



Sustainability report 2020 Finja Prefab AB



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We are going to reduce our carbon footprint by 50% over 3 years and have already come a long way.



Since 2015, the Finja Group is self-sufficient in green electricity through Finja Energi AB's two wind turbines



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CEO has the floor

Conditions have continued to be good in all our markets during 2020 and we have been successful both within our projects and in the area of sustainability. We have during 2020 delivered two projects with climate positive concrete frames, Kv Mammutträdet in Ystad and Skummeslövs Förskola. We have also several projects sold, that will be delivered next year.

We have a clear pathway to show that our frames are a climate smart choice. We are going to reduce our carbon footprint by 50% over the next 3 years and have come a long way during 2020. Among other things, we have greatly reduced our carbon dioxide emissions from reinforcement and binding agents and waste.

International focus on sustainability and climate impact is increasing and for us it is natural to show that we are working intensively to reduce our environmental impact.

The Covid-19 pandemic have affected us during 2020, both in sales and production. At times we have had high absence which has affected our factories and our efficiency. We focused a lot on measures to make our work places secure and safe and prevent the spread of virus, which we succeeded well with.

We are proud of our efforts to safeguard a sustainable future. It will be exciting to follow developments in 2021.



Kaj Grönvall
CEO Finja Prefab AB

"We are proud of the fact that we as the primary frame construction contractor can offer climate positive concrete frames."

International focus on sustainability and climate impact is increasing and for us it is natural to show that we are working intensively to reduce our environmental impact.

Business and strategy

Information about the company

Finja is a Swedish family business whose journey began with a gravel pit acquired in 1957. Add a large amount of knowledge, dedication and courage, and you have today's company – one of the country's premier enterprises in the concrete industry.

Finja Prefab AB is part of Finja and one of the market's leading players in prefabricated concrete and complete frame construction. We build and develop the future multifamily housing, offices, public-, industrial- and agricultural buildings with our different frame concepts. We are a nationwide supplier, meaning that all our manufacturing is locally produced, and that we are readily accessible, having a strong commitment to the local market.

Concrete is a material with a long service life. When we develop our products, it needs to be done with a

view to the future. In an already sustainable material, we build in added values that will last a long time. Finja works to establish long-term and value-creating relationships with our customers, suppliers, employees and society at large.

Finja Prefab has about 550 employees and undertakes production in seven different locations throughout Sweden.

Our stakeholders

In our sustainability work, it is important for Finja to have a good and open dialogue with various stakeholders in the world around us, ranging from authorities to customers, neighbours and various professional organisations. The requirements and wishes gathered through these contacts are used in our internal improvement work and are documented in a stakeholder list.



Our way of working with sustainability

At Finja we perform long-term sustainability work that covers environmental, social and economic aspects. We comply with the ILO's core conventions and the UN Global Compact. We rely on Agenda 2030 and a selection of the 17 Global Sustainable Development Goals (SDG) when developing our internal sustainability goals.

As part of Finja, sustainability is high on Finja Prefab's agenda. Sustainability is one of six main strategies for Finja Prefab. Every year, the management team and the board review the strategies, the action plan is reconciled and activities and goals are updated. One of the most important strategic activities for sustainability is creating fossil-free production.

We are on the pathway towards being a fossil-free business within the construction industry and take active responsibility for the journey towards a climate neutral industry with the goal of achieving a climate neutral sector by 2045. We are also part of LFM30 which is a plan for sustainable construction in Malmö city.

Locally Produced

Finja Prefab's factories are close to the major markets in Sweden. By producing locally, we can reduce the environmental impact of transport. We prioritise suppliers in our local area.

In 2015, Finja group invested in green electricity through Finja Energi AB, and built two wind turbines, located at Rödshöjden outside Sollefteå. Together, the wind turbines generate almost 20 GWh of renewable energy. This is twice as much as our companies currently use.

” By producing locally, we can reduce the environmental impact of transport. We prioritise suppliers in our local area.



The UN's Sustainable Development Goals (SDGs)

Climate positive concrete frames

We have developed a pathway to offer our customers climate positive concrete frames. We are going to reduce our carbon footprint by 50% over 3 years. We follow the independent standard for climate neutrality – ISO 14021, which means that we carbon offset for 100% of CO₂e.

We carbon offset through a biogas project that is certified according to the UN’s CDM (Clean Development Mechanism). In order to offer climate positive frames, we offset an additional 15% of CO₂e. The project contributes to several of the UN’s global sustainable development goals.

When our customers order a climate positive frame project from us, we make a calculation of the project’s climate footprint for the entire life cycle of the frame. The calculation is reviewed by an independent consultant.

Calculation data and documentation are reported in detail to the customer and summarized per project in our sustainability report.

Completed climate positive framework projects in 2020

During 2020 we have completed two climate positive framework projects.



Kv. Mammutträdet

an apartment house project in Ystad with 3 houses consisting of 87 apartments.



Skummeslövs Förskola

a preschool with 4 departments, calculated for 80 children.



The climate footprint from the concrete frame and our measures to become climate positive

| | climate footprint tons CO ₂ e |
|--|--|
| Climate footprint from the concrete frame | 1 467 |
| Comparative value if the frame was built in 2019 | 1 902 |
| Reduced footprint as an effect of Finja Prefab's sustainability work (-23% in this project compared to 2019) | 435 |
| Our climate compensation for the framework to be climate positive (climate footprint + 15%) | 1 688 |

The climate footprint from the concrete frame has thus been zeroed and become positive through the compensation

* Above includes process A1-C4 (climate footprint of the product during its entire life cycle).
The numbers are reviewed by Tricorona

The climate footprint from the concrete frame and our measures to become climate positive

| | climate footprint tons CO ₂ e |
|--|--|
| Climate footprint from the concrete frame | 119 |
| Comparative value if the frame was built in 2019 | 143 |
| Reduced footprint as an effect of Finja Prefab's sustainability work (-17% in this project compared to 2019) | 24 |
| Our climate compensation for the framework to be climate positive (climate footprint + 15%) | 138 |

The climate footprint from the concrete frame has thus been zeroed and become positive through the compensation

* Above includes process A1-C4 (climate footprint of the product during its entire life cycle).



We work continuously to minimise the negative environmental impact of our business, products and services through a proactive approach and responsible management of our environmental aspects.

Climate and environment

Environmental aspects

We want to contribute to sustainable development in our daily work and to manufacture products that have a low environmental impact during their life cycle. Finja Prefab AB is working in accordance with ISO 14001: 2015 and the main part of the business is certified. The certificate is available on our website. We work continuously to minimise the negative environmental impact of our business, products and services through a proactive approach and responsible management of our environmental aspects. We strive to avoid materials and methods that can pose an environmental risk when better alternatives exist.

Below are a number of significant environmental aspects that we work with to reduce impact:

Transport

We will reduce transport by manufacturing close to the customer, increase fill rates in transports, environmental requirements for our transportation (such as the environmental class of vehicle, type of fuel, safety regulations, emissions statistics), prioritise suppliers with short delivery distances. Good transport planning enables us to reduce the number of deliveries and still deliver to the customer on time.

Energy use

Finja group through Finja Energi AB, owns two wind turbines that generate about twice as much electricity as our companies currently use. In Katrineholm, the new halls are heated using district heating and in Hultsfred biofuel is used. In Hässleholm, we have replaced the use of oil for heating and in our processes with a more energy efficient and environmentally friendly alternative. We carry out energy surveys and work with energy efficiency, which has resulted in reduced energy consumption.

Use of finite resources (ballast and fossil fuels)

Four factories are currently completely free of fossil fuels use for heating. We use biodiesel to power trucks and vehicles at six factories.

We are gradually introducing the use of only crushed aggregate in the concrete. This means that the natural gravel can be saved for those purposes where the crushed aggregate cannot be used. In total, more than 65% of the aggregate currently used in our rock crusher plants is crushed stone and the proportion will increase in the coming years.



Greenhouse gas emissions (mainly via cement use)

We continuously work to optimise the type and quantity of binding agents in our products and thereby reduce CO₂ emissions. In 2020, we have made clear progress in this work, for example by replacing a certain proportion of cement with slag.

Waste

We generate very little residual waste. Basically, everything is recycled in a safe and environmentally friendly way. Excess concrete is primarily used for other products. The process water used for washing equipment is largely recycled. Reinforcement waste (used to some extent in our own production), corrugated cardboard, plastic and wood is taken for recycling. We are investigating the possibility of recycling insulation material. Our waste receiver calculates how much environmental profit (kg CO₂) is generated through the material we provide for recycling and this has increased during the year. (at our facilities, we have made an environmental gain of over 1100 tonnes of CO₂ in 2020)

Investment

Sustainability is important in investment work. It may be by replacing end-of-life machines with new ones that have better energy performance and reduce waste, but that also improve operator ergonomics and enhance efficiency. During the year we have invested in overhead cranes, trucks, workshop machinery and machines for reinforcement manufacturing, where older equipment has been replaced by modern updated technology. We have also invested in improvement of our warehouse space, which has led to safer and more efficient logistics.

Digitalisation

During 2020, we have continued our digitalisation journey, which aims to simplify things for our customers and to streamline our own operations. We have taken additional steps forward and the need for written documentation decreases during for example production control. Our new intranet has simplified the internal communication and brought a greater commitment to sustainability issues. We have also invested in a new management system. On the website we have updated the structure and packaging of our offer, which has created a clearer message.

During the year we have also invested in social media and new channels.

Life cycle perspective

Finja Prefab works in accordance with ISO 14001:2015, which, among other things, sets clear requirements for how we should work with the entire life cycle of the product. We have developed Environmental Product Declarations (EPDs) for our products. These show the climate impact of products from a life cycle perspective. With the EPDs, we have tools to better understand how we affect the climate from a life cycle perspective and thus have better conditions for making the right investments.

This is what we use in our plan to halve our CO₂ emissions. The improvements we made in terms of reinforcement, binding agents and waste will result in our updated EPDs showing a CO₂ footprint reduction of around 26%. Our concrete frames therefore have a lower climate impact. The EPDs are helpful to our customers when they want to build sustainable buildings e.g. by being certified to Environmental Building 3.1.

Concrete is a durable material with a long service life. A concrete building is usually built with a life span of 100 years. During its lifetime, the finished concrete element absorbs carbon dioxide from the atmosphere. Approximately one fifth of the carbon dioxide released during cement production can return to the concrete. The maintenance needs for a concrete building are small compared to, for example, timber. The long service life and minimal maintenance requirements must be taken into account when calculating the climate impact of a building.

In order to keep the climate impact as low as possible, it is important to plan for this early in the design. By making smart technical choices regarding the building's design and optimisation of concrete quality, thermal bridges can be avoided and the amount of cement reduced. We are happy to work with our customers early in the design to find the best possible solution.

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We work continuously to optimise the type and quantity of binding agents in our products and thereby reduce CO₂ emissions





Our suppliers

We choose our suppliers with care and with a view to long and sustainable cooperation.

We expect our suppliers to focus on their sustainability work and to work with environmental improvements in a structured way. This is part of our evaluation when we select suppliers and partners. We prioritise suppliers that are ISO 14001 certified. The supplier must comply with applicable health and safety legislation and ensure that the work is carried out in a safe manner.

Finja Prefab's suppliers must comply with the UN Global Compact, Articles 1 and 2 on human rights, work systematically with work environment and comply with applicable collective agreements or other national rules to ensure fair working conditions. We expect the suppliers we work with to live up to the same values as us.

Our agreements with suppliers include contract appendices describing the environmental requirements, sustainability work and safety when delivered to our factories.

” Our journey towards circular economy began with investment in two wind turbines that have a hugely positive environmental impact (green electricity).

The supplier must comply with applicable health and safety legislation and ensure that the work is carried out in a safe manner.

Circular Economy

Circular Economy (CE) is an area that we think is important for a sustainable society. Circular Economies are used to address the challenge of global resources. It is an economic system where resource flows are designed according to circular principles, as in the natural cycle. The opposite is a linear economy in which natural resources are extracted, processed into products that turn to waste after a short period of use.

Our journey towards a circular economy began by investing in two wind turbines that have had a hugely positive environmental impact (green electricity).

Below are some examples of how we work with circular economy.

- We recycle waste and residual material directly in our processes, such as reinforcement waste and process water. We also use waste materials from completely different industries in our processes.
- Residual concrete is cast into products that can be used internally or sold.
- One of our focus areas is to optimise the amount of cement in our products and use environmentally better alternatives e.g. fly ash or slag.
- All end-of-life IT equipment is part of a cycle where we extend the service life by remanufacturing or reconditioning.

Social responsibility

Respect for human rights

We work in accordance with the UN Convention on the Rights of the Child and the Convention on Human Rights, which focusses on gender equality and diversity and which means, among other things, fair working conditions, freedom of association and the right to negotiate collectively. Finja follows the international sanctions issued by the UN and the EU via information from the Cabinet Office. We also follow the guidelines of the UN Global Compact and the Core Conventions of the ILO.

Finja is a member of the Confederation of Swedish Enterprise (Svenskt Näringsliv), Byggnadsämnesförbundet and the Swedish Construction Federation (Byggföretagen). We thus have central collective agreements with IF Metall, Byggnads and Unionen, Ledarna and Sveriges Ingenjörer that regulate our employees' conditions, rights and obligations, and at several factories the employees have organised local trade union branches.

Anti-corruption

Finja does not condone bribery or corruption and will not offer customers, potential customers, authorities or other stakeholders any form of compensation or reward that is contrary to laws or good business practice. Smaller gifts, however, can sometimes be part of the business culture. The norm is the IMM business code. This means that we may not provide or receive personal gifts or services of a value in excess of a fixed level, or participate in free activities that are outside the normal business. We also do not accept or make any kind of promises associated with receiving such gifts.

As employees, we must inform our line manager of any personal conflicts of interest. There is a conflict of interest when someone's private interests collide, or could collide, with Finja's interests. We do not enter into any agreements or participate in activities that restrict competition. For example, we do not allow any form of anti-competitive behaviour such as price collusion, cartelisation or abuse of market dominance.

Finja's Code of Conduct

Attitudes, culture and values are difficult to control through formal requirements. At Finja, we are eager to tell you what we stand for, so that employees and customers will know how we view the work environment, business ethics, working conditions, sustainability and social engagement. Finja's Code of Conduct contains guidelines for the responsibility and obligations that all Finja employees and suppliers have regarding, among other things, health, safety, working conditions, business principles, the environment, sustainability and social engagement.

Finja works to establish long-term and value-creating relationships with our customers, suppliers, employees and society at large. We work in accordance with the Swedish Construction Federation (Byggföretagen) Code of Conduct, which includes standards for fair competition and correct accounting as well as the UN Convention on the Rights of the Child and the Convention on Human Rights, which focusses on gender equality and diversity including fair working conditions, freedom of association and the right to negotiate collectively.

Sponsorship where it does the most good

Finja actively involves itself with and supports upper secondary schools, vocational schools and colleges that work in our business area and focuses on our needs and the industry's needs. This can be done through internships, thesis work or by us educating/informing about our business or industry.

It is our firm belief that healthy employees feel better and perform better and therefore we encourage all activities that promote the health of the staff. We therefore sponsor clubs, associations and organizations in areas such as sport, culture and society where our own employees are involved as leaders or members. We invest in activities that we believe in and can stand for. Sponsorship is part of our overall communication and marketing and should reflect our values and brand.

Finja Prefab is a diversity partner in the Botildenborg Foundation. The cooperation aims, among other things, to get new arrivals and foreign-born people into work. First the participants receive workplace preparation and then internships at companies. At the same time, the project works to educate participating companies in social sustainability and diver-



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sity. The cooperation has led to several participants being employed at Finja Prefab.

For 10 years, Finja has worked with Hand-in-Hand to eradicate poverty by educating women and providing them with micro-loans so that they can start businesses creating new jobs or further develop existing businesses. By being a donor to Hand-in-Hand, we at Finja want to contribute to a sustainable environment and sustainable social development.



Employees and security

Finja Prefab wants to be a responsible and attractive employer. We work systematically for a good and safe work environment and for equal opportunity, equality and diversity.

For Finja Prefab, caring for people is a central part of working sustainably. It covers everything from external issues, such as local community projects to strengthen young people, to an internal perspective with their own employees' well-being and development in focus. The work to contribute to sustainable conditions for mankind begins with our own activities.

A safe and secure work environment is a top priority

Our employees are the most important thing we have and their well-being in the workplace is our responsibility as employers. Finja Prefab's work environment work is therefore a top priority. Safety always comes first! No one should become sick or be injured because of their work. Occupational safety and health training is carried out continuously in all activities. With investment in information, we are strengthening a culture where security is paramount.

Our workplace is safe and secure. Through systematic work environment work that includes risk management and preventive measures combined with feedback of knowledge, we continue to strive for a zero vision for accidents at Finja Prefab's workplaces.

Those who are present at Finja's workplaces; employees, hired personnel, subcontractors and visitors, must all comply with Finja's procedural and safety regulations. This means, among other things, using the personal protective equipment and following the procedures applicable to each situation. All employees have the right and obligation to stop the work if there is a risk of accident. Of course, it is prohibited to be under the influence of alcohol or drugs in our workplaces.

Finja Prefab holds an annual safety day for all employees, during which different focus areas in



the workplace are discussed. This is carried out in connection with the Construction companies holding equivalent events. We want to capture both the challenges of work and the good ideas for solutions in order to easily provide a better work environment. It should be easy to do the right thing at Finja Prefab's workplaces.

In 2020 we have focused on improving our safety culture to make safety a natural part in the daily work. This has brought training initiatives, changes in our leadership and means of communication.

We are continuing our work towards our zero vision for workplace accidents through risk observations, preventative work and periodic follow-up of our systematic work environment work (SAM) among other things. In 2020 we have improved and simplified our routines to carry out and follow up safety rounds and risk assessments. Good leadership together with the individual's responsibility for their own and colleagues' work environment is a prerequisite for good security work. To ensure that our employees are exposed to as little accident risk as possible, we continuously invest in new systems, modern machinery and competence development.

How we handle Covid-19

Our most important priority is to protect the well-being of our employees, customers and suppliers and to limit the spread of virus. We have at an early stage communicated our guidelines to both employees and customers through both email, signs and on our website. Through active work, Finja Prefab has managed to get through the year in a good way.

We have followed and are following recommendations and guidelines from the Public Health Agency of Sweden. From the start we have had crisis groups both at group level and in Finja Prefab. Common and local guidelines and action plans have been developed and a large number of activities carried out, both to limit the spread of virus and to maintain good activity in business and well-being among the staff. Our employees have been flexible and adaptable and even though we have experienced increased absence and changes in some projects, in total we have managed good thanks to our employees.

Some of the activities that the action plans have resulted in is weekly information to our employees. We have introduced daily follow-up of absence and weekly reconciliation within the company to take measures. We have recommended work from home for those who have the opportunity and adapted to digital meetings and outdoor meetings when physical meetings are required. In production, we have changed working hours and breaks to reduce crowded places. Extended cleaning and clarified the importance of keeping your distance. To continuously maintain fellowship among our employees despite distance, we chose to create commitment in terms of "Happy campaigns". Happy Mondays meant free

lunches ones a week during one month. During Happy May we handed out gift cards for concrete material to all our employees. Happy Summer meant contests and during Happy Autumn we had a 6-week wellness campaign with weekly follow-up on personal progress and measure with colleagues and other teams. The activities were launched to show our appreciation and care for our employees in these times.

Employees are Finja Prefab's most important resource

Our employees are Finja's most important resource and one of our highest priority in strategic areas.

Human resources (HR) issues play a central role in the company's management and our employees are the prerequisite for achieving our strategic goals year after year.

Through deliberate investment in engagement, competence development, continuous improvements and open communication, we want to maintain the great commitment of all our employees. In this way, they take good care of our customers and deliveries, which creates good and sustainable business, which in turn creates good results and thus the opportunity for sustainable and long-term investments.



The foundations of our corporate culture are our values: focus on the customer, maintaining the advantages of a small and nimble company, commitment, cost awareness, creativity and focus. These, combined with our keywords – We want, we can and we dare – will make it easy to follow the path in Finja's work, which we believe is the way to committed workplaces and employees.

Competence development

Finja Prefab works actively with competence development of our employees. This is done through actions directly at the workplace, internal training sessions or external training. Competence development takes place individually, as part of the team or within the function you work in.

We have succeeded in both adding and retaining competence during the strong growth of recent years. This has been done through both recruitment and internal career development.

A thorough introduction of new employees ensures a good start at Finja. This takes place both locally in the workplace and regularly under the direction of the HR department. Each employee must also have ongoing follow-up and annual employee discussions with their line manager. These tools are important in

order to ascertain the status of the work environment, as well as the stress, well-being and further development of the individual.

Having competent, committed and, not least, healthy employees is very important to us at Finja Prefab. Our employees are the ones who drive the business forward.

Zero tolerance of discrimination and harassment

Finja Prefab has zero tolerance of all forms of discrimination and harassment. We must be a company where employees thrive and develop at work. That excludes any form of discrimination, harassment or other negative discrimination on grounds of sex, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age.

At Finja Prefab, the individual salary will be governed by the nature, performance and competence of the work, regardless of gender, age and ethnic background. In accordance with Swedish legislation, an annual salary survey, with associated analysis of women's and men's salaries is carried out.





FINJA