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SUSTAINABILITY REPORT

SUSTAINABILITY AS A DRIVING FORCE

Vestum's subsidiaries consist of the market's leading specialists with extensive experience in providing services and products to civic infrastructure.

The Society is facing significant environmental challenges. 2023 was the warmest year on record, according to the EU's Earth observation program Copernicus, and natural disasters have hit many countries around the world. In Sweden, we have seen several cases of floods, landslides, and other direct effects of a changing climate.

Vestum's businesses are contributing to develop and climate-adapt sustainable and resilient infrastructure and water supply systems that can withstand extreme weather and meet environmental requirements. The demand for our services is partly driven by investments in energy efficiency improvements, but also by businesses being affected by a changing climate.

We also operate in industries that face necessary and extensive transformations in the coming years to reduce their climate impact. These challenges mean that we need to actively carry out sustainability work while also developing our business strategies to meet the demands of the market. Vestum strives to be a driving force in promoting a more sustainable future, by addressing and managing these challenges proactively and effectively. By making the necessary adjustments and investments, we position ourselves to meet the demands of the future and create long-term value for both our stakeholders and society.

Within the Water segment, which offers products and services that improve water infrastructure systems and enable more efficient consumption of energy and water, there is a great need for our products. The demand is particularly high in the UK where the water infrastructure is outdated and under-invested. Inadequate and outdated infrastructure drives the demand for urgent and quick solutions in cases of extreme weather, such as removing water with the help of electric pumps during and after flooding.

Vestum operates within a wide range of industries where there are various opportunities for climate adaptation. In 2024, we will place great emphasis on identifying and contextualizing these opportunities. By focusing on climate-related adaptations, we strive not only to meet the current challenges but also to be proactive actors in shaping a more sustainable future. This is something that will characterize our business strategies and decisions, with the ambition to create a positive impact while ensuring that our operations are future-proofed for new demands.

CSRD

At the time of publication of Vestum's annual report, it is unclear when the Corporate Social Reporting Directive (CSRD) will come into force in Sweden. At the time of writing, there is a proposal to postpone CSRD, which would mean that Vestum will not be covered by the

new requirements until the reporting year 2025. We have already started working on implementing CSRD within the Group and therefore plan to report according to CSRD in the reporting year 2024, even if we are not legally required to do so.

The proposed requirements mean that companies covered by CSRD must report according to the new reporting standard European Sustainability Reporting Standards (ESRS), which includes more reporting data points than Vestum has previously reported on. We see this as an opportunity for our companies to improve their reporting and thereby increase the quality of the data that customers demand. By offering our customers more data, our companies will become more attractive and thereby create more business opportunities.

In 2023, we have been working to prepare for CSRD. We have redesigned our reporting structure and included more reporting data points. We have also put considerable resources into creating clearer requirements for what must be reported, to ensure that we receive high-quality data.

Governance of sustainability work in the Vestum Group

Governing documents, monitoring and a clear organisational responsibility form the cornerstones of Vestum's Group-wide sustainability governance. Our goal is to work in a systematic and structured way to reach our long-term sustainability targets. In 2023, the board adopted short-term interim targets in line with the long-term targets. The ongoing sustainability work is followed up quarterly and annually. Vestum has been a member of the UN Global Compact since 2022, which means that we follow the ten principles in the areas of human rights, labor law, environment, and anti-corruption, as well as the global sustainability development goals.

Vestum has a Group-wide code of conduct and a supplier code of conduct. The codes of conduct provide guidance on how to behave responsibly regarding environmental issues,

human rights, diversity and non-discrimination, regulatory compliance, bribery, and conflicts of interest. The codes of conduct are communicated to all companies within the group.

The supplier code of conduct conveys the sustainability requirements we place on our suppliers, who in turn further convey the requirements to their subcontractors. It is of the utmost importance to Vestum that regulations are complied with and that business ethics within the Group are high. Vestum has a Group-wide whistleblower service that is administered by an external party, which gives anyone the opportunity to report any misconduct.

Vestum's companies have their own sustainability strategies, policies and work processes. These are integrated into the companies' operational management systems, several of

which have been certified by third parties. Third-party review is becoming more common and contributes to a clearer structure, better communication, and promote continuous improvement. Several of Vestum's businesses have ISO certifications for environment (ISO 14001), quality (ISO 9001) and work environment (ISO 45001).

Integrating sustainability work into new acquisitions

One of Vestum's acquisition criteria is that the company shares our values regarding, among other things, long-term profitability, decentralised decision making, and sustainability. Upon acquisition, the company becomes part of Vestum's overall sustainability work, and a sustainability responsible is appointed to oversee the company's sustainability reporting.

Governing documents

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

- Code of conduct
- Supplier code of conduct
- Sustainability policy
- Anti-corruption policy
- AML & CTF policy
- Sanctions policy
- Competition policy

Management of Vestum's sustainability work

Vestum's board sets the overall sustainability strategy with clear objectives, follow-up measures and performance measurement.

Vestum's CEO has the overall responsibility for integrating sustainability work into Vestum's overall business strategy and ensuring the management of sustainability risks within the group.

Vestum's division managers, in their capacity as chairman of the board in Vestum's companies, are responsible for controlling sustainability risks, exploiting opportunities within sustainability work and carrying out sustainability follow-up.

Vestum's ESG Manager conducts Group-wide sustainability work and supports Vestum's companies in their sustainability work.

Vestum's management of sustainability risks

Vestum operates in industries with an increased risk of work-related accidents. We see that if our reputation for having a good work environment is damaged, there is a risk that we could have difficulties recruiting competent personnel. We continuously carry out preventive work and training to create a safe working environment for our employees.

A changing climate brings potential risks that could have a negative impact on Vestum. Physical risks linked to the climate include weather phenomena such as floods, drought and increased wind.

Changes in weather conditions can affect our companies' operations directly, but also indirectly through possible material and raw material shortages linked to natural disasters and other events in our supply chains.

We see that there is a transition risk linked to our business. As customers have higher expectations for sustainable operations, there is a risk that we will not have time to adjust our operations to meet our customers' requirements. This could mean that we lose important customers and business.

DOUBLE MATERIALITY ASSESSMENT

Vestum's work in the area of sustainability is based on our double materiality assessment and the expectations that our primary stakeholders have of us.

We maintain a continuous dialogue with our primary stakeholders to build and nurture strong, long-term relationships and to stay well-informed of their needs and expectations.

Our materiality assessment is based on active dialogue with our stakeholder groups. The sustainability issues identified through these conversations thus form the basis for the Group's overall sustainability work. This strategy provides a clear focus on the areas that

are most relevant and important to our stakeholders and our business.

Updated materiality assessment and reporting 2023

During the year, we have conducted a new materiality analysis in accordance with CSRD. We have adapted our reporting structure to meet the increasing demands for sustainability reporting and are already introducing reporting on some ESRS data points this year.

By starting to report on selected ESRS data points for the reporting year 2023, we can start implementing the new reporting structure. That means we can create a structure that increases the opportunities to collect high-quality data and then add additional data points for the reporting year 2024.

Our new materiality assessment differs slightly from the previous year's materiality assessment. The new materiality assessment is based on double materiality, which means that impact materiality as well as financial materiality is taken into account. We have also chosen to change the names of the essential questions to match the names in ESRS.

The questions that Vestum considers to be most essential are the same as before but reformulated to match the titles found within the respective areas in ESRS. The six areas that Vestum focuses on are directly linked to our communicated sustainability targets. (See p. 40)

Double materiality assessment

- Corruption and bribery
- Management of relationships with suppliers including payment practices
- Waste
- Protection of whistle-blowers
- Energy
- Climate change mitigation
- Direct impact drivers of biodiversity loss
- Impacts on the extent and condition of ecosystems
- Working conditions
- Equal treatment and opportunities for all

Administer,
fulfill and
monitor

Focus

Vestum's primary stakeholders

Internal

- HR
- Sustainability
- Finance
- Procurement
- CEO and management group

External

- Customers
- Investors
- Municipalities
- Suppliers
- Nature

SHORT AND LONG-TERM TARGETS

Vestum has sustainability targets in five areas: workplace environment, gender equality, skills recruitment, climate and biodiversity.

The purpose of Vestum's sustainability targets is to provide clarity for stakeholders, both internal and external, regarding our sustainability work. The targets extend to 2040, with interim goals for 2026, and focus on areas that are deemed particularly important from a sustainability perspective based on Vestum's operations. In addition to our communicated goals regarding climate and biodiversity, Vestum's Board has decided that Vestum shall set scientifically based targets and shall initiate a process to get these approved by the Science Based Target initiative (SBTi).

Workplace environment

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, and we operate based on a zero-accident vision within the group.

- By 2026, Vestum shall have established, through active measures and educational efforts, a group-wide structure and culture that ensures both accurate reporting of incidents and accidents and encourages individual employees to speak up if the work environment is perceived as unsafe.
- By 2040, Vestum shall eliminate serious work accidents.

Gender equality

Utilizing all available talent and providing an equal and inclusive workplace are key components to Vestum's success. Vestum operates in sectors with a general need for increased gender equality, which Vestum wants to contribute to actively.

- By 2026, Vestum shall have a minimum of 35% female managers and at least 15% female employees throughout the group.
- By 2040, Vestum shall have an even gender distribution across all employees.

Skills recruitment

Vestum aims to contribute to social sustainability by providing internship and apprenticeship opportunities. In this way, Vestum can contribute to increased employment, livelihood, and diversity, while simultaneously reducing unemployment.

- By 2026, Vestum shall have provided at least 400 internship and apprenticeship positions.
- By 2040, Vestum shall have provided at least 1,800 internship and apprenticeship positions.

Climate

Climate change is one of the greatest challenges of our time, and Vestum operates in sectors that currently contribute significantly to climate emissions. Therefore, Vestum needs to take action to reduce its adverse climate impact.

- By 2026, Vestum shall reduce CO₂e-emissions by 25% in scope 1, 2, and 3 by a total of 25% per unit of revenue to contribute to the goals of the Paris Agreement. Vestum's base year for measurement will be 2023.
- By 2040, Vestum shall achieve net-zero climate impact across scope 1, 2, and 3 emissions.

Biodiversity

Biodiversity, along with the climate challenge, is crucial in ensuring our societies' stability in the future. Therefore, Vestum's operations must be environmentally conscious, considering nature and ecosystems, and strive to minimize any negative impact on biodiversity within Vestum's operations and throughout our value chain. Any unavoidable negative impact should be offset through measures that promote and support biodiversity.

- By 2026, Vestum shall have assessed its impact on biodiversity.
- By 2040, Vestum's shall achieve a net-zero impact on biodiversity.

VESTUM'S WORK WITH THE UN SUSTAINABLE DEVELOPMENT GOALS

Vestum is actively working on four of the UN sustainable development goals. The four goals that we are actively working on have a clear connection to our sustainability targets. We operate in a broad industry and therefore have a direct impact on another three targets.



Decent work and economic growth

- 8.5 Achieve full and productive employment and decent work for all women and men with equal pay for work of equal value
- 8.6 Substantially reduce the proportion of youth not in employment, education or training
- 8.8 SProtect labor rights and promote safe and secure working environments for all workers



Gender equality

- 5.1 End all forms of discrimination against all women and girls
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership and decision-making



Climate action

- 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters



Life on land

- 15.1 Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems
- 15.5 Protect the biodiversity and natural habitats

We also work with...



Clean water and sanitation

- 6.3 Improve water quality and wastewater treatment and increase reuse
- 6.4 Increase water-use efficiency and a safe water supply



Partnership for the goals

- 17.16 Strengthen domestic resource mobilization



Industry innovation and infrastructure

- 9.1 Develop quality, reliable, sustainable and resilient infrastructure

OUTCOME FOR VESTUM'S SHORT-TIME GOALS

Vestum's short-term goals	Outcome 2023	UN Sustainable Development Goals
By 2026, Vestum shall have established, through active measures and educational efforts, a group-wide structure and culture that ensures both accurate reporting of incidents and accidents and encourages individual employees to speak up if the work environment is perceived as unsafe.	LTIFR ¹⁾ 1.5	
By 2026, Vestum shall have a minimum of 35% female managers and at least 15% female employees throughout the company.	36% female managers 8% female employees throughout the company	
By 2026, Vestum shall have provided at least 400 internship and apprenticeship positions.	136 internships and apprenticeship positions	
By 2026, Vestum shall reduce CO ₂ e-emissions by 25% in scope 1, 2, and 3 by a total of 25% per unit of revenue.	Ton CO ₂ e Scope 1 5,359 Scope 2 553 Scope 3 80,981	
By 2026, Vestum shall have assessed its impact on biodiversity.	N/A	

¹⁾ LTIFR (Lost Time Injury Frequency Rate) refers to the number of accidents per 200,000 hours worked.

BUSINESS ETHICS AND REGULATORY COMPLIANCE

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

Business ethics and fair competition

Fair competition and reliability are essential for maintaining long-term relationships with customers. The use of unfair or illegal anti-competitive measures, collusion with unethical business partners and acting contrary to the best interests of the project or the company all constitute business risk and can damage our reputation. Vestum applies zero tolerance to bribery and there must never be any doubt over the business legitimacy of representation.

Acquisition model and Group-wide interest

Vestum's acquisition model with a focus on values and shared ownership strengthens the Group's common interest in business ethics and anti-corruption. Our stance on ethics and anti-corruption is spelled out in Vestum's code of conduct and code of conduct for suppliers, which are applied throughout the Group.

Suppliers and subcontractors

The same requirements that Vestum places on its own operations are also applied to Vestum's suppliers and subcontractors. The supplier code of conduct emphasizes the importance of maintaining business ethics and ensuring that products and services are procured under environmentally and socially responsible conditions.

Whistleblower service and reporting

Vestum's whistleblower service makes it possible to anonymously report any deviations from ethical principles and other irregularities. Those making a report are not required to present evidence to back up their suspicions, but are expected to act in good faith. All reports are thoroughly investigated before the appropriate action is taken. In 2023, we did not have any reported cases come in via the whistleblower service.

Data integrity and data management

Ensuring confidentiality and integrity is crucial when handling customer and personal data. Processing data in a correct, legal and fair way includes complying with the General Data Protection Regulation (GDPR). With an increased risk of data breaches, continuous work is carried out to maintain sufficient levels of protection.



CLIMATE AND ENVIRONMENT

In 2023, we have set short-term interim targets linked to our long-term targets. Vestum's long-term target is to reach a net zero climate impact by 2040, while our short-term interim target is to reduce our CO₂e emissions by 25% per unit of revenue by 2026.

A first step in reducing our climate impact is to map out where emissions occur in the value chain. We are using the Green House Gas Protocol (GHG protocol) to calculate our emissions.

During the year, we have put considerable resources into mapping our impact linked to the emission of greenhouse gases. We have reviewed all companies and redesigned the reporting structure to ensure high-quality data.

Reporting of greenhouse gas emissions (GHG)

We have chosen to initially report on five categories within Scope 3, based on the areas where Vestum as a Group has its biggest impact. We see that 93% of our emissions are generated within Scope 3 and 84% of our total emissions are generated in the category of

purchased goods and services. We have reported 75% of the financial value of purchased goods and services. The reporting has been done based on the purchases that have the largest climate footprint. In order to reduce our emissions, it is therefore important to maintain good relationships and contacts with our suppliers, as the largest part of the Group's emissions are linked to our purchases. We see that there are challenges in collecting high-quality data from many of our suppliers as it is difficult for the suppliers themselves to do this reporting.

Just like Vestum, our suppliers will be covered by CSRD in the near future and we therefore have positive expectations that the data quality will improve as the suppliers receive better climate data on their products and services. In the reporting, upstream transportation and distribution also stands out as a category with a big impact. We will therefore place an

increased focus on these two categories in 2024. We will also work actively to improve the quality of our data. By working with our suppliers and making strict demands, we hope to be able to bring in more high-quality data. For us, high quality means that the data is based on direct measurement or calculation of emissions from an EPD (Environmental Product Declaration).

Waste

Many of our companies are involved in projects that generate significant amounts of waste. We strive to make our waste management more efficient by following the principles of the waste management ladder in our operations. The first step in reducing our amount of waste is to minimize the purchases of materials for the projects. The second step involves reusing materials as much as possible. The third stage focuses on recycling materials, and those materials that cannot be recycled are turned into energy through combustion. Finally, if the material is not suitable for energy extraction, it is sent to a landfill.

In 2024, we intend to review the entire Group's waste management to identify opportunities to reduce our footprint linked to waste.

Waste hierarchy



Calculation according to the GHG Protocol

Vestum applies the GHG Protocol to quantify and report our emissions of greenhouse gases linked to our operations.

The framework of the GHG Protocol divides the impact into three different scopes, based on the degree of control the reporting company has over the emissions.

Scope 1 covers emissions where the company has direct and significant control opportunities, which include:

- Fugitive emissions
- Mobile combustion
- Stationary combustion

Scope 2 covers indirect emissions arising from the company's consumption of:

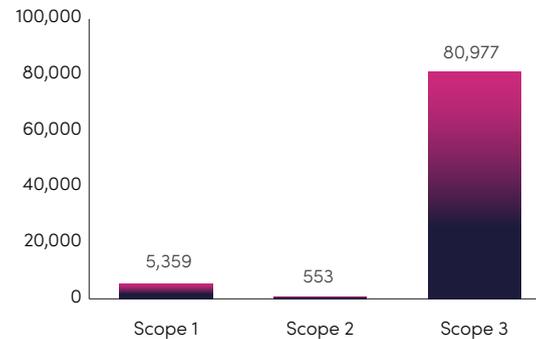
- Purchased electricity
- Purchased heating and cooling

Scope 3 covers the emissions that occur before and after our own operating processes in the value chain. Vestum initially focuses on five categories in Scope 3:

- Purchased goods and services
- Upstream transportation and distribution
- Waste generated in operations
- Upstream leased assets
- Fuel and energy-related emissions linked to reported data.

The categories in Scope 3 have been selected based on where in the value chain Vestum has the biggest impact.

Ton CO₂e scope 1, 2 och 3



Scope 1

Mobile combustion	4,980
Stationary combustion	355
Fugitive emissions	24
Sum	5,359

Scope 2

Purchased electricity	427
Purchased heating and cooling	126
Sum	553

Scope 3

Purchased goods and services	73,093
Upstream transportation and distribution	5,633
Fuel and energy-related emissions	1,304
Waste generated in operations	943
Upstream leased assets	8
Sum	80,980

Sum scope 1, 2 and 3	86,891
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The 2023 emissions of CO₂e amounted to 0,015 kg CO₂e/ revenue krona.

Västsvensk Byggskruv – leading the way in sustainability

Västsvensk Byggskruv, one of Sweden's leading suppliers of screws and fasteners, has established itself as a pioneer in sustainability through life cycle analysis and ambitious sustainability work. Vestum is proud that one of our companies is the first player in Sweden to offer screws with an environmental product declaration (EPD).

To further reduce its environmental impact, Västsvensk Byggskruv has implemented an intelligent packaging strategy. The packaging is made from paper with a cellulose window, which makes it easy to sort it as paper and promotes efficient recycling.

To reduce unnecessary waste, Västsvensk Byggskruv has also introduced practical buckets that can be refilled with screws. This measure promotes ease of use and means the packing materials can be reused.

Västsvensk Byggskruv not only strives for sustainability in manufacturing and packaging, but also in logistics. By optimizing transportation and packaging the screws close to the customer, Västsvensk Byggskruv has successfully reduced the unnecessary transportation of air, which further reduces the climate impact.



Enablers and climate adaptation

Vestum's companies operate in industries that have a big impact on the climate. Many of our companies also carry out different types of work that enable climate-improving activities and climate adaptations.

At Vestum, several of our companies integrate sustainability as a natural part of their core operations and work as enablers. Some examples of this are companies working with, railroad tracks, insulation, and energy efficiency improvements.

Climate adaptation involves preparing society for the challenges associated with a changing climate. Our companies implement various climate adaptation measures, such as installing water pumps to mitigate floods, irrigation systems to address drought, and ground reinforcement measures to mitigate risks of erosion or landslides.

Biodiversity

Biodiversity is a priority issue for Vestum. Our overall long-term target is to have a net zero impact on biodiversity. To make sure we are on the right track towards this target, we have set a short-term target to map our impact on biodiversity by 2026 at the latest.

We are currently working on finding an effective method to map our impact on biodiversity. It is of utmost importance to use a method that can be applied to all companies in the Group.

Continued work

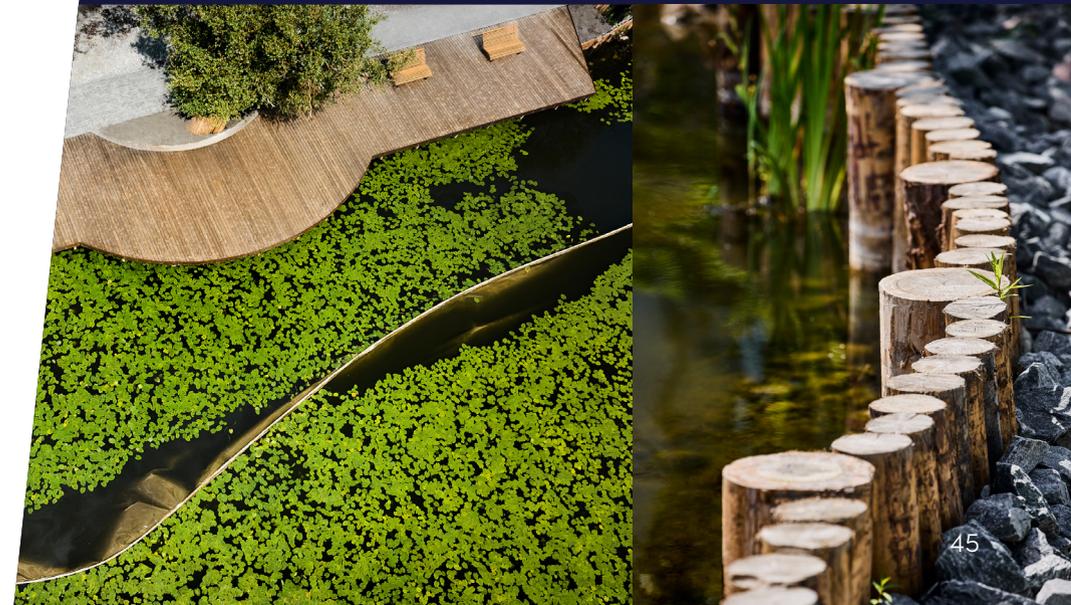
In 2024, we will focus on monitoring sustainability efforts across all group companies. Through systematic follow-up and development, we strive to make well-founded strategic decisions. We are convinced that an increased focus on sustainability will lead to developments within the area of sustainability within the entire group. This will strengthen our companies and make them competitive. By integrating sustainability as a core principle, we not only want to reduce our impact but also position our companies as leaders within their industries. This will create a stable foundation for a sustainable and future-proof business.

Marbit was commissioned to prevent land erosion

Marbit was commissioned by the city of Sundbyberg to build a jetty in the nature reserve at Löttsjön and erect a palisade to ensure that the ground does not erode and fall into the lake. As the area is part of a nature reserve, the county administration had strict requirements for the project.

One requirement from the county administration was that the parts of the lake where work was not taking place should be protected from turbidity during the project. If the water in the lake becomes too cloudy, there is a great risk that plants and animals will be deprived of sunlight, which can be harmful to marine life. To prevent turbidity, a protective bilge was set up along the work area. The protective bilge could not be removed until the water inside the protective bilge was as clear as the water outside.

Marbit, with its extensive experience of carrying out work in sensitive areas, was able to propose its own measures for how to minimize the impact on the sensitive area where the work was carried out. It turned out to be a successful strategy for meeting the high demands of the county board and at the same time preserving and protecting the precious environment in the nature reserve.



SOCIAL RESPONSIBILITY

In an industry where there are significant risks of work-related accidents, Vestum has made a central commitment to having a safe work environment. Statistics from the Swedish Work Environment Authority show that the number of work-related fatal accidents increased in 2023, which underlines the need to prioritize and improve work environment conditions.

One step in reaching our long-term target of having no serious accidents in the workplace is to clearly emphasize the need for work environment training among our employees. Vestum has therefore, together with the Construction Industry Training Center, provided all group companies with the opportunity to undergo work environment training. These training courses are provided by Vestum at group level. By improving the awareness of risks, implementing best practices and promoting preventive measures, Vestum strives to reduce the number of workplace accidents and create a safe work environment where every employee can thrive and perform at their best.

At Vestum, we use the Lost Time Injury Frequency Rate (LTIFR) to report accidents. The LTIFR shows reported work-related injuries that have resulted in at least one day's absence per 200,000 hours worked. During the year, the number of work-related injuries decreased compared to the previous year.

Several of our operations have comprehensive work environment processes, where health, well-being and employee development are monitored. Some of our companies have also certified their occupational health and safety efforts by third parties.

Vestum employs 1,800 people and it is important for us to take advantage of each employee's skills, which includes making sure everyone feels engaged and essential to the business. We strongly believe that the key to this lies in offering equal opportunities for development for all employees, both at company and Group level.

Diversity and equality

In the industries Vestum operates in, women are traditionally underrepresented. We strive to be a driving force to promote a more equal industry and work consistently to increase the proportion of women among our employees at all levels. According to the consulting firm McKinsey, there is a positive correlation between workplaces with diversity, especially when it comes to gender equality, and financial performance. We are convinced that a workplace characterized by equality and inclusion not only promotes innovative thinking, but also gives rise to a corporate culture that is a catalyst for a competitive business.

In the past year, we exceeded our short-term target of having 35% female managers by one percentage point. By being visible in schools and offering apprenticeships, we hope to open the door for a wider female presence in the

industry. Our goal is to always include both female and male candidates in all recruitment processes. In a male-dominated industry, it is particularly important to retain our female employees. It has been shown that one of the reasons why women leave the construction industry is the lack of women. By attracting female talents, we can create a positive spiral.

Gender equality

Gender distribution as of December 31 2023



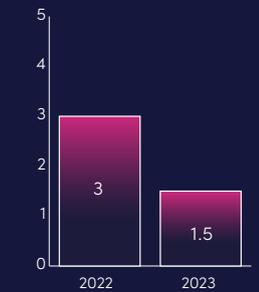
Skills recruitment

Internships and apprenticeships as of December 31, 2023 (accumulated 136 Internships and apprenticeships from January 1, 2023)



Work environment, LTIFR

Serious accidents during 2023²⁾ (27 accidents)



1) Managers in the Vestum Group refers to employees at Group level with personnel or functional responsibilities as well as the CEO and CFO of Vestum's operating companies.
 2) A serious accident refers to work-related accidents that lead to at least one day of medical leave
 3) LTIFR (Lost Time Injury Frequency Rate) refers to the number of accidents per 200,000 hours worked.

EU TAXONOMY REGULATION

EU's Taxonomy Regulation is a classification system for sustainable economic activities, consisting of six environmental objectives. A business must substantially contribute to one objective while not significantly harming any of the other objectives to be considered environmentally sustainable.

Vestum shall report on and to what extent its activities are covered by and compatible with the taxonomy, thus being environmentally sustainable. Vestum has interpreted the requirements of the Taxonomy Regulation and associated delegated acts in accordance with current guidelines from the European Commission. Vestum's ambition is to increase the proportion of its operations that meet the taxonomy, initially by obtaining more information and data to substantiate compatibility.

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.

From 2023, the number of environmental objectives has expanded from two to six. Vestum has assessed that we do not substantially contribute to any of the added environmental objectives since there is insufficient evidence to substantiate that the contribution is substantial.

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 Infra-

structure 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.

Activities	Alignment assessments	Substantial Contribution	Do No Significant Harm
5.4 Renewal of waste water collection and treatment	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 whether our operations contribute significantly to any of the six environmental objectives according to the technical screening criteria because we lack data to support this.	We have been unable to ensure that we do not cause significant harm according to the technical screening criteria, as we lack the necessary basis for making this assessment. Climate risk analyses are conducted for minor projects and services. However, as a practice, these are typically performed only for major projects, in which we did not participate during 2023.
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 whether our operations contribute significantly to any of the six environmental objectives according to the technical screening criteria because we lack data to support this.	We have been unable to ensure that we do not cause significant harm according to the technical screening criteria, as we lack the necessary basis for making this assessment. Climate risk analyses are conducted for minor projects and services. However, as a practice, these are typically performed only for major projects, in which we did not participate during 2023.
6.13 Infrastructure for personal mobility, cycle logistics 6.14 Infrastructure for rail transport	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 2023, 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 2023, 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.
7.3 Installation, maintenance and repair of energy efficiency equipment 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	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 whether our operations contribute significantly to any of the six environmental objectives according to the technical screening criteria because we lack data to support this	We have been unable to ensure that we do not cause significant harm according to the technical screening criteria, as we lack the necessary basis for making this assessment. Climate risk analyses are conducted for minor projects and services. However, as a practice, these are typically performed only for major projects, in which we did not participate during 2023.

Accounting principles

For the financial year 2023, 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. 64.

Capital expenditure (CAPEX)

Proportion of capital expenditure relating to assets or 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. 67) and in Note 15, Property, plant and equipment (p. 72). 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.



Turnover

	Substantial contribution criteria (%)							DNSH criteria ("Do Not Significant Harm") (Y/N)							Category (enabling activity or) (E)	Category (transitional activity) (T)		
	Absolute turnover (SEKm)	Proportion of turnover (%)	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)			Minimum safeguards (Y/N)	Taxonomy aligned proportion of turnover, year 2023
Economic activities (1) ⁹⁾																		
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
Infrastructure for personal mobility, cycle logistics	6.13	90	2%	100%					Y	Y	Y	Y	Y	Y	2%	0%		E
Infrastructure for rail transport	6.14	159	3%	100%					Y	Y	Y	Y	Y	Y	3%	10%		E
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	249	4%													4%	10%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Renewal of waste water collection and treatment	5.4	44	1%															
Installation, maintenance and repair of energy efficiency equipment	7.3	40	1%															
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	3	0%															
Installation, maintenance and repair of renewable energy technologies	7.6	5	0%															
Total (A.1 + A.2)⁹⁾	348	6%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Turnover of Taxonomy-non-eligible activities (B)	5,414	94%																
Total (A + B)	5,762	100%																

During 2022, turnover amounted to SEK 6,930 million, of which 10% was covered by the taxonomy.

CAPEX

	Substantial contribution criteria (%)							DNSH criteria ("Do Not Significant Harm") (Y/N)							Minimum safe-guards (Y/N)	Taxonomy-aligned proportion of CapEx, year 2023	Taxonomy aligned proportion of CapEx, year 2022	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)					
Economic activities (1) ⁹⁾																			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0%														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	75	29%																
Acquisition and ownership of buildings	7.7	84	33%																
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
Total (A.1 + A.2)⁹⁾	159	61%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-noneligible activities (B)	100	39%																	
Total (A + B)	259	100%																	

During 2022, CAPEX amounted to SEK 542 million, of which 0% was covered by the taxonomy.

OPEX

	Substantial contribution criteria (%)							DNSH criteria ("Do Not Significant Harm") (Y/N)							Taxonomy aligned proportion of OpEx, year 2023	Taxonomy aligned proportion of OpEx, year 2022	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) ³⁾																		
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0%													0%	0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Renewal of waste water collection and treatment	5.4	0	1%															
Infrastructure for personal mobility, cycle logistics	6.13	0	0%															
Infrastructure for rail transport	6.14	4	22%															
Installation, maintenance and repair of energy efficiency equipment	7.3	0	0%															
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	1%															
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	5	25%																
Total (A.1 + A.2)³⁾	5	25%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
OpEx of Taxonomy-noneligible activities (B)	14	75%																
Total (A + B)	19	100%																

During 2022, OPEX amounted to SEK 19 million, of which 0% was covered by the taxonomy.