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Sustainability report



Sustainability as a business driver

Sustainability is an integral part of Vestum's business model and investment strategy with the aim of developing and building more sustainable civic infrastructure. By working systematically and purposefully to be sustainable, we increase our competitiveness and attract and retain both customers and employees. Vestum's businesses possess vast knowledge and experience regarding environmental issues and work environment issues within their respective specialist areas.

Sustainability challenges within Vestum's business areas

Society faces global sustainability challenges such as climate change, reduced biodiversity and land-use changes. Vestum operates in industries that have large environmental footprints. Vestum can contribute to a reduced environmental impact through the choice of materials and waste, transport, machinery and construction methods. There is an ever-increasing need to use natural resources more efficiently, reduce carbon dioxide emissions and have more circular and non-toxic material flows.

Vestum strives to contribute to a more sustainable society by developing and acquiring businesses that provide specialised services and products for civic infrastructure. By building and maintaining railways, subways, footpaths and cycle lanes as well as working with insulation and solar cells, we contribute to reduced climate impact. At the same time, we strive to reduce the environmental and climate impact within our own operations.

Work environment issues are vitally important within the industries in which Vestum operates. In order to manage safety aspects at construction sites, railways and

facilities, we have strict rules that regulate how work is carried out, who can enter workplaces and how many hours employees are allowed to work.

How the Vestum Group manages its sustainability work

Our Group-wide sustainability management is based on clear organisational responsibilities, policies and monitoring processes. Our goal is to work in a systematic and structured way based on long-term sustainability targets. The ongoing sustainability work is assessed quarterly and annually.

Vestum's Board determines the overall sustainability strategy and targets. Vestum's CEO is responsible for ensuring that the Group follows the overall strategy and manages the risks and opportunities presented in regard to sustainability. Vestum's Head of Sustainability leads the Group-wide efforts and ensures that sustainability work is integrated into Vestum's operations. It is up to the CEO of each of Vestum's companies to ensure that strategies are implemented, targets are met and Vestum's internal governing documents – as well as laws and regulations – are followed within the individual company.



Sustainability at Vestum

Follow-up and reporting is carried out by a sustainability officer within each company and is passed on to the Group level via the Position Green platform. Since the first quarter of 2022, Vestum publishes an external report on its sustainability work on a quarterly basis, and a more detailed report is presented in the Group's annual report. In addition, the Lakers Group, a group of companies within Vestum, annually reports the results of its sustainability work based on certain selected indicators for a sustainability linked bond.

Sustainability forum and sustainability council

The sustainability officer within each Vestum company is a member of Vestum's sustainability forum, which aims to share knowledge about the best way to address relevant sustainability issues. The forum meets quarterly and offers training and networking connected to Vestum's overall sustainability targets, work environment issues, social responsibility, human rights and anti-corruption. Vestum also runs several pilot projects to identify the best ways of working systematically with specific issues. One such pilot project was used to develop the process for ensuring that our reporting is in accordance with the EU taxonomy. Pilot projects focusing on reducing our climate impact will be carried out in 2023.

In addition to the sustainability forum, Vestum has a sustainability council that includes various Group functions. The council serves as a consultation body for sustainability issues and deals with all sustainability issues regarding the environment, personnel, social conditions, human rights and anti-corruption.

Sustainability work integrated into newly acquired companies

One of Vestum's acquisition criteria is that the company shares our values regarding long-term profitability, decentralized decision making and sustainability. When an acquisition is completed, the company becomes part of Vestum's Group-wide sustainability work and a sustainability officer is appointed who is responsible for the company's sustainability reporting and who becomes a member of Vestum's sustainability forum.

Governing documents

Vestum has been a member of the UN's Global Compact since August 2022. The membership means that Vestum follows the ten principles within the areas of human rights, labour, environment and anti-corruption as well as the global sustainability targets. Vestum also adopted a new sustainability policy in 2022 that is based on the principles of the UN's Global Compact. As a signatory company to the UN's Global Compact, Vestum will, from January 2023, report on its compliance with the ten principles and the progress of its work to achieve the global targets.

Vestum's Board adopted a new Group-wide code of conduct during 2022 and a code of conduct for suppliers. The code of conduct provides guidance on how employees should act responsibly in matters relating to the environment, human rights, diversity and non-discrimination, regulatory compliance and bribery and conflicts of interest. The code of conduct is communicated to all companies within the Group and we conduct ongoing training in business ethics and other matters. In addition, the subsidiaries follow their own standards for sustainability strategies, policies and work



Sustainability at Vestum

processes. These are part of the companies' operational management systems, some of which have been certified by a third party. Third-party reviews are becoming increasingly common and a third-party reviewed certification provides a clearer structure and better communication and contributes to continuous work improvements. Several of Vestum's operations have certifications such as ISO 14001, Environmental management, ISO 9001, Quality management, and ISO 45001, Occupational health and safety management. The code of conduct for suppliers conveys the requirements we place on our suppliers regarding sustainability and we expect them in turn to convey the requirements to their subcontractors.

It is vitally important to Vestum that rules are followed and that business ethics within the Group are strong. Vestum has a Group-wide whistle-blower service that gives everyone the opportunity to report any wrongdoing. The whistle-blower service is managed by an external party.

Governing documents

Vestum's Board has adopted the following Group-wide sustainability-related governing documents:

- Code of conduct
- Code of conduct for suppliers
- Sustainability policy
- Anti-corruption policy
- AML & CTF policy
- Sanctioning policy
- Competition policy

Vestum's material sustainability issues

Vestum's sustainability work is based on materiality and the expectations our most important stakeholders have of us. We have a continuous dialogue with our primary stakeholders to maintain strong and long-term relationships and stay informed of their needs and expectations.

Vestum's primary stakeholders

Customers

Material sustainability issues

Gender equality
Work environment
Anti-corruption
Regulatory compliance
Human rights
Climate
Biodiversity

Employees

Work environment
Gender equality
Climate
Anti-corruption

Investors

Business ethics
Financial development
Gender equality
Work environment
Climate
Human rights
Biodiversity

Society

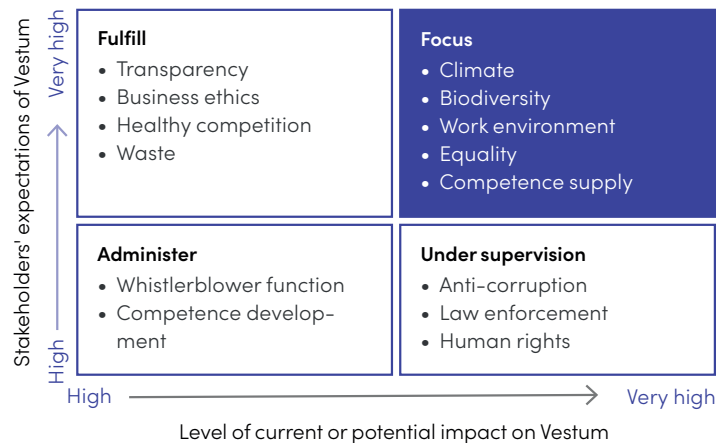
Climate
Gender equality
Human rights
Biodiversity
Work environment
Working conditions
Whistle-blower function
Business ethics
Anti-corruption
Waste



Sustainability at Vestum

Vestum's materiality assessment is based on interviews and surveys with our stakeholder groups. The identified sustainability issues are divided into four focus areas and form the basis of the Group's sustainability work. Vestum also supports the UN Agenda 2030 and the global targets for sustainable development. Our operations have a bigger impact on some targets than others and our work focuses on increasing our positive impact and reducing our negative impact as much as we can, which we take into account in our sustainability work. Our efforts in relation to the respective relevant targets are reported in connection with the respective focus area.

Depending on our ability to influence, our work on sustainability issues takes place in various parts of Vestum's value chain, ranging from products used by suppliers to how our subsidiaries' goods and services are used by the end consumer. Vestum's ability to make the right company acquisitions, grow while maintaining a strong financial position and meet customers' quality requirements is connected to other parts of the day-to-day operations and is not evaluated within the framework of our sustainability work.



Focus areas	Material topics	Relevant globally sustainability goals	Interim goals
Corporate governance	Anti-corruption		16.5 Substantially reduce corruption and bribery in all their forms
	Healthy competition		
Environment	Climate		13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters 13.3 Improve knowledge and capacity to meet climate change
	Biodiversity		15.1 Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems 15.5 Protect the biodiversity and natural habitats
	Resource allocation		6.3 Improve water quality and wastewater treatment and increase reuse 6.4 Increase water-use efficiency and a safe water supply 9.1 Develop quality, reliable, sustainable and resilient infrastructure
	Waste		12.4 Responsible management of chemicals and waste 12.5 Substantially reduce waste generation
Social responsibility	Work environment		8.5 Achieve full employment and decent work for all and equal pay for work of equal value 8.8 Protect labour rights and promote safe and secure working environments for all workers
	Human rights		17.17 Encourage and promote effective partnerships
	Gender equality		5.1 End all forms of discrimination against all women and girls everywhere 5.5 Ensure women's full and effective participation and equal opportunities for leadership and decision-making
	Competence supply		4.3 Ensure equal access to vocational education 8.6 Substantially reduce the proportion of youth not in employment, education or training

Long-term sustainability targets

Vestum's Board adopted long-term sustainability targets in February 2023 related to five areas: climate, biodiversity, working environment, gender equality and skills recruitment. The purpose of the sustainability targets is to create a clear picture for Vestum's stakeholders, both internal and external, when it comes to Vestum's long-term sustainability work. The targets extend to 2040 and focus on areas that are deemed to be especially important from a sustainability perspective from the viewpoint of Vestum's different segments.

Short-term sustainability targets will also be set during 2023 with the aim of clarifying what must be implemented and achieved in the short term in order for Vestum to have the opportunity to reach its long-term sustainability targets. Our five focus areas based on the materiality analysis are:

- Climate
- Biodiversity
- Work environment
- Gender equality
- Skills recruitment

Net zero climate impact

The climate is one of the biggest challenges of our time and Vestum is active in sectors that are currently responsible for considerable climate emissions. Vestum must therefore act to decrease its negative impact on the climate, and any unavoidable negative impact on the climate must be offset through measures that bind carbon dioxide. The target is for Vestum to reach net zero climate impact by 2040 (applies to scope 1, 2 and 3). Vestum's board has also decided that Vestum shall set science-based climate targets, and a process will be initiated to have these targets approved by the SBTi (Science Based Targets initiative).

- In 2022, we have collected and analysed data for climate impact from scope 1,2 and 3 and developed a framework agreement for fossil-free and renewable electricity for all Vestum companies.
- In 2023, we will focus on setting targets according to the SBTi, collecting more data and increasing the proportion of fossil-free electricity.

Net zero impact on biodiversity

Biodiversity is, along with the climate issue, of central importance to the future stability of society. Vestum's businesses must therefore take the environment, nature and ecosystems into account. Any unavoidable negative impact needs to be offset through measures that promote biodiversity. The target is for Vestum to reach net zero impact on biodiversity by 2040.

- In 2022, we have developed a framework agreement for electricity that is also labelled Good Environmental Choice, which promotes biodiversity.
- In 2023, we will provide training in biodiversity and analyse how Vestum is impacting biodiversity.

No serious work accidents

The framework for Vestum's operations includes jobs that are physically challenging or expose workers to other forms of increased risk. Work environment issues therefore have the highest priority within Vestum. The target is for Vestum to have no serious work-related accidents by 2040.

- In 2022, we have collected and analysed data on work-related accidents.
- In 2023, we will provide work environment training.

Gender equality

It is of central importance to Vestum's success that all available skillsets are utilised and that Vestum provides

a gender equal and inclusive work environment. Vestum also operates in industries where there is a general need for improved gender equality, which Vestum wants to actively contribute toward. The target is for Vestum to have an even gender balance by 2040, in terms of the total number of employees in the Group.

- In 2022, we have collected data regarding the gender distribution.
- In 2023, we intend to start a female network, provide training in gender-neutral and inclusive recruitment, and begin developing a female apprenticeship program.

1,000 internships and apprenticeships

Vestum wants to contribute to social sustainability by offering internships and apprenticeships. Vestum can thereby contribute to increased employment and skills recruitment. The target is for Vestum to have created 1,000 internships and apprenticeships by 2040.

- During 2022, Vestum has started collaboration with Yrkesgymnasiet, which provides vocational high school educations.
- During 2023, Vestum will initiate more collaborations to increase the number of trainees and apprentices.

Business ethics and compliance

Business ethics and compliance are important to maintain the trust of customers, employees, the public and other stakeholders.

Business ethics

Healthy competition and reliability are crucial in order to maintain long-term relationships with our customers. Using unfair or illegal anti-competitive measures, associating with unethical business partners and acting against the interests of the assignment or company would damage our reputation and constitute a business risk. This also applies to suspicions of corruption in the relationship with customers, suppliers and subcontractors. Vestum has zero tolerance for bribes and in cases where representation occurs, there must never be any doubt about its business legitimacy.

Vestum's acquisition model strengthens the Group-wide interest in business ethics and anti-corruption by having a mutual focus on values and co-ownership. Our positions on ethics, anti-corruption and other matters are stated in Vestum's code of conduct and the code of conduct for suppliers, and apply to the entire Group.

Suppliers

In total, Vestum's subsidiaries have a large number of suppliers. The premise is that the same standards that apply to Vestum also apply to suppliers and subcontractors. Vestum's code of conduct for suppliers establishes the importance of maintaining good business ethics and that products and services that are pur-

chased are produced under environmentally and socially responsible conditions.

Whistle-blower service

Vestum's whistle-blower service gives both employees and external stakeholders the opportunity to use an encrypted communications channel to anonymously report deviations from Vestum's ethical principles and other irregularities that may harm individuals, Vestum, society or the environment. A whistle-blower does not need to provide proof of their suspicion, but all reports must be made in good faith. The reports are investigated and appropriate measures are then taken. In 2022, one whistle-blower report of suspected corruption within one subsidiary was investigated, and the investigation showed that no irregularities had occurred. Otherwise, there were no other incidents of corruption or significant rule violations. The whistle-blower service can be accessed via Vestum's website.

Data integrity

It is vital to always maintain confidentiality and integrity when handling customer and personal data by making sure data is handled in a correct, legal and fair way, and in compliance with GDPR. In light of increased data breaches suffered by authorities and large companies, work is continuously carried out to ensure that sufficient levels of protection are maintained.



Environment

Environmental issues include several important aspects, from reducing the climate impact and adjusting to a world affected by climate change, to biodiversity, reducing the use of resources, recycling and the use of chemicals.

Vestum's environmental efforts

Climate change and environmental impacts continue to have an impact on society. The industries in which we operate have contributed widely to climate change due to their need for land, resources and fossil fuels. But we see an opportunity to have a positive effect on developments through sustainable and energy efficient methods and products within civic infrastructure.

Vestum's objective is that our efforts should reduce climate impact, reduce the use of natural resources and increase the amount of recycling and thereby reduce the amount of waste. Vestum also aims to reduce the impact on biodiversity and find working methods and solutions that contribute positively to increasing biodiversity.

In addition to investor demands and tightened regulations linked to sustainability, stricter and more extensive requirements are being adopted when it comes to both reduced environmental impact and increased reporting. It goes without saying that Vestum complies with the applicable regulations and requirements in the countries where we operate.

Reduced climate impact

Vestum's long-term target is to reach net zero climate impact by 2040 and to have our climate targets

approved according to the SBTi. During 2023, we will set short-term targets and develop activities to help reach our long-term targets.

Vestum offers products that help reduce energy usage, such as water pumps, solar cells, LED lighting and insulation. Our work on railways, subways, footpaths and cycle lanes help create transport options that have low or no climate impact. The objective is also to minimise and optimise Vestum's own resource use with the help of green energy choices, minimised transports and investments in electric service vehicles. Investments in electric construction machinery may also be an option in the future depending on product development and the availability of charging infrastructure.

The Group's companies also help reduce the climate footprint of both Vestum and the end customer by screening essential suppliers based on their climate impact. Vestum intends to initiate dialogue with its largest suppliers regarding their carbon footprint in 2023.

Reduced energy usage

A more limited access to energy and increasingly high energy costs have become a major challenge for companies and public actors. Price fluctuations for electricity as a result of extreme weather changes



Environment

and geopolitical conflicts make energy consumption an increasingly big risk and important issue.

Vestum offers various energy-efficient products and solutions that streamline and modernise working methods in the infrastructure sector and contribute to reducing both energy costs and environmental footprints. One example is optimised water pump systems that reduce energy consumption in large water and sewage works.

Vestum wants to increase the proportion of fossil-free and renewable energy used in its own operations. We currently produce a small amount of energy in the form of solar energy through solar cells. Vestum's ambition is that its own production of renewable energy will increase in the coming years.

Reduced use of resources

Material consumption and waste levels can be limited by replacing traditional materials and methods with more environmentally friendly solutions and maximising the use of circular materials. This requires increased precision and innovation from suppliers.

In larger tenders for construction work, material selections and waste management are usually well specified.

Biodiversity

Vestum's long-term target is to reach net zero impact on biodiversity by 2040. In the coming years, Vestum will work on setting interim goals, spreading knowledge, and developing activities to minimise negative impact and increase positive impact on biodiversity.

Estimated climate impact greenhouse gases :

Scope 1

27,600 tCO₂e

Scope 2

17,300 tCO₂e

Scope 3

35,600 tCO₂e

Refers to emissions from the purchase of goods and services and emissions related to customers

Social responsibility

For Vestum, social responsibility is about offering a safe workplace for all employees, which is an important issue in the construction and infrastructure industries. It is also about acting responsibly in the local communities we operate in and having control over the materials we use.

Vestum employs roughly 2,300 employees, all of whom contribute to the Group's innovative thinking and competitive edge. Vestum sees an obvious connection between business results and having a work environment that is safe and inclusive where people thrive, develop and trust their employees and managers. Vestum's vision is for all employees to be offered healthy and safe workplaces without accidents, injuries or discrimination and with an even gender balance.

Several of our companies operate in smaller towns where they are a significant employer. A long-term presence in these locations creates mutual trust between companies and the local community, and ensures long-term business opportunities and supply of skilled workers.

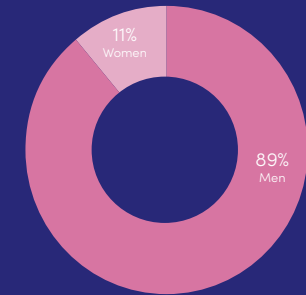
Vestum also has an indirect social impact as a purchaser and user of raw materials and products. Materials that can potentially have a negative impact on people and societies can include metals that are used in electronics, for example, or in materials and products used for construction work. To get a clear picture of the impact Vestum has, a mapping of material flows needs to be done in 2023.

Diversity and inclusion

The ability to recruit and motivate employees and create loyalty depends largely on whether everyone feels part of the team and has the opportunity to develop on equal terms. It is crucial to Vestum's success that all available skillsets are utilised and that Vestum provides an equal and inclusive workplace. Our starting point is that all employees should feel welcome at our workplaces, and we strive to have employees who feel involved and committed, and to make sure we keep hold of valuable skillsets.

In the sectors where Vestum operates, there is currently few women in operative and senior positions, and we want to help change that. For example, less than 10 percent of people working in the Swedish construction industry are women. An increased proportion of female managers and staff members throughout the Group will help boost our innovative thinking and competitiveness. Studies also show that gender equal workplaces lead to increased wellbeing among employees as well as higher profitability. Vestum's target is to have an even gender distribution in terms of the total number of employees within the group by 2040.

Gender distribution within the Group



In 2023, we will define milestones and develop a roadmap that includes activities to increase gender equality. In this area we view collaborations with other companies and industry organisations as an important piece of the puzzle. We will also create a network for women at Vestum to increase the sense of community, since one of the reasons for why women who work in male-dominated professions often quit their jobs is the lack of other women. We also see the value of having female role models in all roles, and especially in management, to help increase gender equality.

Vestum will undertake a range of different activities to increase the proportion of women within the Group companies. Some examples:

- Make sure to have both female and male candidates for job openings
- Be visible in schools and offer internships and apprenticeships, and let it be known that we want to see female applicants for advertised positions
- Highlight the women who work in our organisation so that more women will apply for jobs in the industries in which Vestum operates.

Social responsibility

Safe workplaces

Within the framework of Vestum's different segments there are jobs that are physically challenging or that in other ways expose workers to an increased risk of injury or ill health. Work environment issues therefore have the highest priority for Vestum. The target is for Vestum to have no serious accidents at work by 2040 at the latest. Working systematically to improve health and safety in the workplace helps motivate employees, which also makes it easier to attract relevant skills and maintain the trust of society and customers.

As employers, we have a responsibility to enact safety measures and other necessary care initiatives, such as monitoring working hours to reduce the risk of injury and protect the health of our employees. Extensive work environment processes are already in place in several of our Group companies, where health, wellbeing and employee development are continuously monitored and promoted in a structured way. Some of the companies have received third-party certifications for their work environment management. During the year, we have implemented a Group-wide reporting tool for incidents and accidents. LTIFR (Lost Time Injury Frequency Rate) shows reported work injuries that led to at least one day of medical leave per one million hours worked.

Human rights

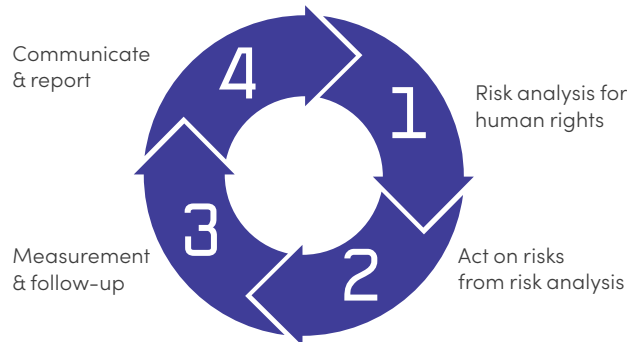
To maintain public confidence it is crucial that staff are guaranteed fair working conditions and that their freedom and rights are respected. This means combatting issues such as child labour, unpaid overtime, forced labour and other violations of human freedoms. In Northern Europe, strict occupational health and safety legislation ensures that employees are protected. However, fraud and rule breaches occur in the construction industry in the form of illegal labour, unregulated work-

ing hours, unpaid overtime or non-payment of wages, and substandard working conditions.

Our employees are offered contractual working conditions, salaries and working hours. All discrimination based on gender, age, ethnicity, political views, etc. is counteracted. The same demands apply to suppliers and subcontractors. Perceived malpractices and suspicions of regulatory breaches within the Group or by contracted suppliers can be reported anonymously by employees and outsiders via Vestum's whistle-blower function. During 2022, there were no reports of discrimination at Vestum.

Vestum's process for working with human rights is based on making continuous improvements. Vestum supports the UN's principles for human rights and intends to carry out a first Group-wide risk assessment in 2023 based on a risk management process to identify, prevent and manage negative impacts on human rights. The risk assessment intends to focus on risks related to human rights, labour law, the environment and anti-corruption where the work will be led by Vestum's head of sustainability.

Vestum Human Rights Due Dilligence (HRDD) process



61

Number of accidents that led to at least one day sick leave

3

LTIFR (reported occupational injuries that led to at least one day of sick-leave per 200.000 hours worked).



The EU Taxonomy Regulation

The EU Taxonomy Regulation (the taxonomy) is a classification system for sustainable economic activities that was published and entered into force in 2020. The taxonomy consists of six environmental objectives. At the time of publication for this annual report, delegated acts had been established regarding the first two environmental objectives, climate change mitigation and climate change adaptation. To be considered environmentally sustainable, a business must significantly contribute toward at least one objective while not doing harm to any of the other objectives. For the financial year 2022, companies must report on how and to what extent their operations are covered by and compatible with the taxonomy, in order to show they are environmentally sustainable. Vestum has interpreted the requirements of the taxonomy regulation and the associated delegated acts in accordance with current guidelines from the European Commission. During the year, we formed a working group to assess Vestum's operations based on the technical screening criteria. KPMG assisted with support to develop a working method and a template for analysing our operations. Vestum's ambition is to increase the proportion of operations that meet the taxonomy requirements, as a first step, by obtaining more documentation and data to be able to prove compliance.

Assessment of compliance with the taxonomy

Vestum delivers specialised services and products to commercial properties as well as civic infrastructure within water technology, land and construction, railways and other infrastructure. In addition, Vestum has a large fleet of vehicles and owns real estate. Vestum has identified ten economic activities in the delegated acts where

the description of operations matches our operations. To be compliant, the respective economic activity must meet technical screening criteria for whether it makes a substantial contribution to at least one of the environmental objectives while at the same time not harming any of the other environmental objectives. The activities must also be carried out in line with so-called minimum safeguards. An assessment regarding minimum safeguards was carried out at Group level.

An economic activity can make a substantial contribution to more than one environmental objective. Vestum's assessment is that our operations only contribute to climate change mitigation. As Vestum owns companies across several industries, the collection of data has been carried out in different ways for the various economic activities. Information has been collected by reviewing invoices and account analyses, as well as orders and project files.

Vestum's assessment has been limited by a lack of supporting evidence for assessing whether the economic activities meet the technical screening criteria, especially regarding not causing any significant harm. Vestum often serves as a subcontractor on projects where it is not yet common practice to carry out climate risk assessments and environmental impact assessments. When it comes to major infrastructure projects such as the construction of railways, subways, bicycle lanes and footpaths, those types of assessments are already being conducted and thus we have been able to assess compliance regarding the economic activities "6.13 Infrastructure for personal mobility, cycle logistics" and "6.14 Infrastructure for rail transport".

Minimum safeguards

Minimum safeguards are procedures implemented to

ensure that the operation and its value chain are conducted in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the ILO's eight conventions.

Vestum supports the UN's principles for human rights and is a member of the UN's Global Compact and follows its ten principles in the areas of human rights, labour, environment and anti-corruption. We have governing documents and processes to ensure that the company acts according to business ethics guidelines. Vestum's Group-wide code of conduct and code of conduct for suppliers clarify Vestum's position regarding business ethics and human rights. Vestum also has policies for fair competition and anti-corruption. Vestum has internal governing documents regarding the handling of taxes to ensure that we handle tax matters in a correct manner. Tax issues are also included in an annual risk assessment that forms the basis of our internal control.

In 2023, Vestum will conduct its first Group-wide risk assessment including a risk mapping and will also take risk-reducing measures and follow up on their outcome, in order to identify, prevent and manage negative impacts on human rights.

Perceived misconduct and suspicions of rule violations within the Group or with contracted suppliers can be reported anonymously by employees and outsiders via Vestum's whistle-blower function. In 2022, one report of suspected corruption within one subsidiary was investigated, but there were no other incidents of corruption or significant rule violations. No laws or guidelines were broken during the year.

>> Read more about Vestum's sustainability management on page 37-38.

EU taxonomy regulation

Activities	Alignment assessments	Substantial Contribution	Do No Significant Harm
5.2 Renewal of water collection, treatment and supply systems	Within the Water segment, Vestum's operations include optimising pump and irrigation systems, which reduce energy use and are therefore deemed to be aligned with the taxonomy by significantly contributing to mitigating climate change. The pump and irrigation systems are used for both drinking water and wastewater.	We have not been able to assess compliance with the technical screening criteria because we lack supporting data.	We have not been able to assess compliance with the technical screening criteria, especially regarding not causing significant harm, as we lack supporting evidence. This is because climate risk assessments are rarely carried out for smaller projects and service assignments. It is only common practice for those assessments to be carried out for larger projects, and we have not participated in such projects during 2022.
5.4 Renewal of waste water collection and treatment			
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Vestum's car fleet consists of electric cars, hybrid cars and conventional cars that use different fuels such as HVO, diesel and petrol. Some of the cars are alternatives to fossil-fuel transports and are therefore deemed to be aligned with the taxonomy by significantly contributing to mitigating climate change. We have not been able to assess compliance with the technical screening criteria, especially regarding not causing significant harm, as we lack certain required documentation such as types of tires.	We have not been able to assess compliance with the technical screening criteria because we lack supporting data.	We have not been able to assess compliance with the technical screening criteria, especially regarding not causing significant harm, as we lack supporting evidence. This is because climate risk assessments are rarely carried out for smaller projects and service assignments. It is only common practice for those assessments to be carried out for larger projects, and we have not participated in such projects during 2022.
6.13 Infrastructure for personal mobility, cycle logistics	Within the Infrastructure segment, Vestum works on projects within in land and construction, railways and other infrastructure. Vestum's operations include building and maintaining railways, subways, footpaths and cycle lanes that provide alternatives to fossil-fuel transports and are therefore judged to be aligned with the taxonomy by significantly contributing to mitigating climate change.	In 2022, Vestum participated in construction projects to create sidewalks/cycle lanes and pedestrian areas, installations for electric charging and hydrogen refuelling, as well as the construction of subway tracks. These economic activities are thus deemed to significantly contribute to mitigating climate change.	The projects are often large and comprehensive and usually include environmental impact assessments and climate risk assessments. For the projects that Vestum participated in during 2022, environmental impact assessments were carried out, including climate risk assessments, from which we assess that the turnover from these projects is compliant with the taxonomy.
6.14 Infrastructure for rail transport			
7.3 Installation, maintenance and repair of energy efficiency equipment	Vestum provides services and products for renovations, conversions and extensions, mainly for commercial properties. This includes installation, maintenance and repair of energy-efficient equipment such as replacing older lighting with new LED lighting, as well as technology for measuring energy performance. We also install charging stations and solar cells. These activities are therefore considered to be aligned with the taxonomy as they can significantly contribute to mitigating climate change. We have not been able to assess compliance with the technical screening criteria, especially regarding not causing significant harm as we lack the supporting evidence. Our clients do not carry out climate risk assessments as the contracts often are for smaller construction jobs and renovations. Vestum owns a small number of logistics buildings in industrial areas. No climate risk assessments have been carried out yet for these buildings, and we can therefore not determine compliance with the taxonomy.	We have not been able to assess compliance with the technical screening criteria because we lack supporting data.	We have not been able to assess compliance with the technical screening criteria, especially regarding not causing significant harm, as we lack supporting evidence. This is because climate risk assessments are rarely carried out for smaller projects and service assignments. It is only common practice for those assessments to be carried out for larger projects, and we have not participated in such projects during 2022.
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)			
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings			
7.6 Installation, maintenance and repair of renewable energy technologies			
7.7 Acquisition and ownership of buildings			

EU taxonomy regulation

Accounting principles

For the financial year 2022, Vestum will report the proportion of economic activities that are aligned and compliant with the taxonomy based on three KPIs: proportion of turnover, capital expenditure (CapEx) and operating expenditure (OpEx). Vestum's interpretations of the KPI definitions are based on the taxonomy's publications. Double counting in the KPIs is limited by the fact that Vestum only reports the scope and compatibility with an environmental objective and that the calculations are based on consolidated financial data for the entire Group.

Proportion of turnover

Proportion of net turnover derived from products or services associated with taxonomy-aligned economic.

The numerator includes turnover from products and services associated with taxonomy-aligned economic activities. The denominator consists of net sales for the Group. >> **See** the Group's income statement, net sales, on p. 53.

Capital expenditure (CAPEX)

Proportion of capital expenditure relating to assets of processes associated with taxonomy-aligned economic activities.

The numerator in the calculation for capital expenditure refers to self-owned real estate and leasing of vehicles and real estate, where accounting is done according to IFRS 16 Leases. The vehicle fleet and leasing of properties are reported as right-of-use assets according to IFRS 16 and self-owned properties as tangible fixed assets. The investments included in the numerator refer to new purchases and business acquisitions, which are reported

in Note 9, Leasing, p. 69 and in Note 14, Tangible fixed assets, p. 74. Denominators include new purchases and business acquisitions of all asset classes of right-of-use assets and all asset classes of tangible fixed assets.

Operating expenditure (OPEX)

Proportion of operating expenditures relating to assets or processes associated with taxonomy-aligned economic activities.

The numerator includes operating costs relating to assets or processes associated with taxonomy-aligned economic activities. The denominator includes direct costs that are not recorded as assets and that relate to building renovations, short-term leases, maintenance and repair, and all other direct expenses related to the daily maintenance of tangible fixed assets that are required to ensure the ongoing and efficient functioning of these assets.



EU taxonomy regulation

Turnover

	Absolute turnover ²⁾ (SEKm)		Proportion of turnover (%)		Substantial contribution criteria (%)							DNSH criteria ("Does Not Significantly Harm") (Y/N)					Minimum safeguard (Y/N)	Taxonomy aligned proportion of turnover, year 2022	Taxonomy aligned proportion of turnover, year 2021	Category (enabling activity) (E)	Category (transitional activity) (T)
					Climate change mitigation (%)	Climate change adaptation (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)					
Economic activities (1) ¹⁾																					
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Infrastructure for personal mobility, cycle logistics	6.13	13	0%	100%							Y	Y	Y	Y	Y	Y	Y	0%	E		
Infrastructure for rail transport	6.14	702	10%	100%							Y	Y	Y	Y	Y	Y	Y	10%	E		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	715	10%																10%			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Renewal of water collection, treatment and supply systems	5.2	149	2%																		
Renewal of waste water collection and treatment	5.4	231	3%																		
Infrastructure for personal mobility, cycle logistics	6.13	8	0%																		
Installation, maintenance and repair of energy efficiency equipment	7.3	339	5%																		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	6	0%																		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	1	0%																		
Installation, maintenance and repair of renewable energy technologies	7.6	2	0%																		
Total (A.1 + A.2)⁴⁾	1,452	21%																			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities (B)	5,478	79%																			
Total (A + B)	6,930	100%																			

CapEX

Economic activities (1) ⁹	Substantial contribution criteria (%)							DNSH criteria ("Does Not Significantly Harm") (Y/N)							Taxonomy-aligned proportion of CapEx, year 2022 (Y/N)	Taxonomy aligned proportion of CapEx, year 2021	Category (enabling activity) (E)	Category (transitional activity) (T)
	Absolute CapEX (SEKm)	Proportion of CapEX (%)	Climate change mitigation (%)	Climate change adaptation (%)	Water and marine resource (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)				
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0%																
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	80	15%															
Acquisition and ownership of buildings	7.7	326	60%															
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																		
Total (A.1 + A.2)²⁾	406	75%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
CapEx of Taxonomy-non-eligible activities (B)	136	25%																
Total (A + B)	542	100%																

OpEx

	Substantial contribution criteria (%)							DNSH criteria ("Does Not Significantly Harm") (Y/N)							Taxonomy aligned proportion of OpEx, year 2022	Taxonomy aligned proportion of OpEx, year 2021	Category (enabling activity) (E)	Category (transitional activity) (T)
	Absolute OpEx (3) (SEKm)	Proportion of OpEx (%)	Climate change mitigation (%)	Climate change adaptation (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)				
Economic activities (1) ⁹																		
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%															
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Renewal of water collection, treatment and supply systems	5.2	1	3%															
Renewal of waste water collection and treatment	5.4	1	4%															
Infrastructure for personal mobility, cycle logistics	6.13	0	0%															
Infrastructure for rail transport	6.14	3	15%															
Installation, maintenance and repair of energy efficiency equipment	7.3	0	1%															
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	0	0%															
Installation, maintenance and repair of renewable energy technologies	7.6	0	0%															
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		4	22%															
Total (A.1 + A.2)²⁾		4	22%															
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
OpEx of Taxonomy-noneligible activities (B)		15	78%															
Total (A + B)		19	100%															