

THE GLOBAL GOALS

For Sustainable Development



NCC's contribution to the UN Global Goals for Sustainable Development

How we work to make sustainable development come true by 2030.

BACKGROUND

The UN has decided on 17 sustainable development goals and 169 targets.

They are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face including those related to poverty, inequality, climate change, environmental degradation, prosperity, peace and justice. The goals interconnect and leave no one behind, and it is vital that the world achieve each goal and target by 2030.

This memo details how NCC is influenced by the goals and targets, both from an internal and external perspective. The inside perspective explains how we can improve our own performance, for example by creating circular material flows. The outside perspective explains what type of products and services will be demanded from us and our sectors in the near future, as well as the capabilities we expect to come, and how we can support the global community in the achievement of the goals.

- Christina Lindbäck, SVP of Sustainability

NCC's SUSTAINABILITY FRAMEWORK

NCC's sustainability work constitutes the foundation for NCC's future development. The purpose of NCC's sustainability work is to create conditions for people to work, reside, travel and live in a sustainable manner, and to increase value for shareholders, customers and society. The framework clarifies the principal areas of NCC's sustainability work – Health and Safety, Social inclusion, Materials and Waste, Climate and Energy, Compliance and Portfolio performance. NCC has set sustainability targets for the strategy period of 2016–2020 for all areas in the framework.



For each area, there are also long-term directions in sustainability that relate to the long-term changes in market conditions, outline the path ahead and provide a direction for the Group's sustainability work, beyond the strategy period. These long-term directions have been supplemented by a selection of the UN Sustainable Development Goals. These global goals help ensure that NCC's business strategies create long-term value and change where it is needed the most.

NCC has identified four global goals that NCC has the largest possibility to impact through the Group's business solutions, and eleven goals that are fundamental for NCC's operations and offerings. Around 50 of the 169 targets have been selected as relevant and guiding in the work with the global goals. In this report, NCC is further explaining the work with the four prioritized goals. Eventually, this report may be complemented by a deep-dive into the other goals and targets.

NCC's POSITIVE IMPACT THROUGH THE CORE BUSINESS



NCC plays a major role in the contribution to four of the sustainable development goals; **Clean and affordable energy**, **Industry, innovation and infrastructure**, **Sustainable cities and communities** and **Responsible production and consumption**. Our expertise, knowledge and solutions will be crucial to meet future needs in terms of affordable housing, sustainable infrastructure, circular material flows, clean industrial technologies and climate resilience in the Nordics. This is where we will make a major impact on people and the planet, but also where we can become more profitable and resource efficient. We make sure that cities unite rather than grow apart. Our success is based on inclusive and participatory decision making by those who will live, study work or travel where we build.

NCC's HANDLING OF RESOURCES



Since long, human and environmental consciousness has been integrated in our operational work and solutions. We care about **Good health and well-being**, **Climate action** and **Life on land**. We build to advance health and well-being, improve urban ecosystems and biodiversity, and to meet future challenges that climate change will bring. **Clean water and sanitation** and **Life below water** should not be taken for granted although we operate in the Nordics, and we need work to increase water efficiency and ecosystem services. Since we have an impact on people's lives every day, we aim to take a leadership role in building knowledge on climate change in our communities.

NCC's FOUNDATION



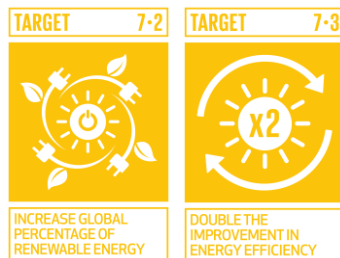
Our merits and the quality and integrity of our products, services and people form the starting point on which we do business. We drive **Quality education** to raise knowledge and empowerment, both through the schools we build and the trainings we provide. NCC is a company guided by its values and we follow principles for **Gender equality**, **Reduced inequalities** and **Decent work and economic growth**. By 2030, we need to better promote youth employment, ensure safe working environments and end discrimination against women. We will also enforce collaboration and inclusive decision-making with partners and stakeholders, contributing to **Peace, justice and strong institutions** and **Partnership for the goals**. As a result, this will lead to improvements in innovation, resource efficiency and economic productivity across the industry.

AFFORDABLE AND CLEAN ENERGY



A focus on clean energy has been an important topic on the sustainability agenda for many years. The Nordic countries have set ambitious carbon goals for the next years to come, and there is a need to develop new energy efficient solutions and to transform the national energy mix.

Relevant targets



How we increase our global positive impact

- NCC is a leader in delivering energy efficient buildings. *Example: Despite strict national requirements, NCC Sweden delivered more energy efficient buildings than the law in 3 out of 4 cases.*
- NCC support the expansion of renewables in the energy mix through wind, solar, hydro and geothermal constructions. *Example: Since 2011, NCC has built the foundations for nearly 500 wind turbines in nine wind farms.*
- We are transforming to only use green electricity in our own operations. *Example: In 2018, 90% of NCC's electricity supply was renewable.*

How we minimize our global negative impact

We actively work to reduce the environmental impact within the value chain of construction material by finding alternative materials that need less energy to produce. *Example: NCC built Norway's largest commercial building in massive wood, instead of traditional steel, and collaborate with suppliers to optimize performance and sustainability impact of concrete.*

Risk/opportunity to NCC

By finding the best options for energy supply, NCC can build up a resilience to price fluctuations. Along with achieving energy efficiency gains, this can future-proof our business.

Connection to NCC's sustainability framework



Cross-linkage to other SDGs



DID YOU KNOW?

NCC is engaged in Boverket's (the Swedish National Board of Housing, Building and Planning) work to continuously make national energy efficiency laws stricter for buildings. In 10 years, this has made NCC's buildings 30% more energy efficient.

INDUSTRY, INNOVATION AND INFRASTRUCTURE



The construction industry has vast potential for improving productivity and efficiency thanks to digitalization, innovative technologies and new construction techniques. This will have transformative effects elsewhere: on the wider society, by reducing construction costs; on the environment, by improving the use of scarce materials; and on the economy, by narrowing the global infrastructure gap. As a major actor in the Nordics, NCC aims to lead this transformation.

Relevant targets

TARGET 9-1	TARGET 9-4	TARGET 9-5
DEVELOP SUSTAINABLE, RESILIENT AND INCLUSIVE INFRASTRUCTURES	UPGRADE ALL INDUSTRIES AND INFRASTRUCTURES FOR SUSTAINABILITY	ENHANCE RESEARCH AND UPGRADE INDUSTRIAL TECHNOLOGIES

How we increase our global positive impact

- NCC is creating superior sustainable solutions for infrastructure of the future. *Example: NCC has developed a stone-material product that prevents flooding by ensuring that water quickly and readily penetrates the soil.*
- We are upgrading our industrial operations for sustainability. *Example: In less than 3 years, NCC converted 23 of 28 asphalt plants in Sweden to use renewable instead of fossil fuels.*

How we minimize our global negative impact

We invest in R&D to develop new advanced building materials and processes. *Example: NCC has an ongoing partnership with various universities and produces innovative research reports and studies every year.*

Risk/opportunity to NCC

Traditionally, the competitive procurement model has negatively impacted innovation in the construction industry. With strong processes in place and the ability to adapt NCC's business models to new markets, NCC ensure that our offerings match global needs.

Connection to NCC's sustainability framework



Cross-linkage to other SDGs



DID YOU KNOW?

NCC is investing a lot of effort in VDC (Virtual design and Construction). We are an active member of organizations such as buildingSMART in all Nordic countries, and we are leading in applied research and development projects in digital construction methods.

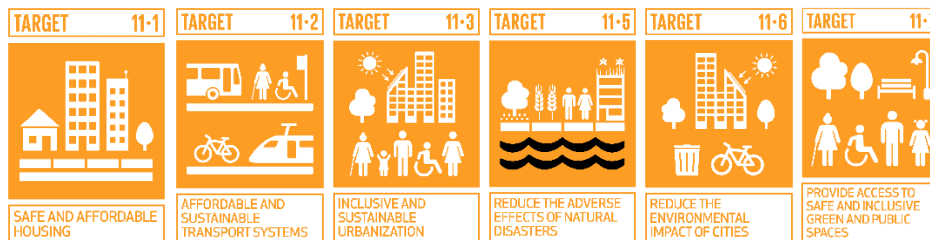
SUSTAINABLE CITIES AND COMMUNITIES

Why this is important to NCC



As cities grow rapidly, we need to make sure they unite rather than grow apart. Few other actors can create sustainable cities and communities in the way NCC can. We have the capacity - the size, the skills, the endurance and the experience needed to take on complex projects. We can provide all ingredients of a mixed city: homes, offices, commercial premises, hospitals, schools, roads, tunnels and much more.

Relevant targets



How we increase our global positive impact

- We develop cities with future needs in mind, such as affordable housing in low-income suburban areas. *Example: NCC Folkboende is a standardized product that makes it affordable to live in a space-smart Nordic Ecolabelled apartment building.*
- We provide the integration of green and safe urban spaces when we build. *Example: NCC's construction is combined with a diversity of natural services in the outdoor environment, such as temperature regulation, noise abatement, surface water management and opportunities for recreation.*

How we minimize our global negative impact

We work to reduce the CO2-emissions from NCC's operations. *Example: NCC has a company-wide target to reduce CO2-emissions by 50% by 2020 and NCC has signed the road map for a Fossil Free Sweden and works to make the construction industry climate neutral by 2045.*

Risk/opportunity to NCC

As awareness of climate change increases, as well as the changes this entails in cities and societies, the customers' requirements and demand for NCC's offering could change and this could benefit more sustainable products and services in the Nordic cities.

Connection to NCC's sustainability framework



Cross-linkage to other SDGs



DID YOU KNOW?

NCC is building the first sustainability certified city area (Masthuggskajen) in Sweden together with other stakeholders. The results will be a green and climate resilient urban area that promotes people's well-being.

RESPONSIBLE MANAGEMENT AND USE OF NATURAL RESOURCES



In a global context, there are large opportunities for the construction industry to become more resource efficient by re-using materials and building elements. Most of these opportunities have not yet been fully explored, such as flexible buildings, natural materials and design for deconstruction. In the lead up to 2030, progress towards SDG 12 can lead to saved costs, increased efficiency and new opportunities.

Relevant targets

TARGET 12-2	TARGET 12-4	TARGET 12-5	TARGET 12-6
			
SUSTAINABLE MANAGEMENT AND USE OF NATURAL RESOURCES	RESPONSIBLE MANAGEMENT OF CHEMICALS AND WASTE	SUBSTANTIALLY REDUCE WASTE GENERATION	ENCOURAGE COMPANIES TO ADOPT SUSTAINABLE PRACTICES AND SUSTAINABILITY REPORTING

How we increase our global positive impact

- We take a life cycle approach when we build, eliminating and planning for future challenges. *Example: NCC's office in Oslo is built in a modular and flexible way that enables a future transformation into a residential building, if needed.*
- We have strict rules on sustainable material selection when we purchase products. *Example: We work to ensure uninterrupted information flows in the supply chain, driving industry-wide implementation of digital product traceability.*
- We collaborate with actors in our supply chain to create circular material flows. *Example: NCC is the first construction company to join Circular Sweden, which drives national policy and development forward.*

How we minimize our global negative impact

We are working to reduce the waste from our operations. *Example: NCC has a target to reduce the total amount of waste and to increase to rate of recycling/reusing to 70%.*

Risk/opportunity to NCC

The impact of rising resource scarcity will require businesses to transform. Resource efficiency and waste reduction can reduce costs and underpin stability.

Connection to NCC's sustainability framework



Cross-linkage to other SDGs



DID YOU KNOW?

The award-winning digital platform Loop Rocks was initiated by NCC and "loops" secondary materials (stone, soil, etc.) between construction sites. The app is open to the public and has rescued thousand tons of materials from the landfill.