to follow the established plan of digitalizing the operations, both to ensure increased climate performance in the structures constructed by NCC and to increase the circular flows in the operations.

Market risk – Increased demand for sustainable products and services

To turn this risk into an opportunity for NCC's property development operations, NCC needs to secure resources for the development of tools and work methods, and to follow the established plan of digitalizing the operations, both to ensure increased climate performance in the structures constructed by NCC and to increase the circular flows in the operations.

Market opportunity – Increased demand for sustainable products and services

NCC has high ambitions and a far-reaching plan for digitalizing the operations. This will generate considerable opportunities in the future, as NCC will be able to deliver the buildings and structures with low climate impact that, with high probability, will be demanded by the market.

Market opportunity – Changes in access to capital due to climate-related regulations

Capital flows will increasingly be allocated to sustainable investments. Since NCC's industrial operations have a clear focus on transitioning toward a reduced dependency on fossil fuels, considerable opportunities are seen in this area.

Physical risk – Floods, erosion or earthquakes on purchased land

With larger amounts of water and high water levels, more projects will be classified as water operations. More construction contracts may be impacted by elevated water levels in connection with rainfall and when the scope and an accelerating number of storms. NCC has considerable expertise in this area, but will continue to focus on skills development to ensure that this possible risk is turned into an opportunity.

Physical opportunity – Increased demand for products and services connected to climate adaptation

Adapting infrastructure to climate change will be an expanding market segment and the need for these services will thus also grow. Increased climate change will require an adaptation of existing infrastructure, roads, railways, bridges, etc., as well as expanded erosion protection and raising the level of roads to prevent flooding, or measures to reduce the consequences of torrential downpours. An upgrading of dams and power plants to withstand higher flows will also be necessary. All of this represents opportunities for NCC's contracting operations. The increased complexity of construction projects benefits NCC. NCC is a knowledge-based company – an expert in complex construction projects under challenging conditions. To ensure that NCC capitalizes on the opportunities that exist here, it will be necessary to maintain a focus on securing and retaining competencies concerning new materials and techniques.

During 2022, NCC will continue to evaluate how climate-related risks and opportunities impact the Group's current strategy and profitability, and perform an in-depth review of completed scenario analyses.

Risk management

NCC has assessed and analyzed the impact and probability of the most relevant climate-related risks and opportunities.

To ensure that the risks are managed and integrated into each business areas processes, sustainability managers, strategy managers, risk managers and management teams worked together to identify and analyze climate-related risks and opportunities. The end result was then validated by the Senior Management Team.

A training activity to raise competencies in climate-related risks and opportunities and potential future scenarios, based on climate research, was implemented at management team level in 2021.

As of 2022, NCC's work to identify, evaluate and manage risks related to climate change will be integrated in the regular risk process for strategic risks.

Targets and metrics

NCC reports the Group's CO₂ emissions for Scopes 1, 2 and 3. For calculating emissions, conversion from consumption to emissions has been conducted in accordance with the Greenhouse Gas Protocol.

In 2022, NCC will continue its work on following up set targets connected to climate-related risks and opportunities, and investigate whether further metrics and targets are needed.

Green bonds

NCC issued green bonds for the first time in 2019. Bonds at a value of SEK 1.6 billion were issued on Nasdaq Stockholm. Also in 2019, NCC refinanced SEK 100 M through a green private placement. The bonds have financed investments in sustainable property development projects, conversion to renewable energy sources in asphalt production and electrification of mobile crushers, as well as energy efficiency programs and reduced moisture

levels in recycled asphalt. The green framework for the bonds was verified by the Center for International Climate and Environmental Research (CICERO), an independent research center connected to the University of Oslo, and was updated in April 2021. The framework is classified as Medium Green, the second highest level in CICERO's ratings, and the governance structure was ranked as Excellent, which is the highest rating.

NCC's impact areas

Data and expertise

NCC-1 Company-specific disclosure: Certified constructions and buildings

NCC provides data and expertise to its stakeholders to support data-informed and sustainable decision-making, thereby contributing to positive change.

By working in a data-informed manner, NCC improves both its own and its customers' sustainability performance, thus contributing to improvements in productivity and increasing competitiveness, while facilitating sustainable solutions. By building and sharing expertise, NCC also contributes to knowledge development concerning sustainable solutions and work methods for the entire industry.

With the help of reliable and relevant data, NCC is able to use climate calculations and environmental product declarations to formulate the actual climate impact of projects and products, simplify work to obtain sustainability certifications, improve the development of products and concepts involving sustainable profiles, and measure, examine and follow up the Group's sustainability work at the worksites.

With expertise in materials selection and concerning the construction process, NCC contributes to customers and other stakeholders being able to make sustainable choices and informed decisions ahead of and during the construction process. Early-stage cooperation is another key factor required to create the best possible solution. Access to reliable and qualitative sustainability data is a competitive advantage, enabling NCC to make a difference and achieve change, and to be an even better guide for customers throughout the construction process. In property development, NCC's access to data and knowledge in urban and social development and in how to, for example, create efficient office environments is important for the end result.

Digitization is a prerequisite for NCC's ability to leverage the Group's collective information, knowledge and expertise and to increase the efficiency and develop sustainability work. A higher degree of digitization and standardization is also required for knowledge sharing with other players in the industry, to drive change and succeed in the climate transition, to use resources efficiently and to achieve traceability and control in the value chain.

An example of a project in which NCC – thanks to careful data collection and a data-informed work method – succeeded in achieving and surpassing ambitious sustainability targets, such as reductions in energy consumption and carbon emissions, is the VA4 project, entailing the refurbishment of 500 homes in Albertslund, outside Copenhagen, Denmark. The measures included using electric machinery, optimizing the loading of trucks, using district heating for drying materials and efficiently sorting waste to enable recycling.

Climate calculations

NCC is involved in focused efforts to implement climate calculations in construction projects, whereby the calculation process is becoming increasingly digitalized in order to ensure high quality.

The purpose of climate calculations is to gain an overview of and assess the total climate impact of a project and includes, among other things, data and related carbon emissions associated with the use of materials, energy consumption and waste. This is also an important step on the way to a climate declaration, whereby a building's climate impact is identified and quantified using actual supplier data.

Customer interest and demand for climate calculations is increasing and NCC implemented a number of initiatives during the year to involve customers in this work, such as through customer seminars. NCC also has an in-house center of excellence with climate calculation experts. Furthermore, NCC is working to produce benchmark values for various types of buildings to increase knowledge of the impact made by the various choices.

Environmental Product Declarations

Customers are increasingly requesting and demanding that products should have Environmental Product Declarations (EPDs) and an ever-increasing share of NCC's base materials, such as asphalt and stone materials, are subject to EPDs. EPDs are third-party verified and include transparent and comparable environmental impact information throughout a product's lifecycle, from the extraction of stone and other raw materials up to delivery to the customer and in connection with future recycling. As a result, customers obtain a transparent and comparable lifecycle assessment of the product.

The customers gain access to objective and reliable data, and can thus assess the products' environmental performance, making it easier for them to make environmentally conscious choices and reduce their climate footprint. NCC's EPDs are also location and product specific, which means that NCC can also use the EPDs internally to make fact-based climate and environmental improvements in its production processes.

To date, NCC has published 18 EPDs for asphalt in Sweden, including 16 in 2021. NCC has published a total of 21 EPDs for stone materials in Denmark, Finland, Norway and Sweden, of which 11 in 2021. About 60 percent of NCC's Swedish asphalt plants currently have an EPD¹⁾. The target is that all asphalt plants in Sweden will have a published EPD during 2022²⁾.

An efficient and reliable process for collecting qualitative and relevant data is a prerequisite for successfully preparing EPDs of products.

Sustainability-certified buildings and constructions

Certification systems	Nordic Swan Ecolabel			BREEAM			LEED			DGNB			MILJÖBYGGNAD			CEEQUAL		
	Number	Grade	Number	Grade	Number	Grade	Number	Grade	Number	Grade	Number	Grade	Number	Grade	Number	Grade		
NCC	4	Pass	–	Bronze	–	Bronze	–	Bronze	–	Bronze	–	Pass	–	–	–	–	–	
	–	Good	–	Silver	–	Silver	1	Silver	6	Silver	6	Good	–	–	–	–	–	
	–	Very good	1	Gold	–	Gold	3	Gold	3	Gold	3	Very good	–	–	–	–	–	
	–	Excellent	4	Platinum	–	Platinum	–	Platinum	–	Platinum	–	Excellent	1*	–	–	–	–	
	–	Outstanding	–	–	–	–	–	–	–	–	–	Outstanding	–	–	–	–	–	
Total	3	2	4	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
	3	2	4	9	3	5	4	2	0	0	3	4	12	17	9	1	1	1

That buildings are constructed to satisfy ambitious certification requirements has become a matter of course in many construction projects; however, it is not equally self-evident that the building will be actually certified. Preliminary certifications are not included in the table; only certifications implemented during the year in question.

*The Barkarby work tunnels contract Robothöjden and Landningsbanan is certified by Region Stockholm's Administration for Extended Metro (FUT), as a Whole Team Award whereby NCC was responsible for matters connected to production works.

¹⁾ The EPDs are downloadable at www.environdec.com.

²⁾ In Norway and Denmark, NCC's EPD process is not used for asphalt production. This is because the asphalt industry in these countries uses national pre-verified EPD tools that have been prepared jointly for the sector. Here, the EPDs are usually project-specific and are not published; instead, they are communicated directly to the client.

Sustainability certifications

NCC offers its customers all the types of environmental certifications that are available for both buildings and civil-engineering structures. Nordic Swan Ecolabel, Miljöbyggnad, CEEQUAL, BREEAM, LEED, DGNB, WELL and Citylab are used for housing and infrastructure projects, as well as whole city districts. BREEAM and DGNB are used for the projects that NCC develops itself. Having verified data for the projects makes it easier to get buildings and structures certified.

NCC's construction of the Granåsen winter sport facility in Trondheim, Norway, is an example of where the sustainability requirements prior to the start of the project were very stringent and where the project aimed to be certified as Excellent – the highest level of the CEEQUAL sustainability classification system.

The We Land office premises project in central Helsinki is being developed by NCC together with the City of Helsinki. The building was designed with the aim of being classified as Outstanding, the highest possible BREEAM ranking, which will be the first time such a high ranking has been achieved by NCC in Finland and among the first such buildings in Finland.

Herrjärva, NCC's head office in Solna, is one of Building Swedens and Property developments projects that was certified during the year at the BREEAM level Excellent.

Products and concepts with sustainability profiles

During 2021, NCC continued to develop products and concepts with sustainability profiles within the stone materials and asphalt

operations, known as "Smart choices for a better world". These include products and solutions for reducing the environmental impact from a lifecycle perspective, such as NCC Green Asphalt and NCC Machine Sand, and products and solutions for managing the negative impact of climate change, such as drainage products and NCC Armour Stone. NCC also has a method for increasing biodiversity in NCC's quarries; refer to Natural resources and biodiversity.

Sustainable Site

NCC has developed Sustainable Site, an in-house work method that entails that all NCC's worksites have a shared foundation upon which to base their sustainability activities, regardless of country or operation, from planning and throughout the course of an entire project. The work method involves using a checklist containing a number of sustainability requirements, with climate impact as one of several important parameters.

The use of Sustainable Site is mandatory for all projects in the Building Sweden business area with a project value exceeding SEK 20 M, in Infrastructure for projects with a value exceeding SEK 100 M, in Building Nordics for projects exceeding NOK 40 M in Norway and DKK 50 M in Denmark, and which is used to some extent in Finland. The Industry business area uses it for quarries in the stone materials segment. Sustainable Site was further developed during the year, whereby changes and stricter requirements were introduced to further support the projects' focus on climate and other sustainability issues. Sustainable Sites are monitored in connection with environmental rounds and internal audits.

Natural resources and biodiversity

GRI 303 Water and effluents

GRI 304 Biodiversity

NCC strives for resource stewardship, to help secure well-managed ecosystems and responsible use of natural resources.

Biodiversity

Method for promoting biodiversity in quarries

NCC works to promote biodiversity at places where gravel pit operations are conducted, both during the production phase and during post-processing in conjunction with pit closures. The extraction of stone materials results in changes in nature. To counter the negative impact, NCC has developed NCC Kielo, a method that promotes biodiversity in quarries, enabling NCC to work in a structured manner based on a number of criteria. Through this work, species can thrive in the unique microclimate created by the quarries. This could involve creating conditions for endangered bird species, insects, amphibians or plants that require infertile soil or other special habitats to thrive and reproduce. To be classified as an NCC Kielo quarry, a systematic preliminary investigation, objectives, a plan, an examination and follow-up of the work, as well as a summary of the biological results for the quarry, is required.

NCC has a total of about 220 quarries in the Nordic region, of which 11 have been approved as Kielo quarries, including four in Denmark, three in Finland, two in Norway and two in Sweden. The target for 2021 was that six new quarries would be approved as Kielo. Three new Kielo quarries were approved during the year.

Property development and projects

NCC has expertise in the area of biodiversity, and this is something that is considered in NCC's construction projects. The business area Property Development business area has the ambition of integrating biodiversity in all projects, on the basis of each project's specific conditions. These initiatives are usually included as

a feature of BREEAM certification. One example is the installation of green roofs in the form of sedum roofs or biotope roofs.

Biodiversity is also an important parameter in infrastructure projects and is addressed on the basis of the requirements and conditions of the specific project. This could take the form of fauna measures under and over roads, ranging from enabling moose to safely cross over roads to frog tunnels and dormouse passages under road structures. It could also involve moving the over-wintering habitats of frogs or auditing of tree stocks when areas are being developed. An example is the upgrade of the Forshuvud hydropower plant, where NCC also built fish routes that bypassed the power station in the Dalälven river for migratory fish that spawn upstream. Other examples include remediation of land areas implemented while taking into account the over-wintering and reproduction periods of species, such as prior to the construction of the Vårvik city district in Trollhättan.

In-house training for project managers includes the topic of species protection and the measures required when protected species are found. During the year, training concerning the handling of invasive species was also implemented.

Raw materials

The construction process is material intensive and considerable resources are required for completing a building or a structure. NCC strives to use natural resources and raw materials as effectively as possible and develops products and solutions so that, with retained quality, resource stewardship is achieved while work is performed efficiently. Read more under Materials and circularity.

Stone materials

NCC strives to extract stone materials responsibly, which is done

at quarries in Sweden, Denmark, Norway and Finland.

NCC primarily uses crushed gravel (stone materials) rather than natural gravel. One of Sweden's environmental objectives is that the use of natural gravel should be avoided to preserve eskers for future water supply. NCC develops substitute products from crushed rock material in order to reduce the use of natural gravel, for example, in the production of concrete.

Sand is a natural resource that is important in construction and production. NCC has developed something called machine sand products as substitutes for natural sand and natural gravel in construction. NCC's machine-made sand is based on stone that is crushed, screened and processed to satisfy customer requirements for various applications. Machine sand can replace natural sand and gravel in the production of concrete and asphalt, and in construction and infrastructure projects. It can also be used in, for example, the sanding of winter roads.

The production of machine sand is also a way for NCC to achieve a mass balance in its quarries, which is important for achieving sustainable operations with a reduced energy consumption and climate impact, and also constitutes a feature of NCC's efforts to protect natural resources.

Mass balance

The objective of achieving a mass balance is to utilize all stone materials that are extracted from a quarry. By aim to achieve mass balance, NCC gains a market for its fine-grained material, as a substitute for natural gravel and sand.

What was previously considered a residual product is washed, processed into a more customized form and used primarily in concrete products. A successful focus on mass balance will reduce energy consumption and carbon emissions. Close cooperation with customers to satisfy their requirements is a prerequisite for successful work to achieve mass balance.

Water

For infrastructure projects, meticulous water management is key. Ahead of every project start, NCC performs thorough analyses and risk assessments concerning the impact on water; how groundwater is affected and how runoff occurs. NCC devises measures for how the projects will be conducted in a way that minimizes the impact on water. The solutions are designed on the basis of project-specific requirements.

In NCC Industry, the use of water has been analyzed, measured and followed up in the asphalt plants and quarries with Environmental Product Declarations (EPDs). The documentation includes the origin of the fresh water that is used (groundwater, surface water, tap water, etc.) as well as the annual consumption of fresh water.

During the year, NCC initiated additional work to analyze its use of and impact on water in order to be able to better measure and report this coming years.

Governance

NCC's Sustainability policy including the Environmental Policy is the governing policy.

Materials and circularity

GRI 301 Materials

GRI 306 Waste

NCC's strives to close the loop and prioritizes the use of sustainable material and product selection, minimizing and responsibly managing the waste that is created in the construction process, and building to enable recycling and reuse.

Design and material selection

Work on issues involving materials, circularity and waste is performed on the basis of each business area's specific conditions and operations.

The materials that have the greatest climate impact are concrete, steel and asphalt. Efficient resource utilization, purchases of materials with the lowest possible environmental impact and increased recycling are key.

NCC strives to close the loops also in the use of other materials, such as rock and soil materials.

Concrete

The climate impact of concrete structures (concrete and steel) is related to the amount and quality of the concrete that is used. More than 90 percent of the climate impact of concrete derives from the manufacture of cement, which is a component in concrete.

NCC conducts thorough and sustained work aimed at implementing continuous improvements in operations to enable efficient resource utilization and have, during the year, analysed its use of concrete. NCC has formulated an internal roadmap, structure and process for measuring and producing quality-assured data with the aim of achieving climate neutral concrete-based construction. This includes reducing the proportion of cement in concrete and reviewing the design of structures to minimize the volume of concrete, while ensuring the right strength and

performance and reducing waste from production, as well as recycling and reusing concrete to the extent possible.

An example of an ongoing project in which concrete with a lower climate impact has been used is E02 Central Station, a part of West Link in Gothenburg. NCC has used concretes for infrastructure including slag when casting diaphragm walls (tunnel walls), whereby about half of the concrete is replaced by slag. Compared with the initial climate calculation and the starting point for the contract, this resulted in a reduction of 17,000 tons of CO₂e emissions. The total reduction in this project compared with the starting point will be 46,500 tons of CO₂e, thanks to NCC's work on formulating optimized concrete recipes.

NCC also conducts research and innovation aimed at optimizing its use of concrete and to promote a circular management of concrete. One of the initiatives is designed to develop sustainable solutions for recycling concrete and binding CO₂ in the concrete waste.

In addition, NCC is cooperating with suppliers, customers and other players in the industry in the areas of product development and innovation. Examples of collaborations with concrete suppliers are initiatives for reducing the proportion of cement in concrete, and using machine sand to replace natural sand or gravel in the production of concrete; also refer to p. 91.

Steel

NCC strives to source steel reinforcement with a low climate impact. To maintain control over the climate impact of the material, NCC mainly purchases steel reinforcement covered by EPDs. Most of the steel reinforcement purchased in Sweden, Denmark and Norway is covered by EPDs. Read more under Climate and Energy.

Asphalt

NCC aims to use recycled asphalt (reclaimed asphalt pavement, RAP) to the greatest extent possible.

Asphalt essentially consists of two components: crushed stone materials and the oil-based resin bitumen, and is 100 percent recyclable. The use of recycled asphalt reduces the consumption of bitumen and virgin stone materials.

Recycling occurs by mixing used asphalt into the new asphalt manufactured in asphalt plants. The asphalt can also be recycled on site during the paving of roads, using what is known as the repaving or remixing method. The degree of recycling is mainly determined by rules and regulations, and by the method chosen and the capacity of the asphalt plants.

All of the paving that is removed in connection with repaving or maintenance, where NCC can determine the degree of recycling, is recycled. NCC uses as much of the recycled asphalt as is permissible by rules and regulations and authorities, and continuously improves the methods and the recycling capacity of its asphalt plants.

In 2021, recycled asphalt accounted for 26 percent (26) of the total production of asphalt.

The inclusion of recycled asphalt means that GHG emissions are approximately 16,800 tons lower per year, compared with if the asphalt had been produced using conventional technology without having the recycled asphalt mixed in.

Rock and soil material

The circularity of rock and soil material is a complex yet important area where the intention is to reduce the climate impact related to extraction, excavation and transportation of rock and soil masses, and preventing the depletion of natural resources.

The Industry business area is working to promote the reuse and recycling of stone materials, soil masses, gravel, concrete, asphalt and garden waste, and both purchases and receives materials from NCC's other business areas, and from external customers. The business area aims to increase the volume of materials received for reuse and recycling and to increase the volume of sold recycled materials. In 2021, NCC received 493 ktons of material for reuse and recycling (excl. asphalt) and sold 738 ktons of recycled materials (excl. asphalt). This can be compared with 2020, when NCC received 312 ktons and sold 729 ktons of recycled materials.

Recycling and reuse

The construction waste generated at construction sites represents great potential because it can be used in other projects. NCC engages in internal cooperation between various functions and business areas, and also with suppliers, to develop new ways of reducing construction waste and reintroducing it into production, and reusing and recycling materials.

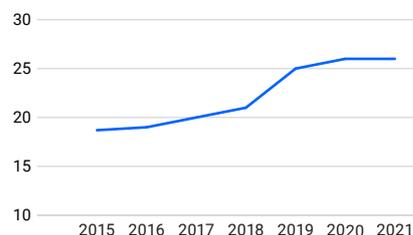
Cooperation concerning circularity also occurs between property development and contracting operations, on the basis of the projects' specific conditions.

Traceability

NCC aims to only use materials and products that are sound from an environmental and health perspective. Ultimately, the aim is to be able to recycle all input materials in buildings when the service life of the building expires. A crucial link in the transition to the use of more recyclable products and materials is to impose requirements on suppliers and to work with traceability throughout the value chain.

NCC's digitization work supports the Group's sustainability ambitions. Digital models and tools are a prerequisite for work to, for example, minimize production waste, make the right selection of materials while considering their lifecycle impact, manage chemical contents and increase recycling of building materials in connection with renovation and demolition.

Reclaimed asphalt pavement (RAP), %



As a result of the increased amount of RAP, the climate impact of all the asphalt NCC produced during 2021, were 5,300 ton CO₂e lower compared to 2015.

Återhus

The research project called Återhus (Building Recycling) is an initiative in Sweden in which NCC is working to promote circular work methods and utilize materials and components from buildings. In this project, NCC is cooperating with other industry players to enable the reuse of heavy building components, with the focus on framework features and concrete for reuse in new building and refurbishments.

Other circular initiatives include a project for the recycling of linoleum flooring. By collecting removed linoleum flooring, the material can be used as raw material in the production of new flooring. Residue from the material can be used as filler in the production of new linoleum. The climate saving from each square meter of linoleum flooring in the project is about 5 kg of CO₂e.

NCC is also working for the materials recycling of obsolete windows, whereby processes have been established for the disassembly and return of windows for circular reuse, and for the recycling of construction pallets. The initiative involving the recycling of construction pallets contributes to financial savings through reduced container costs and compensation for returned pallets, while also reducing the amount of waste at construction sites and reducing carbon emissions from the production of new pallets. In 2021, NCC returned just over 26,000 pallets in Sweden.

Award-winning pioneering project

At the construction of the Kristian Augusts Gate 13 (KA-13) office building in Oslo, NCC's subsidiary Haandverkerne together with a number of other companies have been working jointly to efficiently increase the reuse of materials. About 80 percent of the material used in the office building consists of recycled materials: steel, used doors, windows, toilets, tiles, etc. This is the single largest construction project in Norway in terms of the reuse and recycling of materials, and it can contribute knowledge to the entire industry.

GHG emissions, including from energy, materials use and transportation, have been reduced by about 70 percent compared with conventional new production.

The KA-13 project won Oslo Municipality's environmental award and is an example of where NCC's expertise in reuse has contributed to an award-winning project with extraordinary solutions.

Circular handling of excavation mass

In connection with infrastructure projects, NCC aims to not excavate more rock and soil material than is necessary, and the company strives to increase the reuse of excavation masses that were previously sent to landfill.

This reuse shall occur either within the specific project or in a closely located project that needs filler materials, and where the excavation mass has the technical and environmental qualities that are required.

During the year, NCC worked to improve the prerequisites for a circular handling of excavation mass, such as rock that includes traces of sulfide. A systematic sampling and chemical analysis of the rock is currently conducted to identify suitable projects for receiving the material. This method has been used, for example, in the handling of excavated rock from the expansion of the Stockholm subway.

Governance

In construction projects, specific material choices are made based on the projects or customer's requirements, needs and wishes. Certification systems can also set requirements for material choices.

NCC works to ensure traceability with the help of GTIN, which is then registered in logbooks etc. To support effective management and follow-up, NCC is certified and works in accordance with ISO 14001 and ISO 90001.

Waste

NCC is working actively to adapt to circular flows and to minimize the waste that arises throughout the construction process. NCC collaborates with various players in the value chain in order to adapt to a circular and sustainable construction process, and to minimize the negative impact on people and the environment, such as the waste that construction gives rise to.

Impact of waste on people and their surroundings

Following mining, construction and civil engineering is the sector in Sweden that generates the most waste¹⁾. Construction and demolition waste causes large amounts of GHG emissions throughout the value chain, from the extraction of natural resources and production of materials to waste management during construction and demolition. Construction and civil engineering products contain hazardous substances that can result in damage and inconvenience for people's health and the surrounding environment; such as leakage to soil and water caused by poor waste management practices.

NCC's work throughout the construction process

NCC works to promote the efficient use of materials and chemical products from a lifecycle perspective and bases its work on the EU's waste ladder, whereby the order of priority is primarily to prevent the generation of waste followed, in a falling scale, by reuse, materials recycling, energy recovery and the final recourse disposal, i.e. depositing waste in landfills.

Preventive work at early stages of the process is important to achieve favorable results. This involves legal and customer requirements, as well as ensuring well-functioning design, planning and project engineering in which targets and actions for circularity and waste are integrated. Efficient work is under way in all business areas, which includes utilizing more recovered materials, ensuring the use of non-hazardous materials, standardized construction with made-to-measure and prefabricated products to reduce waste, and designing the buildings so that it is possible to reuse and recycle.

At construction sites

At the construction sites, NCC works to reduce the use of materials and prevent the occurrence of waste. NCC has stringent demands for the sorting of waste in its operations and has solutions for re-introducing construction waste and materials within the operations.

Significant activities include ensuring that surplus purchased materials can be reused, protecting weather-sensitive materials, minimizing packaging through intelligent transport solutions and having a well-developed sorting system. In respect of chemicals, a list of chemicals is formulated to ensure they are managed correctly from a waste perspective.

Waste per built area

Built area (m ²)	Total amount of waste (kg)	Kg waste/m ²
513,208	19,573,681	38.1

The table contains data on newly produced buildings where the projects were completed during 2021.

Organizational aspects include having a designated person in charge of waste management for projects, having a waste management plan and holding regular meetings. In addition, NCC employees receive regular training and information. NCC's requirements pertain to both its employees and all subcontractors who work at NCC's construction sites.

The principal categories of materials that give rise to large amounts of waste are gypsum, plastic, concrete, bricks, wood and metals. The most common types of residual products that are returned through circular flows are currently pallets, flooring waste, gypsum, brick and plastic. By expanding cooperation with suppliers, there is great potential to increase the circular use of the various residual products that arise, such as packaging material.

Business models and partnerships in the value chain

NCC collaborates with such players as suppliers, hauliers and waste contractors in order to increase circular flows and minimize waste, and to work for resource-efficient management of the waste that arises. This includes development work and initiating various pilot projects. NCC also participates in research projects in the area such as circular projects concerning packaging plastics in the construction industry together with Chalmers Industriteknik, and digital innovation in circular business ecosystems together with Ragnsells and RISE.

Targets and plans moving forward

Working for increased circularity, such as sustainable materials and design choices, is of great significance to the Group's success in achieving its target of climate neutrality. For example, Building Sweden has set a target that by 2045 circular material flows will be integrated in all projects. By 2030, the aim is that the plastic delivered to NCC's worksites in Building Sweden will consist of at least 30 percent recycled materials and be 100 percent recyclable.

Amounts of waste by type and disposal method

Residual product and waste category	2021		2020		2019	
	Total weight, tons	%	Total weight, tons	%	Total weight, tons	%
Non-hazardous waste						
Sorting	5,961	11	8,189	17	9,802	19
Energy recycling	7,617	14	9,023	19	8,894	18
Reuse/materials recycling	37,036	69	27,563	58	27,662	55
Plastic	1,069					
Wood	14,149					
Gypsum	3,825					
Metal	11,664					
Concrete, bricks, tiles	1,546					
Other reuse/recycling	4,783					
Landfill	2,445	5	2,194	5	2,887	16
Hazardous waste						
Special treatment	608	1	611	1	813	2
Total amount	53,667		47,580		50,058	

In 2021, the total amount of waste increased somewhat, in part due to reporting being expanded to include more fractions. However, the rate of sorting targeted at reuse/recycling continues to rise and has risen from 48 percent in 2016 to 69 percent in 2021. Work is continuing to reduce the amount of waste and to ensure that the rate of sorting continues to increase during 2021. The statistics cover traditional construction waste. Soil, stone and fill materials, which are directly dependent on the projects' geography, are usually handled separately and are not included in the statistics. Concrete, bricks and tiles/clinkers are recycled to some extent and are reported for parts of the operations.

¹⁾ Report on waste: https://www.avfall Sverige.se/fileadmin/user_upload/4_kunskapsbank/Svensk_Avfallshantering_2020_publ2021_01.pdf

NCC reports its waste from the production of buildings and constructions (Building Sweden, Building Nordics and Infrastructure) according to the categories in the table on p.90.

Reporting principles

NCC compiles statistics over its waste via waste-management suppliers and they are summarized per unit (division or business area). The statistics are subsequently aggregated and summarized at Group level.

Governance

NCC follows up and governs the waste activities conducted at the construction sites through regular checks of waste statistics, at production meetings and during environmental rounds. NCC has established partnerships for handling the waste that arises at construction sites.

In Sweden, NCC has established a partnership with Ragnsells for recycling and sorting of waste in various categories. Ragnsells compiles and supplies waste statistics to NCC on a regular basis. NCC and Ragnsells also engage in a regular dialogue to initiate measures that increase circular flows.

Climate and energy

GRI 302 Energy

GRI 305 Emissions

NCC strives to eliminate emissions from the entire value chain, increase energy efficiency and enable adaptation to climate change. NCC's target is to become climate neutral by 2045.

The construction industry accounts for considerable GHG emissions and the climate is a high-priority issue for NCC. To lower its climate impact, NCC focuses on materials and transportation used by the Group and works to increase the use of renewable fuels and electricity, improve energy efficiency and implement process improvements.

Reduced climate footprint

NCC works in a focused and determined manner to eliminate carbon emissions from the entire value chain, which is essential to achieve climate neutrality. Cooperation and dialogue with customers, suppliers and other stakeholders for the implementation of measures and changed work methods is of the utmost importance.

NCC's target is to reduce emissions from its own operations (Scope 1 and 2)¹⁾ by 60 percent measured in tons of CO₂e/SEK M of sales by 2030 (base year 2015). Emission intensity in 2021 amounted to 3.5 CO₂e tons/SEK M, corresponding to a reduction of 41 percent compared with 2015. Carbon emissions related to purchases of electricity, district heating and district cooling declined during the year. This was largely due to energy efficiency improvements, and an increased use of electricity from renewable sources. The share of renewable fuels also increased during the year. However, carbon emissions related to fuel rose slightly, due to an increase in the total amount of purchased fuels.

Scope 3

The four areas where the climate impact is the greatest involve emissions related to concrete, steel, asphalt and transportation. During the past year, NCC worked to analyze the climate emissions in these categories and to identify the processes and actions required to achieve the set targets. Collecting quality-assured data regarding concrete, steel, asphalt and transportation is a key piece in the puzzle in the work to reduce emissions.

The target for concrete, asphalt and steel is to reduce CO₂e emissions by 50 percent by 2030, measured as kilograms of CO₂e per purchased volume, compared with 2015. Initially, volumes for ready-mix concrete, steel reinforcement and internally purchased asphalt are reported.

NCC's ambition is to include more products in the above-mentioned categories, as well as additional categories, in order to steadily cover an even larger share of the Group's Scope 3 emissions.

The target for transportation is to reduce CO₂e emissions by 50 percent by 2030, compared to 2015. Work is under way to analyze and measure emissions from transportation.

Concrete

To reduce the climate impact and achieve a reduction of 50 percent by 2030, NCC has formulated an internal roadmap and processes for measuring and producing quality-assured data, with the aim of achieving climate neutral concrete construction. For the entire operation, this entails optimizing the concrete mixes and mixing in various additives, such as fly ash and slag, reviewing the design of structures to minimize the use of concrete, and ensuring the right strength and performance from both a technical production viewpoint and in the finished structures. Other measures include reducing waste from production, as well as recycling and reusing concrete to the extent possible. Read more about concrete under Materials and circularity.

Asphalt

NCC's asphalt production accounts for 36 percent (38) of the Group's carbon emissions (Scopes 1 and 2). The asphalt division's total carbon emissions from both asphalt production and paving accounts for 59 percent (61) of the Group's total emissions (Scope 1 and 2).

The primary measure to reduce the climate emissions is a continued conversion of asphalt plants to the use of biofuels. All asphalt plants in Sweden have now been converted for the use of biofuel. In Sweden, the target is that at least 95 percent of the energy used in the asphalt plant will come from biofuel (primarily wood pellets), as of 2024. This can be compared with 2015, when the proportion of biofuels was 53 percent.

In Norway, NCC intends to convert all asphalt plants from being heated only by fossil LPG and heating oil to being heated with biofuel, primarily wood pellets. The target is to convert all asphalt plants in Norway by 2030, if the right conditions exist. The supply of wood pellets, a challenging geography and a shortage of physical space at certain asphalt plants are limiting the conversion.

¹⁾ Scope 1: Emissions related to fuel consumption in asphalt plants, and from own vehicles and machinery. Scope 2: Emissions related to the production of electricity, district heating and district cooling used in the operations. Scope 3: Indirect emissions from purchased material and external services, travel, subcontractors' vehicles and machinery and transportation, as well as demolition of the Group's products and waste.

At two of the largest asphalt plants in Denmark, NCC is investigating the potential to convert from natural gas to biogas. These two plants account for about one third of the business area Industry's total energy consumption from asphalt production in Denmark.

NCC is also working to replace fossil bitumen with bio-resins in the asphalt.

Green asphalt

NCC aims to develop more environmentally compatible asphalt products and increase the portion of recycled asphalt in production. Read more under Materials and circularity.

NCC Green Asphalt is the collective name for NCC's method of producing asphalt that results in significantly lower carbon emissions than conventionally produced asphalt. The method involves the mixing in of recycled asphalt, a lower manufacturing temperature and the use of biofuel. NCC currently has 56 asphalt plants, all of which apart from one produce NCC Green Asphalt.

Steel

In order to halve the climate impact of steel reinforcement, well-informed purchasing from producers who provide products with a lower climate impact is crucial. Environmental Product Declarations for materials are used in the supplier assessment to ascertain whether the suppliers fulfill NCC's requirements.

Reinforcement made from recycled steel is also a key component in NCC's journey toward climate neutrality. By using recycled steel, energy consumption can be reduced by up to 75 percent²⁾ compared with production of ore-based steel.

In order for steel reinforcement to be made fossil-free, new technologies are needed for the production of steel. This is exemplified by the HYBRIT initiative³⁾, in which NCC have constructed a geological repository for the storage of hydrogen, to enable fossil-free steel production. The process for the production of fossil-free steel entails that the reduction of iron ore will not result from the use of coal and coke but by using hydrogen gas produced from fossil-free energy sources. The iron is smelted using an arc furnace that is also fueled by fossil-free energy sources.

Transport

NCC is working to reduce carbon emissions by optimizing its logistics chains and increasing the efficiency of transportation.

Major efforts are required to meet the target of a 50-percent cut in carbon emissions. NCC engages a large number of sub-suppliers for transportation, and it is essential that work on data collection and emissions reduction includes these and thus also promotes the climate work of all players.

During the year, NCC initiated a program to analyze transport emissions, both its own and those from purchased transportation.

The focus have been on formulating action plans and processes for data collection.

An important measure for reducing the number of transport journeys is to optimize loading work at construction and civil engineering projects. Ensuring optimal truck loads results in both reduced emissions and lower costs. Digital tools for a structured collection of data provide insights that can lead to better planning of transport work and simplified administration.

Measures implemented during the year to reduce the climate impact also included the Industry business area's analysis of how machinery is used and eco-driving training for wheel loader operators, with the aim of reducing idling time.

NCC is also participating in external initiatives, such as developing an industry-wide standard for reporting emissions from transport, and is playing an active role in the Energy Management System for Installations (ELSA) project, which is being implemented by the Swedish Transport Administration and the KTH Royal Institute of Technology, with the aim of reducing the use of energy in the transport sector.

Energy

Central to efforts to reduce the carbon footprint include the energy efficiency of processes and production, and replacing fossil energy sources with renewable ones.

Carbon emissions related to purchased fuels, and electricity, district heating and district cooling, have declined since 2015.

To continue to reduce carbon emissions, NCC is working with a series of initiatives such as continued energy-efficiency improvements, an increased mix of renewable fuel in machinery, a continued transition to green-labeled electricity and electrification of machinery and worksites. Property Development strives to follow up the energy performance of all of its projects.

Asphalt plants

An important measure during the year was to continue to phase out fossil fuels and to continue to convert asphalt plants to the use of biofuel, whereby fossil fuels have primarily been replaced by wood pellets (read under Asphalt, above).

Considerable work during the year was also devoted to reducing the number of starts and stops of asphalt plants in order to reduce energy consumption.

Additional actions include reducing moisture in the stone materials mixed into the asphalt and to keep them dry, in order to reduce energy consumption in connection with asphalt production.

Energy audit

NCC continued the energy audit of its own operations in Sweden in order to identify possible energy-saving potential in production.

District heating/district cooling use within the organization

MWh	2021	Change compared with base year 2015, %	2020	2019	2018	2017	2016	2015
District cooling	0	-100%	75	598	624	22	1,286	209
District heating	27,647	-44%	29,560	42,508	29,156	29,207	48,933	49,239
District cooling/district heating, total	27,647	-44%	29,635	43,106	29,780	29,229	50,219	49,448

The need for district heating and district cooling varies from year to year. The amount of district heating and district cooling that is purchased depends to a large extent on the projects that were under way during the year, their placement and the phase of the project.

Electricity use in the organization

MWh	2021	Change compared with base year 2015, %	2020	2019	2018	2017	2016	2015
Electricity from renewable sources ¹⁾	162,558	59%	159,561	157,204	152,259	118,754	108,927	102,360
Other electricity	8,879	-93%	12,037	13,535	18,559	55,259	102,861	131,120
Electricity, total	171,437	-27%	171,598	170,736	170,817	174,013	211,787	233,480

¹⁾ Hydroelectric and wind power.

²⁾ <https://celsa-steelservice.se/kvalite-och-miljo/gront-stal/>

³⁾ <https://www.hybriddevelopment.se/en-fossilfri-framtid/en-vardekedja-for-fossilfritt-stal/>

The audit includes worksite visits, measurements and calculations at asphalt plants and quarries, as well as at construction sites. On the basis of the audit, actions to reduce energy consumption can be identified and taken.

NCC is conducting a number of development projects and initiatives aimed at reducing energy consumption. One development initiative is the Gullåkraskolan school in Staffanstorp, Sweden, where the anticipated cost of district heating was halved for heating and drying during the production period. By carefully controlling and regulating the supply of heat, moisture levels and temperatures in premises, energy consumption was reduced drastically. The actual consumption of district heating in the project was 56 percent lower than in the original production costing, which corresponds to 14.4 tons of CO₂e.

Renewable electricity

NCC has set a target of only purchasing renewable electricity. In 2021, the portion of renewable electricity was 95 percent (93) of the total consumption of electricity.

The Property Development business area's ambition is that every building should produce local energy on site.

Increased electrification

During the year, NCC increased the electrification of machinery, such as mobile crushers in quarries and machinery in construction projects, and worked to increase the electrification of worksites.

In Norway, the Group continued to focus on having fossil-free worksites, meaning only fossil-free fuels or electric machinery were used at the worksites, and two construction sites in Oslo have set the target of becoming emissions free.

Electrified production worksite

Development projects launched during the year include the Electric Worksite in Gothenburg, where NCC and a number of other players are testing how electric machinery such as wheel loaders, wheeled excavators and belt diggers can function and be integrated in real environments in construction and civil engineering projects, as well as in connection with road maintenance and snow clearance. The aim is to achieve a fully electrified production worksite.

Fossil-free Sweden

NCC has participated in Fossil-free Sweden since 2018. This initiative forms a platform for collaboration and dialogue among more than 300 players intent on making Sweden independent of fossil fuels. Work on implementing this roadmap continued in 2021.

Climate change – risks and opportunities

NCC depends on large quantities of raw materials, fuel and other resources to conduct its operations. Changes in supply, price and availability of these products due to climate change, and future

taxation of fuel, energy or carbon dioxide could affect NCC's cost base. NCC endeavors to achieve a long-term reduction in its climate impact, phase out fossil fuels and move towards a more circular use of raw materials. Climate change, such as extreme weather, flooding and rising temperatures, can also lead to changed construction processes and changed conditions for conducting construction and civil engineering operations. The risk of flooding, erosion and earthquakes can also have a negative impact on the safety of employees, as well as on the storage of materials at construction sites.

NCC develops materials and products that help society to adapt to a changed climate, such as drainage products, while buildings and civil engineering projects are increasingly being designed to cope with future climate effects.

NCC conducts risk assessments of all of its projects. Read more about climate-related risks and opportunities on p. 84.

Targets

NCC's target is to become climate neutral by 2045. The interim targets are:

- 60 percent reduction in CO₂e (Scope 1 and 2) by 2030 (base year 2015), measured as tons of CO₂e per SEK M of sales.
- 50 percent reduction in CO₂e (Scope 3) by 2030 (base year 2015), from concrete, asphalt, steel, and transportation⁴⁾ measured as kilograms of CO₂e per purchased volume. Initially, volumes for ready-mix concrete, steel reinforcement and internally purchased asphalt are reported.

NCC's ambition is to include more products in the above-mentioned categories, as well as additional categories, in order to steadily cover an even larger share of the Group's Scope 3 emissions.

Outcome and comments

Emission intensity amounted to 3.5 CO₂e tons/SEK M in 2021, which means that emissions related to Scope 1 and 2 have declined by 41 percent since 2015. Carbon emissions related to purchases of electricity, district heating and district cooling declined during the year. The share of renewable electricity continues to increase and now accounts for 95 percent of purchased electricity. The share of renewable fuels also increased during the year. In total, however, a slight rise in total Scope 1 emissions was noted, due to an increase in the total amount of purchased fuels. One reason for this could be a partially changed collection method of fuel related data, which is intended to capture data on a more detailed level, as well as variations in the operations. For Scope 3, refer to the graphs on p. 94.

Reporting principles

For calculating emissions, conversion from consumption to emissions has been conducted in accordance with the Greenhouse Gas Protocol. The market-based calculation method is used to measure

Fuel use¹⁾ in the organization

MWh	Change compared with		2020	2019	2018	2017	2016	2015
	2021	base year 2015, %						
Renewable fuels	192,683	84%	164,725	137,273	111,879	114,206	87,893	104,786
Fossil fuels	751,719	-27%	746,055	854,982	889,356	951,544	906,966	1,034,349
Fuels, total	944,402	-17%	910,780	992,255	1,001,234	1,065,750	994,854	1,139,135

¹⁾ Fuels include purchased fuels for vehicles, heating, industrial processes and, for example, drying processes at construction sites. NCC continues to reduce its use of fossil fuels. Since 2015, use has been reduced by 27 percent, due largely to the conversion to biofuels in Swedish and Norwegian asphalt plants.

Total energy consumption¹⁾ in the organization

MWh	Change compared with		2020	2019	2018	2017	2016	2015
	2021	base year 2015, %						
Energy consumption, total	1,143,487	-20%	1,112,013	1,206,097	1,201,831	1,268,992	1,256,865	1,422,063

¹⁾ Total energy consumption is a sum of reported energy usage for electricity, district heating and cooling, and fuels.

⁴⁾ Emissions from transportation were not reported for 2021.

GHG emissions from electricity and heating. The location-based calculation method is also reported, but this does not form the foundation for measurements concerning the climate targets. NCC does not use climate compensation. Information on purchases of fuels, electricity, heating energy, ready-mix concrete, steel reinforcement and asphalt is collected from NCC's suppliers. Tolero, an in-house developed digital tool, has been used to compile the statistics that form the basis for the reported climate data. In those cases where NCC does not use supplier-specific emission factors, emission factors from DEFRA or the Swedish Environmental Protection Agency are used, depending on applicability.

During 2021, work to request specific data from suppliers in the Nordic region was intensified in order to obtain a comprehensive impression of NCC's climate footprint. The potential for what is possible to request concerning historical figures varies among countries and suppliers.

Figures concerning concrete include data on ready-mix concrete. Underlying data on volumes, including connected EPD-based emission factors for specific products, was obtained from the various suppliers for the Swedish market. In other markets, volumes derive from suppliers; however, in those cases where product-specific emission factors are lacking, industry-specific, or official generic, emission factors for the various resilience category have been used.

Emission levels are directly related to technical requirements for various types of building structures, and the project portfolio varies over time. 2015 has been chosen as a base year to correspond to the base year for energy, asphalt and steel. Work is in progress to set a base level that reflects our product mix and variations among

countries, as well as to comply with a forthcoming industry base level. Using materials more efficiently and reducing the use of materials through, for example, design optimization and reduced waste is a key feature of the work to reduce the climate impact of the construction sector. Accordingly, the base level for concrete will be supplemented with a performance indicator, so that the impact of reduced volumes is included.

For asphalt, the climate impact is calculated according to the standard for Environmental Product Declarations (EPD). For 2021, data is reported for internally purchased asphalt, which accounted for about 85 percent of the total volume of purchased asphalt. Work is in progress to be able to report quality-assured data about the total volume of purchased asphalt.

For steel, NCC's base level for reinforcement is based on a summary of the figures obtained from clients, industry organizations⁵⁾ and steel reinforcement producers in Europe and their EPDs. The levels of CO₂e for steel vary considerably depending on the amount of waste metal used in production and the energy efficiency of the producer. The base level for steel reinforcement has been set at 1,000 kg of CO₂e/ton and the base year is 2015. The climate impact is shown as of 2017, because no previous data is available. Data from Finland has been excluded from the report, because no quality-assured EPD figures have been reported for Finland. Data with figures recalculated from purchasing volumes is not included, due to inadequate reliability. NCC also purchases other types of steel, such as structural steel used in frameworks. Work is in progress to be able to also report the climate impact of these types of steel.

In order to support effective management and follow-up, NCC is certified and works in accordance with ISO 14001 and ISO 9001.

⁵⁾ Swedish Transport Administration (2018) Klimatkalkylmodell 6.0. <http://webapp.trafikverket.se/Klimatkalkyl/>, Rekommendationer för klimatkrav i upphandling (byggforetagen.se) https://byggforetagen.se/app/uploads/2020/10/Rekommendationer_h%C3%A5llbar_upphandling_bygg_anl%C3%A4ggningsbranschen.pdf, Indicator data report 2021.pdf (worldsteel.org) <https://www.worldsteel.org/en/dam/jcr:250286d3-431b-43a2-9665-51b5abb19e9d/Indicator%20data%20report%202021.pdf>

GHG emissions from NCC's operations

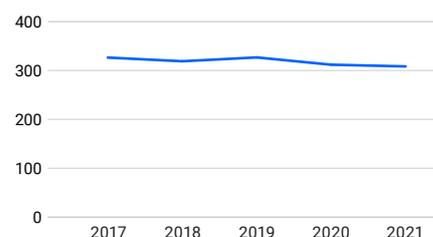
Market-based calculation method	Change compared with		2020	2019	2018	2017	2016	2015
	2021	base year 2015, %						
GHG emissions, ¹⁾ CO ₂ e (thousand tons)	185	-41%	185	216	227	260	267	312
- of which, Scope 1 ²⁾	181	-29%	179	209	217	234	223	255
- of which, Scope 2 ³⁾	4	-94%	6	7	10	26	44	57
Net sales, SEK M	53,414	1%	53,922	58,234	57,346	54,608	52,934	53,116
Emission intensity, CO ₂ e (ton)/SEK M	3.5	-41%	3.4	3.7	4.0	4.8	5.0	5.9
CO ₂ e (ton)/MWh	0.163	-26%	0.166	0.179	0.189	0.205	0.212	0.219
Location-based calculation method, CO ₂ e (tons)	9,619	-60%	11,217	12,184	11,360	11,078	8,929	24,280

¹⁾ The greenhouse gases N₂O, CH₄ and CO₂ are included in the calculations.

²⁾ Refers to direct emissions from NCC's operations, of which 0.8 (tons 000) derived from the combustion of biomass (2021).

³⁾ Refers to indirect emissions from electricity and heat.

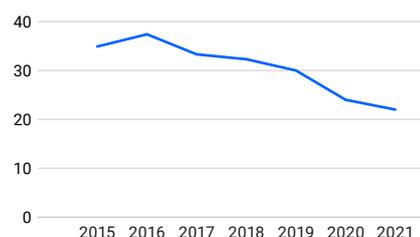
Concrete (kg CO₂e/m³)



Outcome 2021: 6 percent from 2017

The above graph shows the mean value for emissions from ready-mix concrete in CO₂e/m³. Work on collecting data is under way. The report is based on data from Sweden for 2017–2021, Denmark for 2020–2021, Norway for 2017–2021 and Finland for 2020–2021.

Asphalt (kg CO₂e/ton)



Outcome 2021: 37 percent from 2015

The above graph shows the volume of internally purchased asphalt, which corresponds to about 85 percent of the total volume.

Steel reinforcement (kg CO₂e/ton)



Outcome 2021: 41 percent from 2015

The above graph shows data on steel reinforcement in 2017–2019 for Sweden and Norway. Data on Denmark is also included for 2020 and 2021. The base level for steel reinforcement derives from a summary of the figures obtained from clients, industry organizations and steel reinforcement producers in Europe and their EPDs. For more information, refer to the reporting principles above.

Health and safety

GRI 403 Occupational health and safety

NCC shall have a safe, secure and healthy work environment. NCC's goal is to reduce common accidents and eliminate serious incidents and fatal accidents.

NCC has a corporate OHS target for the number of accidents in relation to hours worked (known as Lost Time Injury Frequency, LTIF). The target for 2022 is an accident frequency rate of 3.0 for accidents resulting in more than four calendar days of absence per million working hours. During 2021, this accident frequency rate was 3.7.

Covid-19

Work during 2021 was naturally impacted by the coronavirus pandemic. NCC took a number of actions to minimize the spread of infection of the coronavirus at its worksites. These included thorough risk assessments, extensive information activities, arranging for Covid testing in certain situations, and systematic management of contagion risks and outbreaks of the disease. It was possible to continue operations at NCC's production worksites throughout the pandemic, although visits were subject to clear restrictions. This meant that OHS audits by both managers and OHS personnel were minimized. Administration of and improvements in OHS efforts, performed by office staff, continued successfully, from home and using virtual channels.

New strategic direction

During the year, NCC formulated a new strategic direction for OHS work in order to reduce accidents in general and eliminate serious accidents and incidents. The serious accidents are to be prevented by focusing on activities to identify root causes in the three high-risk areas: heavy lifting by cranes, working at heights and working close to and around heavy machinery. Activities include good planning, safe behavior and technical safety barriers. Action plans for these areas will be implemented in all business areas in 2022.

Sickness absence¹⁾ NCC employees

	Sickness leave, % All types of illness and poor health		
	2021	2020	2019
Sweden	3.3	3.5	2.9
Norway	5.3	5.8	4.7
Denmark	4.0	3.7	3.6
Finland	2.7	4.2	3.8
Total	3.6	3.6	3.1

¹⁾ From NCC's OHS system and payroll system.

Work-related injuries, injury frequency and fatalities

	Work-related fatalities			Accident frequency rate for work-related fatalities			Very serious work-related injuries ¹⁾			Accident frequency rate for very serious work-related injuries				
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019		
Sweden	NCC employees		0	0	0	0	0	0	7	4	3	0.55	0.29	0.20
	Subcontractors		1	1	1	0.05	0.11	0.11	8	0	0	1.06	0	0
Norway	NCC employees		0	0	0	0	0	0	1	0	0	0.33	0	0
	Subcontractors		0	0	0	0	0	0	0	0	0	0	0	0
Denmark	NCC employees		0	0	0	0	0	0	1	4	0	0.30	1.13	0
	Subcontractors		0	0	0	0	0	0	0	0	0	0	0	0
Finland	NCC employees		0	0	0	0	0	0	1	2	2	0.47	0.80	0.71
	Subcontractors		0	0	0	0	0	0	5	0	0	1.74	0	0
Total	NCC employees		0	0	0	0	0	0	10	10	5	0.46	0.42	0.20
	Subcontractors		1	1	1	0.13	0.04	0.04	13	0	0	0.69	0	0

Note) Subcontractors also include hired staff. Data for NCC's employees are collected from NCC's system for OHS and payroll system. The total number of hours worked for NCC's employees and external staff (subcontractors and hired staff) is 40,350,960 hours.

¹⁾ Injury with permanent impact or over 30 days of absence.

Zero accidents

An example of OHS work leading to favorable results is the Stone Materials Denmark department, which achieved the milestone of not having a single accident leading to absence over a 12-month period.

Risk work

A decisive factor for the OHS work is being able to anticipate and eliminate the work features or situations that create accident risks. NCC is working to ensure that all NCC employees and subcontractors will display good risk awareness. Every workday starts with a daily safety briefing to make all employees aware of potential risks connected to the day's work, and to ensure that the risks are addressed before work commences. There is also NCC's Time Out concept, which empowers all employees to have work suspended if a new, unexpected risk or unhealthy situation arises, and to have the matter addressed and thus enable work to be resumed in a safe manner.

In addition, risk efforts are built into NCC's procedures, such as the requirement that a risk assessment must be performed for the entire project before any project starts. The risk assessment must also include a safety assessment for every risk work aspect.

Apart from the high-risk areas for serious injuries, the greatest risks are the risk of illnesses for employees working in production connected to asbestos, strain injuries and working with quartzite dust. Viewed over the entire organization, organizational and psychosocial health is a risk. Dislocation, strain and stretch injuries, broken bones, sores and other superficial injuries are the most frequently occurring injuries in all countries.

Data-informed development

All accidents and incidents are to be reported in NCC's Group-wide OHS reporting tool. This can be done online or via a mobile app.

Close calls and observations¹⁾

	2021	2020	2019
Sweden	11,648	10,520	8,413
Norway	4,658	6,023	5,290
Denmark	9,935	8,723	6,440
Finland	11,342	11,641	17,825
Total	37,583	36,907	37,968

¹⁾ From NCC's OHS system. Data includes NCC employees and sub-suppliers

Work-related accidents/injuries, accident frequency rate and fatalities, continued

		Accidents/injuries resulting in one day or more of sickness absence			Accident frequency rate for accidents resulting in one day or more of absence from work per million worked hours			Injuries not leading to lost time		
		2021	2020	2019	2021	2020	2019	2021	2020	2019
Sweden	NCC's employees	95	103	116	7,5	7,4	7,5	288	399	418
	Subcontractors	76	86	133	25,3	9,3	14,4	179	197	223
Norway	NCC's employees	11	6	10	3,7	2	3	53	49	76
	Subcontractors	5	5	4	1	0,9	0,6	10	11	14
Denmark	NCC's employees	28	33	28	8,6	9,3	8	120	133	117
	Subcontractors	29	19	28	7,7	5,1	8,9	34	32	16
Finland	NCC's employees	14	13	20	6,6	5,2	7,2	22	28	117
	Subcontractors	43	57	53	15	13,7	13,3	47	28	34
Total	NCC's employees	148	155	176	6.9	6.7	7	483	609	728
	Subcontractors	153	167	218	8.2	7.4	9.5	270	268	287

The system can be used by anyone who is present in any of NCC's worksites. In this system, a report of an accident is sent to the manager in charge, who has been assigned to follow up and formulate safety improvements.

The system also includes a feature for reporting positive and negative safety observations. Such reporting promotes the employees' commitment to safety work, provides the organization with potential to identify any risks at an early stage and highlights role models.

The data collected in the incident reporting system is used at a more general level to assess risks and formulate joint solutions, as well as for reporting.

Work environment partnerships

NCC has several important partners in its efforts to improve the work environment. There is well-established cooperation with trade unions, safety officers and NCC's OHS Councils. The OHS Councils consist of representatives of all trade unions and encompass all employees who have influence over decision making on NCC's OHS matters.

NCC participates in a number of external forums and industry-wide initiatives that work to promote increased safety and for a positive impact on OHS. The experience exchanges include the ENCORD European network, Håll Nollan in Sweden and the Danish collaboration Business Panel at the National Research Centre for the Working Environment (advisory board for research institution).

Occupational healthcare

NCC provides occupational healthcare through external care providers in accordance with each country's social insurance system.

All personal data is processed according to GDPR. Occupational healthcare is provided to employees during working hours.

In Sweden, the Frisklinjen (Health Line) service, whereby the employees gain access to professional healthcare advice, is a feature of occupational healthcare. This also provides NCC with support for addressing the employees' health, for example, when the healthcare provider, through information from Frisklinjen, can draw attention to repeated short-term absence and work-related illness. NCC's sub-suppliers manage their employees' health and medical care according to their respective trade union agreements.

Training and commitment

A crucial factor for systematic safety activities is collecting knowledge (see above under Data-informed development) and ensuring that the people who are to perform the work have the right training. For this reason, it is mandatory for all employees and subcontractors to undergo safety training before work is started at a production worksite. In addition to basic training, worksite-specific and assignment-specific training programs also have to be implemented.

During 2021, NCC developed virtual support for implementing, and registering, completed training and to facilitate the introduction to production worksites. This, in turn, will be synchronized with access cards at construction sites to ensure that those who work there have the right skills. Pilot projects have been initiated and the system will be launched at NCC's production worksites in Sweden in 2022 and will thereafter be successively rolled out in other countries.

High-level expertise in the OHS organization is ensured through formal training/education and long experience.

Annual initiatives to generate further commitment and raise safety awareness, promote safe behavior and strengthen the joint safety culture include the Awareness Day, a day when the entire organization stops and jointly reflects and focuses on OHS matters, and the Health & Safety Week, when all employees carry out various health and safety activities.

These two initiatives were also held in 2021, despite the coronavirus pandemic, but with adapted activities and special measures to be able to implement them safely.

Another new feature in 2021 was a Group-wide activity concerning Star behaviors; read more on page 10.

Targets

The target for 2022 is to achieve an LTIF4 rate of 3.0 (work-related accidents resulting in more than four calendar days of absence per million working hours).

Outcome and comments

During 2021, the LTIF4 was 3.7, which is somewhat higher than the 3.6 for full-year 2020. The results vary between business areas, whereby in 2021, the Building Sweden business area and Building Nordics came in under the 3.0 target set for 2022. Systematic work is in progress at both Group level and in every business area.

Definitions

LTIF4 is defined as work-related accidents resulting in more than four calendar days of absence per million working hours.

Injury frequency per million hours worked is defined as the number of accidents in relation to every million working hours.

Governance

NCC's OHS policy and directive encompass everyone who works at NCC's worksites.

Management system

NCC's OHS policy and directive are integrated into the management systems used by the Group and business areas. The management systems are based on ISO 45001, under which the following units are certified. Infrastructure in Denmark and Norway, Building in Denmark and Special Projects in Building in Finland.

The management approach to occupational health and safety work is based on the EU directive 89/391/EEC (including Norway), which has been included in national laws and ordinances, and other national regulations. The management system for health and safety encompasses everyone who works at NCC's worksites; i.e. NCC employees, in-sourced personnel, suppliers and subcontractors.

NCC's internal OHS organization maintains the management system. Internal audits occur continuously, while those units that are ISO 45001 certified are also audited externally.

People and team

GRI 404 Training and education

GRI 405 Diversity and equal opportunity

GRI 406 Non-discrimination

NCC strives to recruit, develop and retain the most competent people in the industry, support the progress of high-performance teams and work actively so that no one is excluded unfairly or due to unconscious biases.

Diversity and inclusion

NCC needs the most competent, knowledgeable and experienced people in the industry in order to continue to grow and achieve success. Accordingly, it is important to be an attractive choice for all target groups that have the expertise that NCC requires. During the year, NCC formulated new targets for diversity and inclusion:

- Recruit, develop and retain the most competent people in the industry
- Support the progress of high-performing teams
- Work actively so that no one is excluded unfairly or due to unconscious biases

Follow-up of the targets occurs at Group level, while activities to promote the targets are planned and implemented in each particular business area.

Initiatives for increased diversity

NCC pursues a number of initiatives for increasing diversity in the Group. In Sweden, for example, there is a Diversity Council that focuses on various initiatives to promote inclusion and diversity, such as during the managers' OHS follow-ups and the onboarding of new employees. NCC also highlights role models and people with different backgrounds and experiences in connection with recruitment.

Other examples include a local project in which NCC has formulated an apprenticeship package focused on women who do not have any education in construction but who want to know more and work in the construction industry. The purpose is to broaden the recruitment base and attract women. NCC also has representatives on educational councils for vocational colleges, whose task is to plan, organize and review vocational training and to work to enable more women to enter the industry.

In Stella, NCC's network for women in Sweden, women are given an opportunity to exchange experiences and develop in their roles. Stella currently has about 500 members. Examples of activities implemented in Stella are study visits and inspirational lectures. NCC also participates in industry-wide initiatives, such as Pepp, a Mentorship Program for women at Chalmers Institute of Technology, KTH and Luleå University, and Diversitas, Norway's leading network for promoting diversity and equal opportunity in the industry.

Non-discrimination

NCC does not accept any form of discrimination and acts forcefully when incidents are reported. No employee should be discriminated on the grounds of gender, transgender identity or expression, sexual orientation, ethnicity, religious beliefs, functional disability, age or anything else.

Should any form of harassment, discrimination or bullying be discovered, NCC has a well-established process and actions plans so that suitable measures can be taken. NCC's Ask Me/Tell Me functions are available for all types of issues, both external and internal, where events that are perceived as in breach of NCC's Code of Conduct can be reported anonymously. Five matters involving discrimination, harassment or bullying were reported through the Tell Me function during the year. NCC always takes actions, such as disciplinary measures, whenever appropriate. In NCC's employee satisfaction survey, 5 percent responded that they had experienced discrimination due to gender or age, harassment or bullying during 2020, which was the same level as 2019. No corresponding survey was conducted in 2021.

Gender breakdown¹⁾ at NCC

Proportion, %	2021		2020		2019	
	Women	Men	Women	Men	Women	Men
Board of Directors	43	57	43	57	50	50
Senior Management Team	55	45	43	57	25	75
Management teams	34	66	34	66	32	68
Managers	18	82	18	82	17	83
Employees	16	84	16	84	15	85
White-collar employees	28	72	27	73	26	74
Blue-collar employees	3	97	2	98	2	98

¹⁾ The management teams include all management teams from the Senior Management Team to department management or the equivalent.

Age breakdown¹⁾ at NCC

Proportion, %	2021			2020			2019		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Board of Directors	0	0	100	0	29	71	0	13	87
Senior Management Team	0	45	55	0	43	57	0	38	62
Management teams ¹⁾	1	58	41	1	57	42	0	58	42
Managers	2	59	39	2	59	39	2	59	39
Employees	14	50	36	15	50	35	16	49	35
White-collar employees	9	56	35	10	56	34	11	56	33
Blue-collar employees	20	42	38	20	42	38	21	41	37

¹⁾ The management teams include all management teams from the Senior Management Team to department management or the equivalent.

Shared values and behaviors

NCC's values and Star behaviors are the cornerstones of NCC's corporate culture and strategic focus. Star behaviors are a number of behaviors that are intended to guide NCC employees in their actions, and thus facilitate change and help to make NCC a stronger company. During the year, NCC carried out a major initiative to implement Star behaviors through workshops, which were attended by a majority of the workforce.

Star behaviors were also implemented in several fundamental HR processes, such as performance reviews, onboarding of new employees, succession planning and work methods, and are also an important part of NCC's training programs. Read more about Star behaviors on p. 10.

Collective agreements and employees

NCC has collective agreements that regulate minimum wages, working hours and employees' rights in relation to the employer in all markets. In total, 91 percent of NCC's employees are covered by collective agreements. In Sweden and Norway, all employees are covered, while in Denmark and Finland collective agreements are applied, but also local agreements to some extent.

NCC has 12,401 employees (at the end of 2021). Like other companies in the industry, NCC uses subcontractors and consultants when required. Subcontractors are mainly found in Building Sweden, Building Nordics and Infrastructure.

Employment contracts 2021

Number of employees ¹⁾	Number of employees			Permanent employment						Temporary employment					
	2021	2020	2019	2021		2020		2019		2021		2020		2019	
				Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Sweden	7,784	8,539	-	6,077	1,227	6,892	1,338	7,469	1,347	408	72	268	41	288	48
Norway	1,438	1,440	-	1,186	1,55	1,213	159	1,319	154	78	19	58	10	50	11
Denmark	2,001	2,269	-	1,704	2,56	1,945	280	1,912	275	34	7	37	7	34	7
Finland	1,178	1,393	-	922	2,34	1,079	276	1,169	281	15	7	32	6	45	6
Total, NCC	12,401	13,641	14,415	9,889	1,872	11,129	2,053	11,869	2,057	535	105	395	64	417	72

¹⁾ Employee data in the table pertains to the number of employees at the end of 2021 and was collected from the Group's HR and payroll systems. Some seasonal variations exist.

Collective bargaining agreements 2021

Number of employees ¹⁾	2021		2020		2019	
	Number covered by collective agreements	Percentage covered by collective agreements	Number covered by collective agreements	Percentage covered by collective agreements	Number covered by collective agreements	Percentage covered by collective agreements
Sweden	7,784	100	8,539	100	9,152	100
Norway	1,438	100	1,440	100	1,534	100
Denmark	1,097	55	1,325	58	1,311	59
Finland	934	79	1,200	82	1,343	83
Total, NCC	11,253	91	14,504	92	13,340	93

¹⁾ Employee data in the table pertains to the number of employees at the end of 2021 and was collected from the Group's HR and payroll systems.

Employment contracts, 2021

Number of employees ¹⁾	Full-time		Part-time	
	Men	Women	Men	Women
Sweden	6,434	1,233	51	66
Norway	1,256	164	8	10
Denmark	1,721	230	17	33
Finland	927	233	10	8
Total, NCC	10,338	1,860	86	117

¹⁾ Employee data in the table pertains to the number of employees at the end of 2021 and was collected from the Group's HR and payroll system.

Employee engagement

NCC implements regular employee surveys to capture opinions about such matters as leadership, development and job satisfaction. The surveys also include questions concerning the use of NCC's Code of Conduct. The latest Group-wide employee survey was implemented in 2020 and the next one will be arranged in 2022. During 2021, employee engagement included in-house training, workplace meetings and performance reviews, which were offered to all employees.

Individual development opportunities

Employees who start working at NCC have an onboarding plan that ensures that the individual has the training/education of relevance to his/her current position. Thereafter, the planning of the employee's skills development is switched to an individual development plan, which is evaluated and updated at the annual performance review.

NCC offers skills development in such areas as technical knowledge, leadership, work environment, project management and accounting. Some of the training is mandatory for certain positions. The training programs are intended to satisfy the individual's need to develop in his/her current role in terms of personal development, and ensuring that NCC retains its attractiveness in the labor market.

Leadership development initiatives

Access to the right competencies is crucial for NCC's continued success and growth; the ability to attract, develop and retain employees with the right competencies. NCC offers its employees continuous skills development adapted to the individual's and the company's needs.

NCC's leadership programs encompass all stages of a manager's development with the aim of ensuring successful succession planning. The various training initiatives consist of conventional teaching and e-learning, as well as composing training programs and longer courses, which are gathered in NCC Academy. A major

skills initiative was implemented during the year, which included further development of the following training programs:

- NCC Mega Project Management Program, for highly experienced employees with key competencies. This Group-wide program is targeted at those employees who are able and want to take the step to heading extremely large-scale and complex construction projects
- Strategic Leadership Program for future management talents
- Practical leadership for managers in various parts of the business

There is also the Supervisor Academy where skilled workers are able to train to become supervisors, and the Site Manager Program, where supervisors or the equivalent can take the next step in their career and train to become site managers. NCC has also formulated a Senior Executive Program together with IMD Business School in Lausanne.

Targets

- Recruit, develop and retain the most competent people in the industry
- Support the progress of high-performing teams
- Work actively so that no one is excluded unfairly or due to unconscious biases

Reporting principles

Employee data pertains to the number of employees at the end of 2021 and was collected from the Group's HR and payroll system.

Governance

The guiding framework for efforts to promote diversity and inclusion and to counter discrimination comprises NCC's Code of Conduct and Compliance Directive.

Training programs are continuously evaluated and monitored through, inter alia, questionnaires, interviews, tests and reports.

Ethics and compliance

GRI 205 Anti-corruption

GRI 206 Anti-competitive behavior

GRI 308 Supplier environmental assessment

GRI 414 Supplier social assessment

NCC shall act according to the highest ethical standards and transparency, serving as a trustworthy partner across the value chain.

The Group’s Code of Conduct is an important feature of the compliance agenda, both as an internal compass for describing how NCC’s employees should act and as external communication to clarify NCC’s expectations of its suppliers and business partners. The Code of Conduct also constitutes the foundation for the Code of Conduct for suppliers, which is part of NCC’s agreements with suppliers. Other stakeholders are informed about the Group’s Code of Conduct through NCC’s website, contracts and agreements.

NCC works continuously to ensure compliance with its Code of Conduct in all of the Group’s partnerships, and to ensure that no violations occur, for example, in connection with competitive situations and in terms of business ethics.

NCC evaluates management systems for compliance by analyzing statistics from the Ask Me/Tell Me functions, employee questionnaires and the results of internal audits. Through the Tell Me whistleblower function and through other reporting lines, 88 (64) suspected violations of the Code of Conduct were reported in 2021, somewhat higher than in 2020. The incidents involved such matters as fraud and theft, conflicts of interests and other transgressions from NCC’s Code of Conduct. Of the matters closed during the year, four led to dismissal and 42 to other actions, such as discussions, changes in procedures and processes or targeted communication measures.

Following an analysis of the risk of noncompliance with NCC’s Code of Conduct, three areas have been identified as being of particular importance to NCC: bribery and corruption, competition law and conflicts of interest.

NCC is active in an industry where complex projects and supply chains as well as both private and public-sector customers lead to an increased risk of corruption. Risks of corruption may arise in relation to NCC’s business partners, who include suppliers, and are also connected to the employees’ conduct in relation to public-sector officials and other customer representatives.

NCC has adopted an anti-corruption policy and arranges anti-corruption training that covers all operations and countries. NCC implements annual Group-wide risk assessments in which both Group staff units and NCC’s business areas evaluate and report on risks in the operations. In certain parts of the business, corruption has been identified as a risk; although not a high risk considering that NCC’s operations are conducted in countries with a low risk of corruption according to the Transparency International Corruption Perception Index. However, a portion of NCC’s suppliers operate in countries with a higher risk of corruption.

NCC also conducts operations in an industry where, historically speaking, anti-competitive activities have existed. For this reason, fair competition is an impact area at NCC.

NCC continuously evaluates and improves its governance of compliance. In 2021, NCC updated, communicated and introduced a number of guidelines as a feature of its work to counter corruption and anti-competitive infringements, including the Group’s Compliance Directive, which contains NCC’s Anti-corruption and Fair Competition policies. The number of suspected infringements of the Code of Conduct that were reported and dealt with increased during the year (see below), which NCC views as a positive development of the new guidelines and the communication and training initiatives implemented in 2021.

NCC’s objective is to provide training in ethical behavior, anti-competitive behavior, anti-corruption and GDPR to all white-collar workers. In 2021, 1,380 employees, including management teams, received compliance and anti-corruption training, including 554 in Sweden, 116 in Norway, 361 in Denmark and 349 in Finland. During the year, a total of 2,056 employees also underwent GDPR training

and 5,367 training in competition law, which is a new program that was rolled out in 2021 and is mandatory for all white-collar workers. It is mandatory for new employees to complete these three courses during their first month of employment. In 2021, NCC also worked on implementing its Star behaviors among employees, with values and ethics as a key feature of the desired behavior among employees. Approximately three quarters of the workforce, including blue-collar employees, participated in workshops in 2021.

NCC has also launched an annual certification of the Code of Conduct for the company’s most senior executives.

NCC is a member of Transparency International Sweden and the Swedish Anti-corruption Institute (IMM), complies with the Code of Business Conduct issued by the Swedish Anti-Corruption Institute and has a policy and guidelines for our anti-corruption activities. In cooperation with most other industry players in Sweden, a joint policy has been formulated: “Agreement on counteracting bribery and corruption.” NCC has also participated in the formation of a Swedish Ethical Trading Initiative (ETI), a joint initiative to promote good labor conditions in producing countries.

NCC works continuously to counter corruption in the supply chain. In 2021, no supplier agreements were terminated due to corruption. During the year, NCC investigated two cases of suspected corruption. NCC was unable to confirm corruption in one of the investigations and the other one is still in progress. No public legal corruption cases occurred in 2021.

Ten cases of conflicts of interest involving transactions with own companies, organizations and related parties that contravened NCC’s rules were also dealt with during the year. No transgressions of the Competition Act led to legal action in 2021.

	2021	2020	2019
Tell Me	88	64	53

Responsible purchasing

NCC is working to ensure a responsible supply chain, whereby the operations are conducted under sound working conditions and in an environmentally and socially sustainable manner. This work is based on the Group’s Code of Conduct for suppliers, which all suppliers must undertake to comply with.

The Code of Conduct for suppliers includes guidelines for regulatory compliance and ethical behavior, as well as guidelines to counter bribery and corruption, avoid conflicts of interest, respect competition law, protect human rights, promote diversity and inclusion, and for having safe and healthy worksites and reducing the environmental impact.

Most of the major framework agreement suppliers are also required to be certified under the ISO 9001/14001 management system or the equivalent.

Broad supplier base

NCC has business relationships with several thousands of suppliers through its purchases of everything from building materials to travel and office supplies.

Most of the suppliers are based in the Nordic region but are also found in such countries as Poland, Estonia, Latvia, Lithuania and China. The supplier base consists of framework agreement suppliers, international suppliers, Nordic project sourcing suppliers and internal suppliers.

Work on reducing the total number of suppliers is under way and includes increasing the proportion of purchases made under framework agreements. The aims are to improve controls, increase the efficiency of purchasing work, promote a sustainability focus in the value chain and reduce NCC’s purchasing costs. NCC has just over 1,400 framework agreements corresponding to 34.5 percent of the total purchasing volume in 2021.

The total purchasing volume is divided into different categories, whereby the ten largest production-related categories are: Earthwork & Transportation/Civil-engineering contracts, Technical installations, Building materials/Water and sewage materials and Wholesalers, Park/Road/Railroads, Rental, Interiors, Load bearing construction, Industry production materials, Concrete/Forms/Steel reinforcement and Exteriors.

Increased cooperation

NCC collaborates with the major framework agreement suppliers with a view to develop sustainable data-driven solutions, increase productivity and conduct continuous quality development.

In addition, NCC works together with the suppliers to reduce carbon emissions, promote responsible use of natural resources and increase circularity. One example during the year was NCC's analysis of the use of plastics, as a feature of Building Sweden's forthcoming requirement that the plastics delivered to worksites must contain a specified portion of recycled material and be designed for recycling.

For information about how NCC works with health and safety matters with its suppliers, refer to Health and Safety.

During the year, NCC also initiated an effort to evaluate, develop and improve collaboration with the suppliers in a more structured and uniform manner.

Audits

All of the major framework agreement suppliers are initially evaluated before any collaboration commences.

To ensure compliance with NCC's Code of Conduct and that the suppliers work in accordance with ISO 9001/14001, NCC performs audits of its framework agreement suppliers.

Eight framework agreement suppliers were third-party audited during the year. None of these were new in 2021.

All of the non-Nordic material suppliers, with active agreements in 2021, were evaluated initially before any collaboration commenced.

In order to evaluate and develop non-Nordic suppliers, NCC also works with supplementary audits of how these work with social responsibility, quality, environment and health and safety. During the year, NCC conducted about 110 audits of non-Nordic suppliers, including 25 new suppliers.

NCC is a member of Amfori BSCI (Business Social Compliance Initiative), through which it has access to additional tools for training its suppliers. NCC's own audits of suppliers in high-risk countries (according to Amfori BSCI's definition) are supplemented by the fact that these suppliers are integrated into Amfori BSCI's processes, for training and collaboration. NCC regularly follows up the audits of both framework agreement suppliers and non-Nordic suppliers. If any deviations or non-compliance are noted during the supplier audit, this must be corrected by the supplier according to an action plan. If the actions are not implemented, collaboration with the supplier may be terminated.

Economic performance

GRI 201 Economic performance

Sound and sustainable financial performance is the foundation for the Group's sustainability work. NCC strives to achieve a stable and sustainable improvement in financial performance and to create value for its stakeholders.

Economic value generated and distributed

SEK M	2021	2020	2019
Economic value generated			
Customers	53,561	53,940	58,262
Economic value distributed			
Suppliers	-40,497	-41,092	-44,673
Employees	-8,299	-8,671	-9,392
Lenders	-60	-80	-112
State (expensed tax and social security fees)	-3,197	-2,839	-3,211
Shareholders ¹⁾	-646	-538	-540
Economic value retained	862	720	334

¹⁾ Proposed dividend.

About the report

The company reports its sustainability work annually as part of the NCC Annual Report. We have applied the guidelines of the Global Reporting Initiatives (GRI) for the reporting of sustainability information since 2010. The Sustainability Report, which pertains to the 2021 fiscal year, has been prepared according to GRI Standard Core option. It has been prepared according to the GRI reporting principles for defining report content (Stakeholder inclusiveness, Sustainability context, Materiality and Completeness), and also constitutes NCC's Communication on Progress in accordance with the UN Global Compact.

More detailed sustainability information and performance indicators are presented on pp.78–100. For the GRI content index, refer to the following pages. The report has not been examined by a third party. The Group's most recent sustainability report was published on March 8, 2021. Unless otherwise stated, all the information pertains to the entire NCC Group. No revisions of sustainability information provided in previous years have been made in this annual report. Furthermore, there are no essential changes have taken place in the organization, the share capital structure or the supply chain that have affected sustainability reporting in 2021.

Contact: CFO and Head of Finance & IT Susanne Lithander, +46 8 585 510 00, susanne.lithander@ncc.se

Statutory sustainability report

This statutory Sustainability Report has been issued by the Board of Directors of NCC AB but is not part of the formal Annual Report documentation. The Sustainability Report in accordance with the Annual Accounts Act is included in the Annual Report on the following pages: 2–3, 8–11, 23–25 and 78–103. NCC's business model and sustainability framework are presented on pp. 2 and 78–79, environment on pp. 83–85 and 87–94, social conditions on pp. 95–100, personnel on pp. 95–98, human rights on pp. 97–100 and anti-corruption on pp. 99–100. Risk descriptions are presented on pp. 23–25 and 84–85. Unless otherwise stated, all the information pertains to the entire NCC Group, including subsidiaries.

Auditor's statement on the statutory sustainability report

To the general meeting of the shareholders in NCC AB, corporate identity number 556034-5174

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability report for the year 2021 on the pages set out in the left hand box and for that it has been prepared in accordance with the Annual Accounts Act.

Scope of examination

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

Opinions

A sustainability report has been prepared

Stockholm, March 11, 2022
PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorized Public Accountant
Accountant
Auditor in Charge

Erik Bergh
Authorized Public

GRI content index

GRI standard	Disclosure	UN Global Compact Principles	Page reference (Annual Report)	Omissions
GRI 101: Foundation 2016				
GRI 102: General Disclosures 2016				
Organizational profile				
102-1	Name of the organization		12	
102-2	Activities, brands, products and services		2, 12	
102-3	Location of headquarters		12	
102-4	Location of operations		2	
102-5	Ownership and legal form		12, 21–22, 104	
102-6	Markets served		2	
102-7	Scale of the organization		2–3, 26–28	
102-8	Information on employees and other workers		20, 97–98	
102-9	Supply chain	1–10	99–100	
102-10	Significant changes to the organization and its supply chain		51, 100	
102-11	Precautionary Principle or approach	7	80	
102-12	External initiatives		79, 99	
102-13	Membership of organizations		79	
Strategy				
102-14	Statement from senior decision-maker		4–5	
102-15	Key impacts, risks and opportunities		23–24, 84–85, 93	
Ethics and integrity				
102-16	Values, principles, standards and norms of behavior	1–10	10–11, 79–80, 99–100	
Governance				
102-18	Corporate governance		80, 84, 104–107	
Stakeholder engagement				
102-40	List of stakeholder groups		81	
102-41	Collective bargaining agreements	3	97–98	
102-42	Identifying and selecting stakeholders		81	
102-43	Approach to stakeholder engagement		81	
102-44	Key topics and concerns raised		81–82	
Reporting practice				
102-45	Entities included in the consolidated financial statements		20, 45, 100	
102-46	Defining report content and topic Boundaries		82, 100	
102-47	List of material topics		82	
102-48	Restatements of information		100	
102-49	Changes in reporting		82	
102-50	Reporting period		100	
102-51	Date of most recent report		100	
102-52	Reporting cycle		100	
102-53	Contact point for questions regarding the report		100	
102-54	Claims of reporting in accordance with the GRI Standards		100	
102-55	GRI content index		101–103	
102-56	External assurance		100	
GRI 200: Economic standards				
Economic performance				
GRI 103: Management approach 2016	103-1–3	Explanation of the material topic, its Boundary and management approach	78, 82, 104–109	
GRI 201: Economic Performance 201	201-1	Direct economic value generated and distributed	100	
	201-2	Financial implications and other risks and opportunities due to climate change	24, 84–85	Some information not available. Work is underway to develop TCFD reporting in 2022.

GRI standard	Disclosure	UN Global Compact Principles	Page reference (Annual Report)	Omissions
Anti-corruption		10		
GRI 103: Management Approach 2016	103-1-3	Explanation of the material topic, its Boundary and management approach	23, 78–80, 82, 99–100, 105	
GRI 205: Anticorruption 2016	205-1	Operations assessed for risks related to corruption	99	Information not available.
	205-2	Communication and training about anti-corruption policies and procedures	99	
	205-3	Confirmed incidents of corruption and actions taken	99	
Anti-competitive behavior		10		
GRI 103: Management approach 2016	103-1-3	Explanation of the material topic, its Boundary and management approach	23, 78–80, 82, 99–100, 105	
GRI 206: Anticompetitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices, and results	99	
GRI 300: Environmental standards				
Material		7, 8, 9		
GRI 103: Management Approach 2016	103-1-3	Explanation of the material topic, its Boundary and management approach	23, 78–80, 82, 84, 88–90, 105	
GRI 301: Materials	301-2	Recycled input materials used	89	
Energy		7, 8, 9		
GRI 103: Management Approach 2016	103-1-3	Explanation of the material topic, its Boundary and management approach	78–80, 82, 91–93, 105	
GRI 302: Energy 2016	302-1	Energy consumption in the organization	92–93	
Water and effluents		7, 8, 9		
GRI 103: Management Approach 2016	103-1-3	Explanation of the material topic, its Boundary and management approach	78–80, 82, 88, 105	
GRI 303: Water and Effluents, 2018		Information is missing	–	Information is missing. Work is ongoing to begin report in 2022.
Biodiversity		7, 8, 9		
GRI 304: Biodiversity 2016	103-1-3	Explanation of the material topic, its Boundary and management approach	78–80, 82, 87, 105	
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	Missing information. Work with mapping the quarries from this perspective is ongoing
Emissions		7, 8, 9		
GRI 103: Management Approach 2016	103-1-3	Explanation of the material topic, its Boundary and management approach	3, 8-9, 24, 78–80, 82–85, 91–94	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	8–9, 91–94	
	305-2	Energy indirect (Scope 2) GHG emissions	8–9, 91–94	
	305-4	GHG emissions intensity	94	
	305-5	Reduction in GHG emissions	93–94	
Waste		7, 8, 9		
GRI 103: Management Approach 2016	103-1-3	Explanation of the material topic, its Boundary and management approach	78–80, 82, 88–90	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	90	
	306-2	Management of significant waste-related impacts	90	
	306-3	Generated waste	90	
Supplier environmental assessment		7, 8, 9		
GRI 103: Management Approach 2016	103-1-3	Explanation of the material topic, its Boundary and management approach	78–80, 82, 99	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	99–100	
GRI 400: Social standards				
Occupational health and safety				
GRI 103: Management Approach 2016	103-1-3	Explanation of the material topic, its Boundary and management approach	3, 10, 23, 78–80, 82, 95–96	
GRI 403: Occupational Health and Safety 2018	403-1	Health and safety management systems	95–96	
	403-2	Hazard identification, risk assessment, and incident investigation	95–96	
	403-3	Occupational health services	95–96	
	403-4	Worker participation, consultation, and communication on occupational health and safety	95–96	
	403-5	Worker training on occupational health and safety	95–96	
	403-6	Promotion of worker health	95–96	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	95–96	
	403-8	Workers covered by an occupational health and safety management system	95–96	
	403-9	Work-related injuries	95–96	

GRI standard	Disclosure	UN Global Compact Principles	Page reference (Annual Report)	Omissions
	Training and education	1–10		
GRI 103: Management Approach 2016	103-1-3	Explanation of the material topic, its Boundary and management approach	23, 78–80, 97–98	
GRI 404: Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	97–98	
	Diversity and equal opportunity	6		
GRI 103: Management Approach 2016	103-1-3	Explanation of the material topic, its Boundary and management approach	23, 78–80, 82, 97–98	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	97–98	
	Non-discrimination	1, 2, 6		
GRI 103: Management Approach 2016	103-1-3	Explanation of the material topic, its Boundary and management approach	23, 78–80, 82, 97–98	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	97–98	
	Supplier social assessment	1–6, 10		
GRI 103: Management Approach 2016	103-1-3	Explanation of the material topic, its Boundary and management approach	78–80, 82, 99	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	99–100	
	Certified constructions and buildings	9		
GRI 103: Management Approach 2016	103-1-3	Explanation of the material topic, its Boundary and management approach	78–80, 82, 86–87	
Company-specific disclosure: Certified constructions and buildings	NCC–1	Type and number of sustainability certifications, rating and labeling schemes	86–87	