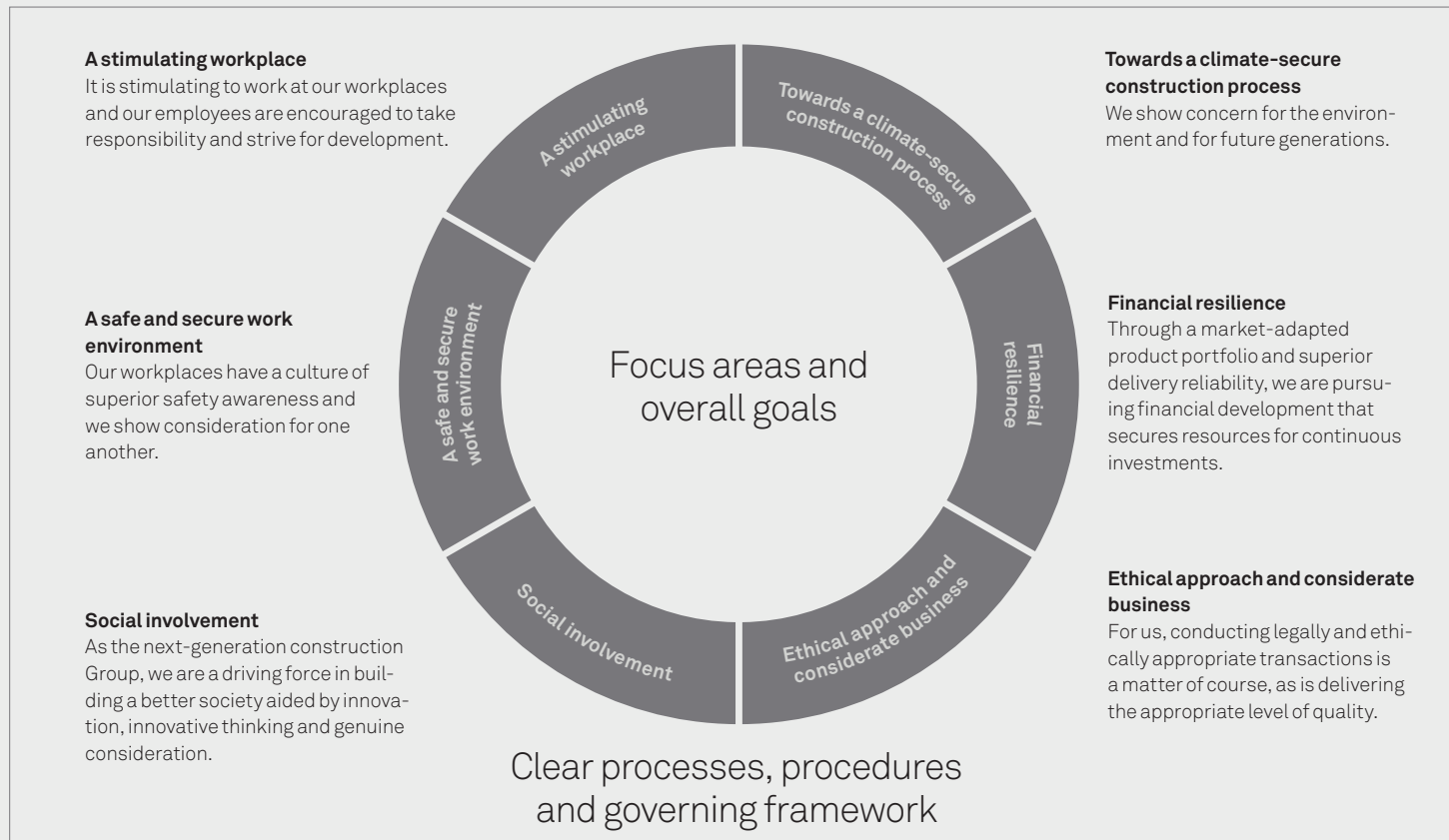


SUSTAINABILITY

At Serneke, we believe that focused sustainability work and strong community involvement go hand-in-hand with long-term growth with good profitability. By virtue of our size, we have both an opportunity and a responsibility to contribute to a more sustainable development. Through our operations, we contribute to the development of people, cities, towns and society at large.

OUR FOCUS AREAS

The central parts of Serneke's sustainability work focus on an active commitment to society and minimizing the risk of injury to persons, property and the environment, as well continuously reducing the direct and indirect impact on the environment. Other areas highly relevant for the construction and civil engineering industry are issues of social responsibility, ethics and anti-corruption.



ABOUT THE SUSTAINABILITY REPORT
Although the Board of Directors of Serneke Group AB submits this statutory Sustainability Report, it does not form part of the formal Annual Report documents. Unless otherwise stated, data pertain to the entire Serneke Group, including subsidiaries.
Serneke's business model is described in more detail on page 14 of this document.

The UN's Global Goals
Serneke's operations have a direct or indirect impact on several of the UN's Global Goals. Particular focus is, however, placed on goals 5, 8, 9, 11, 12 and 13 – areas of considerable importance for the Group's operations.



THE GLOBAL GOALS

A SAFE AND SECURE WORK ENVIRONMENT

All contracting operations include tasks that could be associated with risks in terms of personal injury and ill health. The industry is exposed to greater risk than others and generally suffers twice as many accidents and occupational illnesses than other industries. For this reason, Serneke takes its work environment work very seriously.

Within Serneke, extensive efforts are being taken to provide workplaces that are safe and secure for all. No one should have to get sick, injured or, in the worst case, lose their life because of their work. Important parts of our work with safety involve continuously identifying potential risks but also learning constantly from the incidents and accidents that nonetheless occur.

A healthy and safe work environment in which we care for each other is one of Serneke's most important priorities. Risk management forms an integral part of Serneke's daily operations and is pursued actively at the project, regional and Group levels. Work is also coordinated through regular meetings of the safety committees. It is out at the work sites in particular, where production takes place, that the greatest physical risks occur, although work environment risks are also managed on an ongoing basis at our project and administrative offices.

Pro-active efforts

Our preventive work environment efforts focus on planning and risk assessment at an early stage, as well as on learning continuously from reported risk observations, incidents and accidents. The (B)IA incident reporting system is used to collect, assess and analyze deficiencies to take action and prevent the recurrence of incidents and to develop working methods and procedures. In this work, internal and external audits also constitute important elements, providing clear indicators in areas where improvements are needed. The incident reporting system also fosters inclusion, providing opportunities for employees to influence their own work environ-

ments. Serneke's safety message procedure helps quickly disseminate lessons learned, with actions being taken throughout the organization to prevent risky or unhealthy situations from recurring.

Exchanging experience

Serneke participates in several external forums to develop an improved work environment and to exchange experiences. These include the Håll Nollan (Keep the Zero) collaborative association, the SÅKU safety culture network, the construction industry's health network and the Swedish Construction Federation's work environment network..

Work Environment Week

Serneke's annual Work Environment Week provides an opportunity, together with subcontractors and other partners, to focus additionally on work environment work. The theme for 2021 was "Reflect beforehand" with a focus on risk observations, work preparation and ergonomics.

Focus forward

In the future, the focus will continue to be on increasing the reporting of risk observations, incidents and accidents. These give a clear indication of where there may be risks, which can help in the work of preventing accidents.

To give employees the right conditions in which to work safely, a new basic internal course in the work environment will also be developed. The course will focus on internal procedures and working methods and provide a shared platform to continue working from.



Covid-19

Serneke has taken several measures to reduce the risk of spreading the corona virus and ensuring that workplaces are free from contagion. Information initiatives and systematic management of infection risks and disease outbreaks have combined to enable safe and open workplaces.

"KEEP THE ZERO"

Serneke has been a proud member of "Keep the Zero" for several years, a collaborative organization whose overall purpose is to prevent and eliminate accidents in the construction industry. In addition to construction companies, members also include developers, planners and contractors. Areas of focus include leadership and culture, knowledge and expertise, as well as common working methods and standards.

In 2021, for example, Serneke participated in "Keep the Zero" projects addressing the risk management process, for example. All workplaces also participated actively in the "Keep the Zero" Safety Drive, with the aim of highlighting good examples of cooperation and thus strengthening the importance of working together for a good safety culture in workplaces.

A STIMULATING WORKPLACE

Serneke strives to be an attractive employer who offers good opportunities for employees seeking to develop and take on greater responsibilities. Serneke combines a strong entrepreneurial spirit with clear structures. Decision-making paths are short and the organization is flat. The culture is characterized by a clear optimism, curiosity and willingness to develop.

Competition among talented, experienced and dedicated employees is high. Serneke's capacity for identifying, developing, attracting and retaining appropriate employees, with the requisite skills and attitude, is entirely crucial for the Group's continued success. Our employees' expertise and performance are critical in achieving set targets and continuing to develop as a company.

Continuous efforts are made at Serneke to develop and strengthen the employee offering. In addition to market-based terms of employment and benefits, opportunities for continuous skills development are provided. Throughout the Group, purposeful action is enabling internal mobility and career development.

Ongoing skills development

Serneke offers a wide range of skills development opportunities on an ongoing basis. In addition to compulsory training in work environment, environmental requirements and protection, for example, opportunities are also offered for continued training based on the employee's position and skills profile. Programs are based on Serneke's overall strategic focus and a structured inventory of skills at the individual level. In recent years, the number of training hours completed has increased sharply, particularly as a result of increased initiatives in contracting law and internal operating systems.

Serneke Management Academy

In 2021, Serneke's internal leadership initiative – Serneke Management Academy – continued. Over

the year, managers continued to be certified, with the program deepening their management skills and awareness of Serneke's leadership strategy. Thirty employees also completed the "Leading without responsibility for personnel".

New trainee and mentor programs

During the year, a new trainee and mentor program was also launched. The purpose is to attract ambitious young employees with an academic degree who want to follow a career in the construction industry. The program alternates production work with strategy work, calculations and purchasing.

The mentor program aims to increase the knowledge and skills of the participants through knowledge and experience transfer, while also establishing good contacts between trainees and mentors.

Periodic employee surveys

Extensive focus is placed on measuring and following up on feedback and comments from the employees. Since 2018, web-based pulse measurements are continuously taken at frequent intervals. Follow-up enables greater transparency and more possibilities of rapidly applying the right kind of measure. The temperature measurements measure the organization's well-being based on nine areas, which together create a comprehensive definition of the optimal employee experience – from personal development and team feeling to the work situation and leadership. Altogether, the measurements provide a good picture of how the employees and the organization as a whole are doing.



A STIMULATING WORKPLACE, CONT.

Health promotion

At Serneke, movement is encouraged. In addition to wellness grants, opportunities are provided for various forms of exercise. The Company's own sports association Serneke IF arranges ski trips, running training, yoga and cycling, as well as the possibility to participate in many different exercise competitions. Serneke also has an internal health promoter with the task of continuing to develop the health promotion work, increasing knowledge and understanding and inspiring a sound lifestyle. The health-promoting work is also something that contributes strongly to Serneke's culture and creates joy and community for employees in various roles and regions.

As in the preceding year, the pandemic caused most of the major shared activities planned for 2021 to be postponed. During the year, the focus was instead on outdoor activities in small groups. During the year, several digital initiatives also took place, including the "Serneke Winter Games" and "Serneke Fall Games" health challenges, in which teams from all over the country competed and were motivated to move around and exercise.

Working actively towards a more even gender distribution

The construction industry is traditionally male-dominated and Serneke is no exception. Through active efforts, the proportion of women in the organization has, since 2015, increased from 10 percent to 19 percent at the end of 2021. The proportion of women in Group Management and on the Board of Directors has also increased in recent years. In early 2022, three out of nine members of Group Management were women. On Serneke's Board of Directors, three out of eight Members elected by the Annual General Meeting were women.



DIVERSITY AND INCLUSION

At Serneke, everyone – regardless of gender, gender identity, disability, ethnicity, sexual orientation, age, religion or other beliefs – shall be afforded equal opportunities in recruitment and development at work.

In 2021, a number of key processes were mapped in terms of diversity and inclusion. This

included governance and follow-up, recruitment and succession planning, management training, work environment and policies and processes. In part, the purpose has been to identify patterns and activities associated with diversity and inclusion and, in part, it has been to foster internal awareness and to increase the willingness to change.

The survey will also form the basis for the Diversity and Inclusion Strategy planned for development in 2022, to subsequently be integrated into the ongoing business planning process.

A STIMULATING WORKPLACE, CONT.

However, the gender distribution differs greatly between occupational groups and areas of operations. Women are still in a minority among blue-collar employees, while there is a better balance among white-collar employees. The stated objective is for both men and women to be represented among the final candidates in all recruitment processes.

HERTHA – SERNEKE'S WOMEN'S NETWORK

Hertha is Serneke's women's network that works to coordinate and establish meeting places within Serneke where women in different positions and from different departments gain opportunities for development and inspiration and to exchange experiences. During the year, inspirational lectures were held by, among others, Serneke Board Member Veronica Rörsgård, who, based on her extensive experience in the business world, talked about diversity and inclusion in the workplace.

INCLUSION THAT BUILDS SECURITY

Serneke works actively to create a workplace that is inclusive for all. As part of that work, we have, by partnering with SYD, offered free, 100-percent organic cotton menstrual protection since late 2021. For each bag of menstrual protection, Serneke also helps make it possible for girls in the Ivory Coast to continue going to school during their period. SYD and Save the Children are partnering to build toilets at selected Ivory Coast schools, where girls also receive free menstrual protection.

Being able to attend school reduces the girls' risk of financial dependence and exclusion. Today, many stay home from school because they cannot afford menstrual protection and there are no toilets with lockable doors.



TOWARDS A CLIMATE-SECURE CONSTRUCTION PROCESS

In total, the construction and property sector accounts for slightly more than 20 percent of the total greenhouse gas emissions in Sweden. The sector also contributes to considerable emissions in other countries through imports of building materials and input goods. As one of the major construction and contracting players in Sweden, Serneke bears a substantial climate and environmental responsibility, and the Group is working actively to gradually reduce its emissions and other negative impacts.

From a life cycle perspective, environmental and climate impacts occur at all phases of a construction project, from the production of materials and input goods, to the construction and use of the building, and ultimately in its dismantling or demolition.

Historically, the focus has largely been on creating energy-efficient buildings that have a low climate impact in the operational phase. The National Board of Housing, Building and Planning's building regulations specify, for example, requirements regarding buildings' energy use and thermal insulation capacity. There are often also financial incentives driving development towards more energy-efficient buildings.

When it comes to the climate impact from the actual construction process, although our knowledge has certainly increased in recent years – it remains more limited. The process, from the selection of materials, to construction, and ultimately to the completed building, is complex and involves numerous actors – customers, developers, consultants, contractors and subcontractors, suppliers and producers of building materials. There is substantial potential for improvement here.

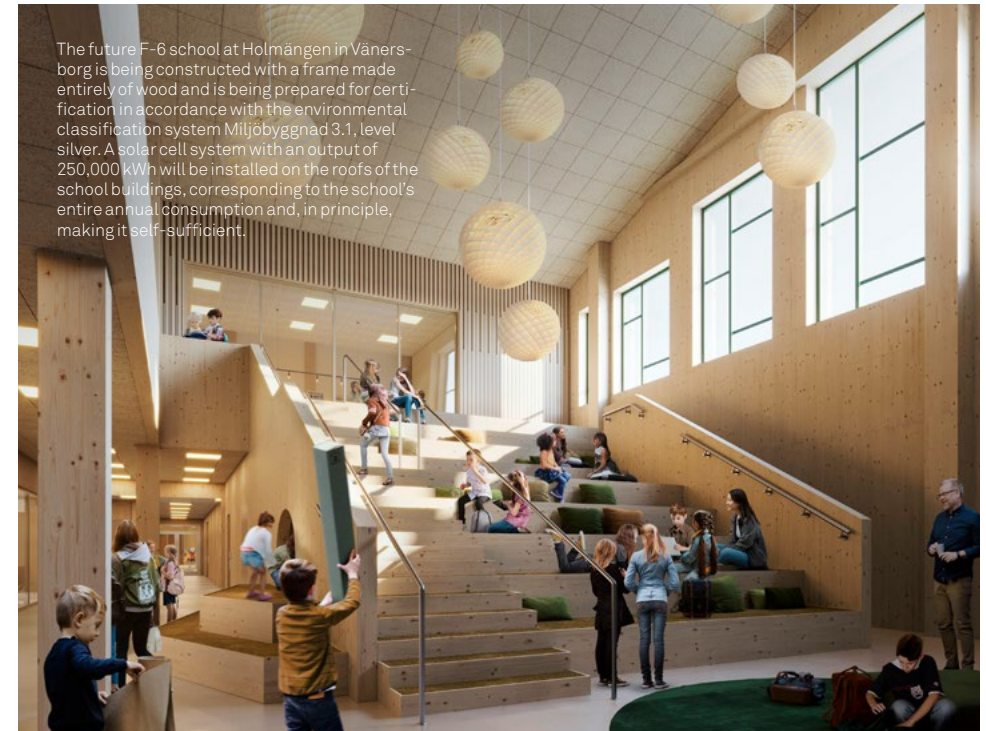
New climate declaration rules for new buildings

To enable improvements, increased knowledge and transparency are required regarding the actual impacts of different materials and processes. Measuring and reviewing climate data are key factors in driving the trend towards reduced carbon dioxide emissions.

In January 2022, new rules came into effect regarding the declaration of the impact on the climate from the entire construction phase, including emissions from the production of materials, as well as from transport and the construction site. For projects requiring building permits, developers are now required to produce a climate declaration. By law, the declaration must contain an estimated climate impact measured in kg CO₂e per m² GFA.

The lack of access to climate-related key figures from building materials and input goods has previously made it difficult to obtain a verified picture of the total emissions. The new legislation and the processes it entails will probably also facilitate the production of climate key figures for emissions within Scope 3 (indirect greenhouse gas emissions incurred outside the Company's own operations).

In 2021, Serneke developed processes, procedures and tools to ensure that project organizations have the opportunity to implement the statutory climate declarations. During the year, training in climate declarations for production personnel was also initiated.



The future F-6 school at Holmängen in Vänersborg is being constructed with a frame made entirely of wood and is being prepared for certification in accordance with the environmental classification system Miljöbyggnad 3.1, level silver. A solar cell system with an output of 250,000 kWh will be installed on the roofs of the school buildings, corresponding to the school's entire annual consumption and, in principle, making it self-sufficient.

MAJOR OPPORTUNITIES TO REDUCE EMISSIONS – BY USING NEW MATERIALS

The single largest impact in the construction phase occurs in connection with the production of steel and cement for concrete. In construction projects, these material groups can account for up to 80 percent total climate impact of the construction phase, depending on the choice of, for example, frame systems.

Both in academia and the construction industry, several research and development projects are currently being conducted regarding alternative building materials. This includes climate-improved concrete, which means concrete where parts of the cement content have been replaced by alternative binders – such as slag and fly ash. Other projects involve an increased use of wood in frames and floor structure. By

constructing with a solid wooden frame, rather than concrete, for example, the climate impact can be almost halved.

In the future, Serneke will increase the use of both climate-improved concrete and wood in construction projects. In the case of concrete with a lower climate impact, several projects were conducted in 2021. The concrete used in Karlatornet, for example, contains a significantly lower content of Portland clinker than traditional concrete – resulting in a lower climate impact. By replacing about a third of the cement in the base plate with slag, for example, a saving of more than 400 tonnes of CO₂e was made possible.

TOWARDS A CLIMATE-SECURE CONSTRUCTION PROCESS

Framework for green bonds

During the year, Serneke developed a new framework that makes it possible to issue green bonds. The purpose is to finance construction projects focusing on sustainability. The proceeds from future green bonds will be used to finance projects that have been assessed and selected by Serneke in accordance with the green framework.

The projects include both residential and commercial premises that are environmentally certified* and achieve 20 percent better energy performance than what is required in the National Board of Housing, Building and Planning's rules. The framework applies both for projects developed in-house as well as to construction performed by external clients.

The framework has undergone an independent external assessment by CICERO Shades of Green, being awarded the overall rating Light Green. The green framework has been developed in cooperation with Nordea and was designed in line with the Green Bond Principles industry standards, which are administrated by the International Capital Markets Association (ICMA).

*Environmental certification refers to Miljöbyggnad (lowest level Silver), LEED (lowest level Gold), BREEAM-SE (lowest level Very Good), and the Nordic Swan ecolabel.

To achieve the goal of reducing climate impact, all parties in the value chain must cooperate and help one another. One example of this type of collaboration is the climate-intelligent Solmagasinet project in Malmö. Together with E.ON, Serneke has created a unique home with smart energy solutions, environmental thinking and innovative technology. In connection with a property fair in Malmö in 2020, the project received an award as "Southern Sweden's most intelligent property".



Partnership with Sustainable Innovation

Serneke has signed a partnership agreement with the Sustainable Innovation organization. The ambition is to bring about further solid initiatives to get the construction and property sector to contribute to achieving the climate and sustainability goals.

Serneke and Sustainable Innovation are already collaborating on two different initiatives, Local Roadmap Malmö 2030 (LFM30) and H22 Alone Together. LFM30 is an initiative in Malmö to accelerate the construction sector's climate realignment and implementation of Agenda 2030. H22 Alone Together is a project within the framework of H22, the international urban fair in Helsingborg, to develop the housing of the future in a way that reduces exclusion, segregation and perceived lock-ins.

Sustainable Innovation is a non-profit enterprise driving projects for sustainable community development. Alongside the business community, the public sector and research organizations, innovations are created, tested and realized that will contribute to societal change making the climate, business, and life more sustainable.

TOWARDS A CLIMATE-SECURE CONSTRUCTION PROCESS

Targets for climate neutrality by 2045

Serneke is behind the construction industry's Roadmap for fossil-free competitiveness. The roadmap has been developed by the Swedish association of construction companies, industry representatives, researchers and the Fossil-Free Sweden organization, which means that Serneke's objective is to achieve net-zero emissions of greenhouse gases by 2045.

The production chain in construction and contracting accounts for a large part of the total carbon dioxide emissions in Sweden. In Serneke's own operations, these are mainly generated by the fossil fuels used by transport vehicles and construction machinery, as well as by heating workplaces. Here, active work is being carried out with energy efficiency measures by increasing the requirements in internal procedures. However, the largest part of the emissions in the value chain arise in connection with the production of building materials, as well as through subcontractors' use of machinery and vehicles. This climate impact occurs outside Serneke's own business, but is nonetheless a

consequence of decisions made within the Company through, for example, purchases and procurements. The long-term ambition is to contribute to reducing the climate impact throughout the value chain – from the construction stage, to the operational stage, and ultimately to the final stage, regardless of the country in which the climate impact occurs. Although compensatory measures may be necessary to achieve net zero greenhouse gas emissions, the primary strategy is to reduce emissions. Emissions from the operational phase are only included for the buildings that Serneke manages.

STATUS AND FOCUS GOING FORWARD

In 2021, Serneke has begun work on developing a plan for how the goal of climate neutrality will be achieved. In 2022, the work will continue by developing a climate roadmap for the Company.

To ensure that targets are relevant, concrete and transparent, Serneke intends to join the Science Based Targets initiative (SBTi) in 2022.



TOWARDS A CLIMATE-SECURE CONSTRUCTION PROCESS

ACTIVE EFFORTS TO INCREASE POSITIVE IMPACT AND REDUCE EMISSIONS THROUGHOUT THE VALUE CHAIN

Serneke conducts active work to prevent, limit and reduce climate and environmental impact at all stages – from land acquisition and project planning, through the purchase of materials for construction and operation. However, opportunities for influence differ greatly depending on whether Serneke owns and is advancing the project – or is acting as a contractor for another client.



Project development

In the projects Serneke develops under its own auspices or in close collaboration with customers, there are considerable opportunities to influence the forthcoming climate impact in both the construction and operational phases through proactive efforts.

All housing projects developed in-house are done so in accordance with the requirements of external certification systems, including BREEAM, LEED, the Nordic Ecolabel and Miljöbyggnad. Serneke has its own environmental certification specialists and is also part of external reference groups for the deve-

lopment of new Nordic Ecolabel criteria and requirements for Miljöbyggnad 4.0.

In 2021, 62 percent of all of Serneke's construction projects in progress at the time, corresponding to a total project value of more than SEK 30 million, met the requirements of one of the certification systems. Of the order backlog over the next three years, green projects account for SEK 2,413 million. The projects involve constructing properties in accordance with established certification requirements, which are in line with Serneke's green framework.

EXAMPLES OF INITIATIVES AND MEASURES TO MINIMIZE IMPACT AND EMISSIONS

- All housing projects developed in-house are planned in accordance with requirements in external certification systems.

IN FOCUS IN 2022

- Development of clear internal objectives and requirements regarding projects developed in-house, including external certifications
- Continued work with the development of a strategy for the conservation/consideration of biological diversity in connection with projects
- Development of requirements for increased circularity and resource efficiency through minimization of waste and increased recycling of materials



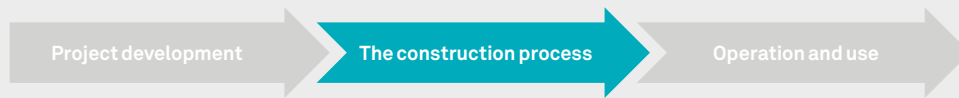
In 2021, Serneke worked, among other things, with the development and construction of more than 100 apartments in the Dörren neighborhood in Växjö. The homes have been designed in accordance with the vision of “Sustainable Växjö 2030” and the buildings will be constructed to consume less energy, thereby contributing to their low environmental impact. The objective is to meet the requirements for near-zero energy buildings. In the project, Serneke has also worked with rain gardens, detention tanks and vegetation to facilitate sustainable management and delay of storm water flows.



In Serneke's project Velocity in Helsingborg, developed under Serneke's own auspices, the geothermal heating system installed for the 140 apartments will be powered by electricity produced by solar panels on the roof of the property. Through this solution, which has come about through a collaboration with energy company E.ON, the climate footprint from energy use will be minimized.



TOWARDS A CLIMATE-SECURE CONSTRUCTION PROCESS



The construction process

The majority of all emissions in the construction phase can be attributed to the production and transport of building materials and input goods, emissions from work machines, energy consumption on construction sites and waste management. However, the breakdown varies greatly depending on the type of project. In the construction of buildings, the production of building materials accounts for most greenhouse gas emissions. Here, the impact from transport and energy consumption accounts for a smaller share in relative terms. In larger construction projects with extensive transport needs, the distribution can be the reverse.

PURCHASING OF MATERIALS

Historically, Serneke's purchasing has been relatively decentralized, being addressed within the framework of specific assignments and projects. In the future, the ambition is to establish framework agreements with selected suppliers in relevant areas. These framework agreements enable an increased focus on measuring the climate impact arising in the supply chain and thereby facilitating the goal of climate neutrality.

ENERGY CONSUMPTION AT THE CONSTRUCTION SITE

Serneke works actively to both reduce energy consumption and to choose the energy source with the least possible climate impact. At construction work sites there are mandatory requirements for LED lighting and, where appropriate, motion sensors must also be installed.

For the projects over which Serneke has control, the electricity consumed derives from renewable energy and district heating is used for heating and dehumidifying. Diesel-powered dryers and fans are to be avoided as far as possible.

TRANSPORT AND MACHINERY

Most material transports and work using heavy machinery in Serneke's projects are conducted by subcontractors and other suppliers. Where possible, the shared requirements for subcontracts stated by the Swedish Transport Administration and the Swedish metropolitan areas' joint client group are applied, including the following:

- Requirements for at least 20 percent renewable fuels in addition to the law on mandatory reductions
- Requirements in terms of age, Euroclass and maximum emissions of climate-impacting gases from vehicles
- Requirements for reporting fuel consumption.

SUSTAINABILITY LABELING OF CONSTRUCTION SITES

In 2021, Serneke conducted a pilot project to implement its own sustainability labeling of ongoing construction projects. The purpose is to elucidate the measures necessary to achieve the set requirements. This sustainability labeling is intended to encompass the workplace and everyone working there, but also to take into account the environment and those who live, stay and work close to the site.

The label covers nine main areas: horizontal measures (including social commitments), setting up of "huts" as offices and/or accommodation, health and safety, handling of chemicals, vehicles and machinery, waste management, emergency preparedness, brand and environment.

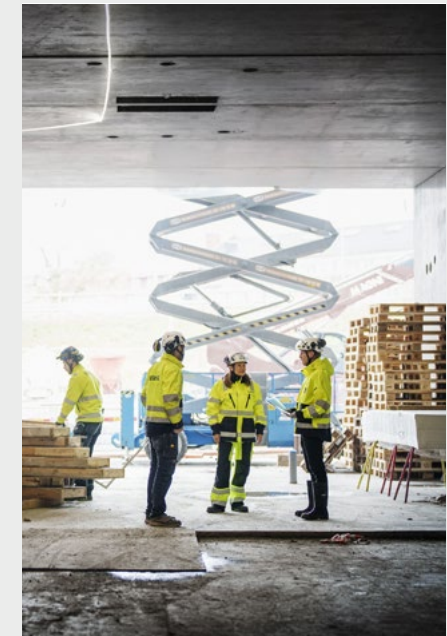
The plan is for the labeling to include the levels – bronze, silver, and gold. All projects must meet the bronze level at least, meaning that all mandatory measures in operational project management systems are met.

The goal is to gradually implement the sustainability labeling for all of Serneke's construction projects by 2022.



INCREASED KNOWLEDGE OF ENERGY USE DURING THE CONSTRUCTION PROCESS

In 2021, Serneke participated in a development project aimed at increasing knowledge of energy use in production. The project also seeks to develop requirement specifications and a plan for measuring energy consumption at construction sites. A major empirical study is set to commence in 2022 and will continue for about a year. The project is being conducted within the framework of Lågan (the Flame), a collaboration between the Swedish Construction Federation, the Swedish Energy Agency, the National Board of Housing, Building and Planning, Region Västra Götaland, building contractors, developers and consultants.



TOWARDS A CLIMATE-SECURE CONSTRUCTION PROCESS

MATERIALS – AND RESOURCE EFFICIENCY

The construction and property sector accounts for a significant part of society's material use and waste flows. Accordingly, resource consumption and waste management constitute one of Serneke's highest priority environmental issues. Efforts build on the construction industry's guidelines for resource and waste management during construction and demolition. The ambition is to minimize material and resource consumption and thereby the amount of waste; to reduce the proportion of waste sent to landfill and to increase the sorting of waste at construction sites.

To support this work, Serneke's projects have access to our construction site sustainability labeling. This reports which waste fractions are mandatory and gives tips on which selectable fractions may be suitable. It also describes how to store and handle hazardous waste to prevent it from harming our employees or the surrounding environment.

Serneke's goal is, that by 2025, all waste will be sorted directly at the construction site and the amount of waste sent to landfill will be reduced to a maximum of 2 percent of all waste (excl. contaminated masses).

AFFILIATED TO THE "CONSTRUCTION PALLET RETURN SYSTEM"

Serneke participates in the construction pallet return system, meaning that construction pallets are

collected from construction sites and then reused or recycled. Participating in the return system facilitates a reduction in the amount of construction waste.

TOXIN-FREE ENVIRONMENT

A non-toxic environment is one of Sweden's environmental goals and chemical products and substances affect both people and the environment. All chemicals used at Serneke's workplaces are registered and checked that they do not contain any substances that have, or are being, phased out. Clear requirements in this regard are set out in environmentally certified projects, such as apartment buildings labeled with the Nordic Swan or Miljöbyggnad, while other chemicals are also checked before use by checking against criteria in the Building Products Assessment service and BASTA. Products used at Serneke's workplaces must meet the BASTA system's requirement levels BASTA or BETA, or the Building Product Assessment service's Recommended or Accepted labels.

BUSINESS TRAVEL

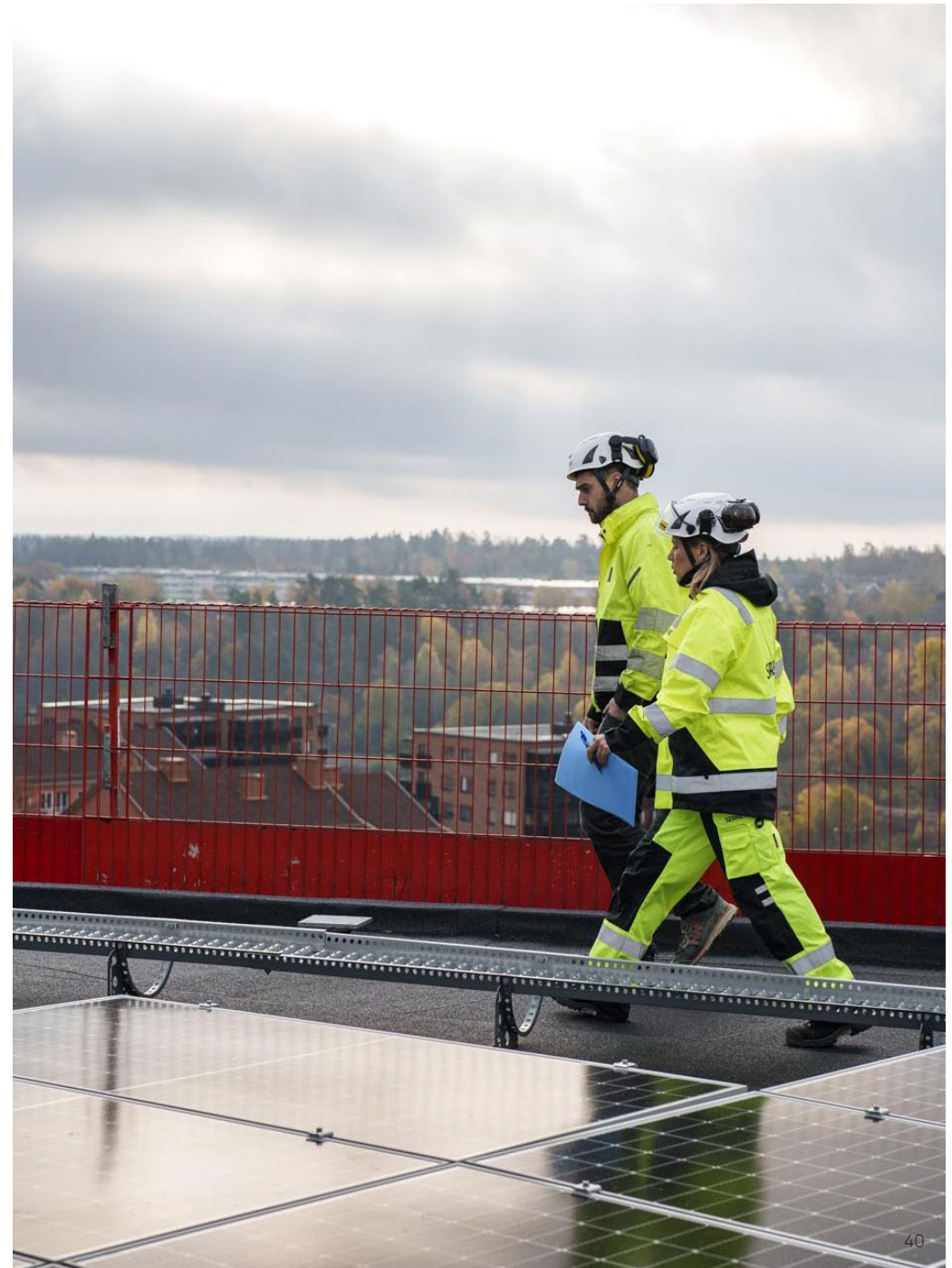
Serneke's guidelines for business travel guide towards prioritizing rail over air. When it comes to company cars, the goal is to increase the proportion of vehicles powered by alternative fuels or electricity, or plug-in hybrids. Although 7 percent of company cars were electric in 2021, that share is increasing rapidly.

EXAMPLES OF INITIATIVES AND MEASURES TO MINIMIZE IMPACT AND EMISSIONS

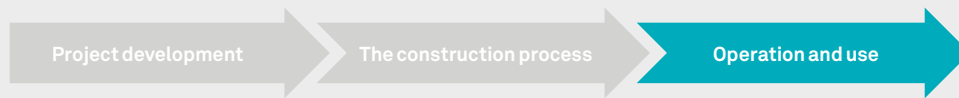
- Framework agreements with suppliers that enable better planning of purchases – and thereby fewer transports
- Use of climate-improved concrete
- Development of sustainability labeling for construction sites

IN FOCUS IN 2022

- Develop a plan for the gradual phasing out of fossil-fueled vehicles and machines
- Enter into external collaborations for the development of sustainable material choices
- Standardize and streamline the processes around data collection and reporting
- Continued increase in the proportion of company cars powered by electric /charging hybrids



TOWARDS A CLIMATE-SECURE CONSTRUCTION PROCESS



Operation and use

Serneke works actively to minimize and reduce energy use in the offices and properties that it owns. Continuous efforts are being conducted throughout the Company, to introduce measures identified in the recurring energy survey, which is conducted in accordance with the Act on energy surveys in large companies (2014:266). The mapping includes the energy used in buildings, operations and transports under the Company's control.

EXAMPLES OF INITIATIVES AND MEASURES TO MINIMIZE IMPACT AND EMISSIONS

- Systematic work to reduce energy use, including through continuous energy surveys
- Optimization of air systems to create a good climate at the right expense
- Switch to windows with better U values for minor heat leaks
- Sealing of facades and gates for minor heat leakage
- Supplementation with heat pumps where older heating systems have yet to be updated
- Lowering the temperature in unoccupied rooms

IN FOCUS IN 2022

- Working towards centrally binding electricity agreements for 100 percent renewable electricity from one or a few suppliers
- Continued work to replace windows and to seal facades to reduce heat leakage
- Establish so-called free cooling at Priority Serneke Arena, enabling free cooling from the ground and reducing the need for cooling produced by the central cooling units
- Switch to LED light fixtures in all properties



On the roof of the Priority Serneke Arena, we have had solar cells, since 2019, that produce some 250 Mwh/year for proprietary use in the arena.

ETHICAL APPROACH AND CONSIDERATE BUSINESS

The construction and contracting industry is characterized by large-scale projects with multiple parties involved and a mix of both public and private-sector customers. Combined, this entails an increased risk of bribery and corruption. Serneke works hard to identify and reduce risks of events and incidents that could harm the operations in various ways.

For Serneke, it is important to act ethically. This strengthens competitiveness and contributes to a high level of trust among employees, customers, suppliers, capital market and society as a whole. We have zero tolerance for all forms of corruption, including all types of bribery and corruption. Our Group-wide Code of Conduct describes the basic principles for how managers and employees throughout the organization should act in their day-to-day work and in contacts with suppliers, competitors and other external parties. The Code of Conduct also defines what applies in areas including gifts, drugs and alcohol, as well as in connection with possible conflicts of interest. All employees are required to complete Serneke's internal training in the Code of Conduct.

Reporting via WhistleB

If an employee discovers any violations of Serneke's Codes of Conduct, core values, policies or applicable legislation, an opportunity is provided to report such misconduct anonymously via the third-party WhistleB service. The purpose of the function is to ensure that any irregularities come to Serneke's knowledge if, for example, it is not possible to notify ones immediate manager or the HR function. This whistle-blower function is also available to others, as well as employees. In 2021, a total of four cases were reported, all of which were processed and investigated in accordance with established procedures.



Industry agreement against bribes

In December 2015, several major players in the Swedish construction industry signed an agreement to combat bribery and corruption in the publicly-funded construction and property sector. Apart from several nationwide construction companies, the Swedish Construction Federation and the

Swedish Association of Local Authorities and Regions are parties to the agreement. The overall aim of the agreement is to meet external demands for greater transparency. In addition to principal positions, it also provides concrete guidance on topics such as business entertainment and sponsorship. Serneke wholeheartedly backs the agreement and it is com-

pulsory for all white-collar employees to attend the training provided in the subject by the Swedish Construction Federation.

Subcontractors

In the construction and civil engineering projects, the work is often conducted together with subcontractors and collaborative partners. Serneke applies a supplier control procedure and only enters into agreements with suppliers who meet Serneke's basic requirements. To ensure that all procured parties comply with the guidelines established by Serneke and the client, it is important that there be clarity in the contractual terms and communications from an early stage. The Code of Conduct and Serneke's Health and Safety Regulations are included as mandatory terms in all supplier agreements. Violations of the Code of Conduct entitle Serneke to terminate the agreement.

Serneke permits at most two subcontractor levels and demands that its terms pervade the entire contracting chain. By keeping personnel ledgers in InfoBric, or corresponding system, Serneke ensures that all individuals on a site are approved in accordance with ID06. To achieve financial resilience, each procurement process includes checks using credit rating services and the Swedish Tax Agency, and contractors' financial status is continuously monitored to capture changes at an early stage. However, financial resilience is also achieved by maintaining a close relationship and a beneficial, ongoing dialog with contractors. Many risks are minimized through long-term cooperation with contractors.

GOVERNANCE AND FRAMEWORK

As a complement to the existing legislation, Serneke's Board of Directors and management have together formulated and adopted a framework that sets the guidelines for Serneke's actions as a responsible company and employer. The framework consists of both internal regulations and guidelines as a link to external principles and recommendations. Key regulations and guidelines are presented below.

Code of Conduct for Employees

The Code of Conduct outlines Serneke's guidelines for employees in five areas – work environment, working conditions, ethical business, communications and the environment. It applies to the Board of Directors and all employees of Serneke. Serneke's Group Management is responsible for compliance with the Code. In 2021, a new Code of Conduct was launched, developed to better meet the expectations of the external community, including more areas and adapted to an international context. During the year, a digital introduction course to the Code of Conduct was also launched, with all employees being required to complete this.

Code of Conduct for Business Partners

Serneke's Code of Conduct is supplemented by Serneke's Code of Conduct for Business Partners. The Code of Conduct for Business Partners is included in our agreements with partners and must be adhered to by all subcontractors and suppliers. In the event of a more serious breach of the Code, it is possible to terminate an agreement.

Group policies

To clarify regulations and instructions, Serneke has adopted several policies. The Purchasing Policy explains the Group's ethical positions, internally as well as towards suppliers. The Environmental Policy describes Serneke's comprehensive approach to environmental issues and overall principles for the management and monitoring of the environmental work. The Work Environment Policy outlines the framework for the physical, organizational and social work environment. The Diversity and Equal Treatment Policy describes Serneke's ambitions regarding mat-

ters of equality, diversity and equal treatment. The Alcohol and Drugs Policy describes Serneke's view of alcohol and drugs.

Global Compact

Serneke has joined the UN's Global Compact initiative. The Global Compact was introduced in 1999 by former UN Secretary General Kofi Annan and is currently, with over 10,000 corporate members from 161 countries, the largest global initiative for corporate responsibility and sustainability issues. Corporate members commit themselves to live up to ten principles on human rights, environment, labor standards and anti-corruption, and respect these throughout the value chain.

Human rights and working conditions

Serneke follows the International Labor Organization's (ILO) eight "core conventions". This regards basic human rights in the workplace. In addition, Serneke supports and respects the UN Declaration of Human Rights and the International Labor Organization's International Program for the Abolition of Child Labor (IPEC). The principles are applied through supplier assessments and audits – follow-up tools that are directly linked to the objectives of the Code of Conduct. Through close and long-term collaboration with suppliers and contractors, shortcomings are noted and remedied in collaboration.

Industry-wide agreements

In addition to the above-mentioned framework, Serneke is also included in a number of industry-wide agreements and guidelines. These include "Keep the Zero" (collaboration to prevent accidents in the construction industry) and an industry-wide agree-



ment aimed at combating bribery and corruption in the publicly funded construction and property sector.

Certifications

Serneke Sweden is certified in accordance with ISO 14001: 2015 (environment) and ISO 9001: 2015 (quality). Nyberg Svets (a company within the Group) holds the certification EN 1090:2 (construction steel).

Organization and responsibility

Serneke's operational activities are conducted based on a regional structure. Ongoing sustainability efforts are conducted in close collaboration with customers and clients. Coordination and collaboration by means of central support and staff functions facilitate a high level of quality and a continuous exchange of experiences. The CEO is responsible for the continuous reporting to the Board of Directors.

Monitoring and controls

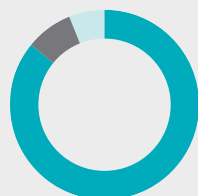
The construction industry is subject to extensive regulations and continuous external review regarding environmental considerations, aspects of technical quality, safety concerns and legal considerations relating to the work environment. The Company's operating system, with its processes and procedures, contributes to maintaining high and consistent quality in all areas. To assess and improve the efficiency of the operations' processes, internal audits are performed within the Company. This also fosters security and verifies that the operations are functioning as they should. The foremost external inspections include audits in connection with ISO certification, audits from customers and clients, inspections by the Swedish Work Environment Authority and the Swedish Tax Agency, as well as the unions' workplace inspections and ongoing review.

OUTCOME DATA, 2021

WORKPLACE AND EMPLOYEE DATA

Number of employees, Dec 31, 2021	2021	2020	2019
Total, of whom	1,218	1,120	1,125
White-collar employees	870	810	816
Blue-collar employees	348	310	309

Number of employees per business area



- Sweden, 86%
- Invest, 8%
- Group, 6%

Comments

The number of employees increased again in 2021, as a consequence of increased growth in the Company and intensified production in a number of major projects, including Karlatornet.

Gender distribution	Proportion of men	Proportion of women
Total, %	81	19
White-collar employees, %	74	26
Blue-collar employees, %	99	1
Management (all levels), %	82	18
Board of Directors, %	5/8	3/8
Group Management, %	6/9	3/9

Comments.

Overall, the proportion of women in the Group increased slightly in 2021, compared with the preceding year. The trend towards a more even gender distribution is moving in the right direction, albeit at a slow pace and with substantial differences between different occupational groups. The Group prioritizes its work with diversity and inclusion, including with regard to recruitment, succession planning and leadership training.

Personnel turnover	2021
Number of new employees, total	343
White-collar employees	236
Blue-collar employees	107
Number of employees leaving (Group), of whom	191
White-collar employees	150
Blue-collar employees	41
Personnel turnover (Group), total	16%
White-collar employees	18%
Blue-collar employees	12%

Sick-leave, %	2021
Total Group	5.9
Of which	
White-collar employees	2.2
Blue-collar employees	9.3

Comments

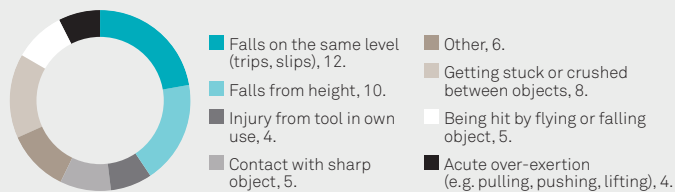
In 2021, personnel turnover exceeded the Company's long-term goal. This can be partly explained by a strong upswing in construction with fierce competition for labor in the market. Sick leave being at a higher level than normal was a consequence of the corona pandemic and the restrictions it entailed.

WORKPLACE AND EMPLOYEE DATA, CONT.

Incident reporting	2021	2020	2019
Total number of accidents with absence	57	43	37
Serneke personnel	20	8	11
Subcontractors	37	35	26
Lost time injury*, Serneke personnel	10.5	4.9	6.8
Fatal accidents	0	0	0
Serneke personnel	0	0	0
Subcontractors	0	0	0

*Number of accidents with more than eight hours of absence per million hours worked

Most common types of accidents and injuries, number



Comments

Reporting of risk observations increased in 2021 compared with the preceding year. Reporting of both incidents and accidents also increased. This outcome derives from several factors, including simplified reporting opportunities through the IA app, initiatives for training in the reporting tool, increased risk awareness in projects and a preventive long-term work environment process aimed at reducing the number of incidents and accidents in the long term.

Accidents in total

In 2021, 187 accidents were reported at Serneke's workplaces. The three most common causes of accidents are falls on the same level (trips/slips), contact with sharp objects and getting stuck/crushed between objects.

Accidents with sick leave

In 2021, 57 accidents resulted in at least one day of sick leave, with 20 of those cases involving Serneke employees (incl. contracted personnel and apprentices) and 37 involving subcontractors. The three accident categories causing most absence are falls on the same level (trips/slips), falls from height and getting stuck/crushed between objects.

Incidents

In 2021, a total of 422 incidents were reported at Serneke workplaces. This was an increase by slightly more than 100 incidents compared with the preceding year. The predominant risk in connection with incidents is being hit by flying/falling objects, this is followed by the risk of being infected with Covid-19 in the workplace, followed closely by the risk of being injured by falling from a height or the risk of getting stuck/crushed between objects.

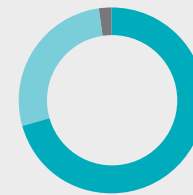
OWN CLIMATE IMPACT AND ENERGY CONSUMPTION

Breakdown of CO₂ emissions in accordance with the GHG protocol (CO₂e emissions, tonnes)

	2021	2020	2019	% change 2019–2021
Direct greenhouse gas emissions under Scope 1, <i>of which</i>	1,701	1,450	2,628	–35%
Business travel and transport (vehicles leased or owned by Serneke)	1,067	1,165	2,032	–47%
The operations' production processes and heating	634	286	596	6%
Indirect greenhouse gas emissions under Scope 2, <i>of which</i>	655	376	565	16%
Electricity	380	151	225	69%
District heating	275	225	340	–19%
Indirect greenhouse gas emissions under Scope 3, <i>of which</i>	46	30	117	–60%
Business travel (air and rail)	44	25	110	–60%
Rental cars	2	5	7	–71%
TOTAL CO₂e (tonnes)	2,402	1,856	3,310	–38%
Total CO₂e (tonnes) in relation to sales	0.27	0.27	0.49	–49%

Energy consumption (MW)

	2021	2020	2019	% change 2019–2021
Energy use, <i>of which</i>	25,595	20,215	34,410	–26%
Production	17,974	11,695	16,424	9%
Properties owned by Serneke	4,054	3,682	8,626	–53%
Business travel and transport (vehicles leased or owned by Serneke)	3,567	4,838	9,359	–62%
Self-produced energy (MW), <i>of which</i>	235	248	96	148%
Electricity from solar cells	235	248	96	148%

Breakdown of CO₂ emissions in accordance with the GHG Protocol, %

■ Scope 1, 70.7%
■ Scope 2, 27.3%
■ Scope 3, 2.0%

Breakdown of CO₂ emissions, %

■ Production and heating 53.6%
■ Business travel and transport 46.4%

Comments:

Over the year, greenhouse gas emissions from Serneke's own operations (Scope 1) increased to 1,701 tonnes, an increase of about 17 percent compared with 2020. The increase was mainly due to increased emissions related to production and heating. Seen in relation to sales, emissions were unchanged. Compared with 2019, emissions decreased by 35 percent in CO₂e, and by 49 percent in relation to sales.

It is worth noting that the stated emissions do not fully represent the total and actual climate impact to which Serneke's operations give rise. The reporting of the impact from production fuels is made more difficult by, for example, Serneke owning few vehicles and work machines of its own, but instead hiring subcontractors with machinery and fuel to carry out the work.

Energy from renewable sources accounted for 90 percent of total energy consumption for the year.

Reporting in accordance with Scopes 1, 2 and 3

Serneke's climate mapping currently covers Scopes 1 and 2, as well as selected sub-streams within Scope 3. Scope 1 comprises direct emissions of greenhouse gases from vehicles and machines owned or leased by Serneke. Scope 2 comprises indirect greenhouse gas emissions from the consumption of electricity, district heating and cooling in leased and managed properties, as well as at construction sites. Serneke has currently chosen to limit its Scope 3 reporting to emissions associated with business travel (rail, air and rental cars).

Serneke works actively to refine the processes for measurement and follow-up, including improving its capacity for measuring its climate footprint, also within Scope 3. However, most Scope 3 emissions arise in connection with the production of building materials and through the use of machinery and vehicles by subcontractors. This climate impact arises outside Serneke's own operations, but is a consequence of decisions made within the Company. The new Climate Declaration Act will also probably contribute to facilitating the production of key figures for relevant substreams.

OWN CLIMATE IMPACT AND ENERGY CONSUMPTION, CONT.

Waste, proportion and tonnes	2021	2020	2019	% change 2019–2021
Materials recycling	49% (4,941)	44% (4,995)	50% (5,401)	-9%
Energy recovery/combustion	29% (2,875)	39% (4,405)	24% (2,569)	12%
Landfill	5% (484)	3% (307)	4% (460)	5%
Hazardous waste	<1% (40)	<1% (40)	<1% (52)	-23%
Other	17% (1,668)	14% (1,647)	21% (2,293)	-27%
Total (tonnes)	100% (10,008)	100% (11,394)	100% (10,775)	-7%
Sorting degree	83%	86%	79%	-2%
Tonnes of waste in relation to sales	1.15	1.66	1.60	N/A

Comments:

Serneke strives to minimize waste and to maintain a high level of recycling. In relation to sales, the amount of construction and installation waste was lower than in previous years. The sorting rate is the same as in previous

years and should be further reduced. In the future, the objective is to increase the proportion of waste that is reused and recycled – and to reduce the amount of waste sent to landfill.

Environmentally certified projects completed in 2021

	2021	2020	2019
BREEAM	3	2	0
Miljöbyggnad	17	8	8
Nordic Swan	1	1	0
LEED	0	0	1
Total	21	11	9

Ongoing environmental certification projects in 2021

	2021	2020	2019
BREEAM	4	2	0
Miljöbyggnad	37	22	13
Svanen	4	1	0
LEED	0	0	1
Total	45	25	14

Comments:

In 2021, 62 percent of Serneke's ongoing construction projects with a project expense of more than SEK 30 million, were conducted based on the requirements of one of the above-mentioned certification systems.

This is an increase of 2 percentage points compared with the preceding year. Based on the number of environmentally certified projects, the increase is even greater.

Taxonomy

	Total (SEK million)	Percentage covered by the EU taxonomy for sustainable activities, %	Proportion not covered by the EU taxonomy for sustainable activities, %
Sales	8,735	100%	0%
Investments (Capex)	384	100%	0%
Expenses (Opex)	N.A.*	N.A.*	N.A.*

*Not reported as it is currently considered difficult to define this in construction companies according to a joint assessment by industry peers.

Comments:

The EU's green taxonomy (EU 2020/852) came into effect in July 2020. The purpose is to make it easier for investors to identify and compare environmentally sustainable investments through a common classification system for environmentally sustainable economic activities. Major companies of general interest subject to sustainability reporting requirements in accordance with the Non-Financial Reporting Directive shall report the extent to which their operations are covered for the 2021 financial year. The taxonomy is based on operations that, according to research, account for a large part of climate-affecting emissions and that, according to the EU, play a critical role in the transition to a low-carbon, resilient and resource-efficient economy.

Sales

Mainly involves construction of new buildings and renovation of existing ones. Sales often derive from contracting assignments for external clients and construction projects developed in-house. 100 percent of Serneke's operations were covered by the EU's green taxonomy for sustainable activities.

Capital expenditures

Investments comprise construction projects developed in-house. 100 percent of the investments were covered by the EU's green taxonomy for sustainable activities.

Expenses

Opex is not reported in Serneke's 2021 Sustainability Report, as it is currently considered difficult to define this in construction companies according to a joint assessment by industry peers.

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the Annual General Meeting of SERNEKE Group AB (publ), corporate identity number 556669-4153

Assignments and responsibilities

It is the Board of Directors that is responsible for the Sustainability Report for the year 2021 on pages 30–47 and for this being prepared in accordance with the Annual Accounts Act.

Focus and scope of the audit

Our audit has been conducted in accordance with FAR's recommendation RevR 12 Auditor's opinion on the statutory Sustainability Report. Accordingly, our review of the Sustainability Report has a different

focus and is of substantially lesser scope than an audit conducted in accordance with the International Standards on Auditing and other generally accepted auditing practices in Sweden. In our opinion, this review provides us with sufficient grounds for our opinion.

Statement

A Sustainability Report has been prepared.

Gothenburg, March 30, 2022
PricewaterhouseCoopers AB

Ulrika Ramsvik
Authorized Public Accountant
Principal auditor

Konstantin Belogorcev
Authorized Public Accountant Co-signatory