

# 03



## Sustainability





**Sustainability is a central part of Zengun's business model, both for maintaining competitiveness and for taking responsibility for coming generations. Our employees challenge and realise our customer's sustainability ambitions in areas like circular material flows, climate impact, environmental certification and social issues.**

# A driving force in the industry's development

We want to take responsibility and help build a sustainability society, which makes sustainability a self-evident part of our business model. Our sustainability initiatives are carried out systematically at every level of the business so we can be a driving force in sustainable societal development.



Sustainability is a central part of Zengun's business model, both for maintaining competitiveness and for taking responsibility and building sustainably for coming generations. Responsibility includes our effect on society from a financial, environmental, and social perspective. This is reflected in projects led by our employees and that are carried out together with a large number of trusted subcontractors. Compliance with environmental and social sustainability criteria is part of employee appraisals and is ensured in the supply chain by setting requirements on subcontractors and suppliers.

## OUR CUSTOMERS' SUSTAINABILITY PARTNER

Zengun challenges and realises its customers' sustainability ambitions by taking an active role in forming the project's vision within various areas, for example: circular flow of materials (waste management, reuse, choice of materials), climate impact (choice of materials, transportation, life-cycle analysis), environmental certification (type and level) and social issues (supplier assessments, local commitment).

Our employees proactively contribute to projects with their sustainability expertise and involve subcontractors and partners in the efforts. Risks and opportunities are jointly identified with other stakeholders within the framework of each phase of the project.

## FOCUS ON SUSTAINABLE OPERATIONS

Focus on sustainable operations is governed by our stakeholders – understanding and meeting the expectations of key stakeholders is crucial for meeting current and future needs. Our most important stakeholders are customers, employees, suppliers, subcontractors and partners, as well as other sections of society in which the company operates.

To keep Zengun's sustainability up-to-date and relevant, a materiality analysis is performed every three years. The most recent one was in 2018. During the year, an open and ongoing dialogue has been held with our stakeholders, primarily focused on existing customers and employees. These dialogues, in combination with the previous in-depth materiality analysis, have identified current issues and provided a solid foundation for continued analysis and work to improve our sustainability agenda. We consider this an important part of day-to-day work and for our long-term planning.

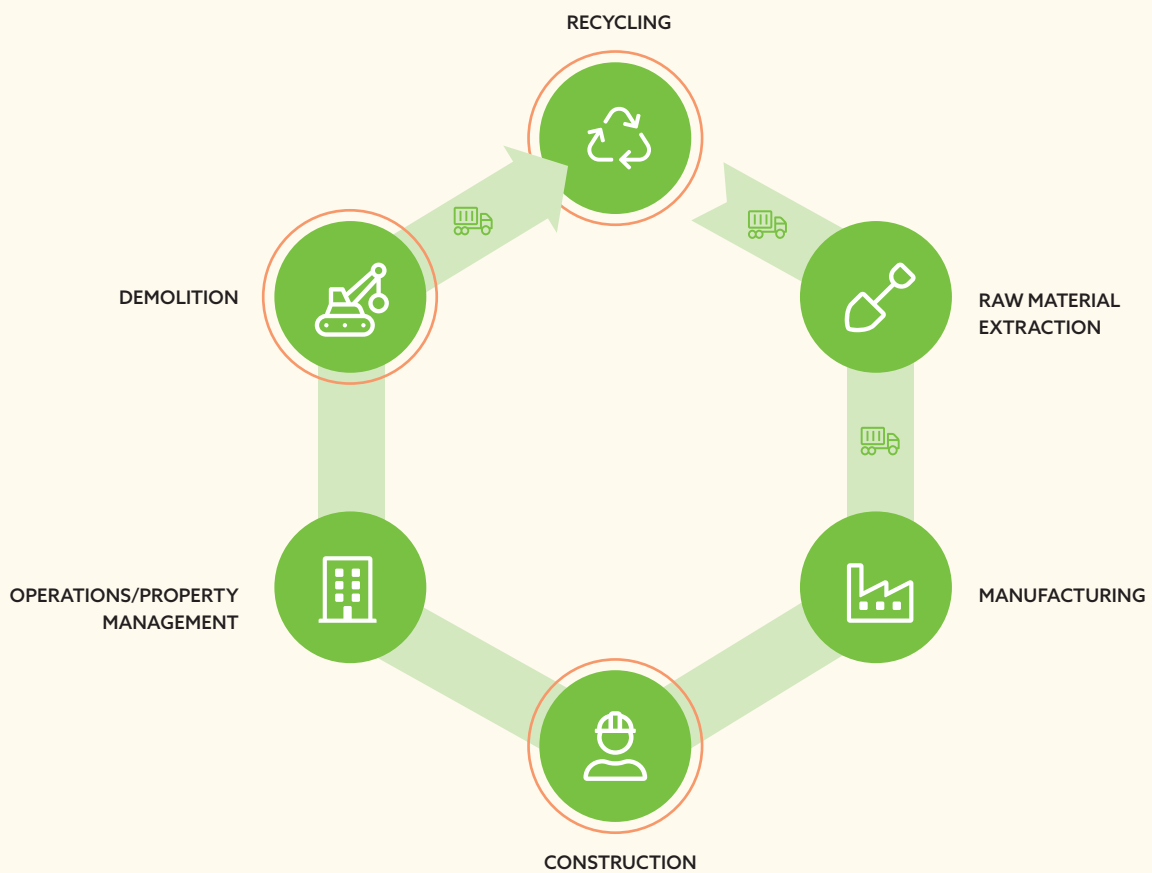
The issues that were prioritised in the previous survey remain relevant. There was also an increased interest in minimising climate impact across the entire value chain and in increased governance and monitoring for the supplier chain.

## PRIORITISED FOCUS AREAS

- Occupational health and safety
- Equal treatment and diversity
- Well-being and wellness
- Human rights, labour law and countering corruption and bribes
- The circular flow of materials
- Climate impact
- Sustainable finances

**OUR PART OF THE CHAIN**

The illustration shows our operating chain, where the bold circles represent the phases where we operate and therefore have the largest impact potential. To conduct sustainable operations, however, it is necessary that we also work actively with other stages to counteract and bring to light ethical breaches and unjustified environmental harm in every stage.



# Ensuring responsible business

Zengun's sustainability agenda follows our principles for corporate governance, where the Board of Directors has the ultimate responsibility and takes decisions regarding the sustainability strategy and relevant policies. The CEO, together with the management group, is responsible for the framework and development of the sustainability agenda within the company.



Zengun has an overarching Sustainability Policy that regulates working methods related to environmental and social sustainability and applies to all employees, customers, suppliers, subcontractors and consultants. The Sustainability Policy is supplemented by the company's Code of Conduct as well as Quality Policy, Work Environment Policy, Equal Treatment Plan, Policy against Unfair Discrimination, Pay Policy, Procurement Procedure and Supplier Assessment Procedure. Policies, guidelines and manuals for sustainability initiatives can be found on the company's intranet and management system.

## CODE OF CONDUCT

All Zengun employees as well as suppliers and partners are covered by our Code of Conduct to ensure that Zengun operates responsibly in every respect. The code is based on the Ten Principles of the UN Global Compact for sustainable business and the company's business strategy is permeated by the Compact's values and clear principles within business ethics. Zengun meets fundamental responsibilities in human rights, labour, the environment and anti-corruption. If the supplier deviates from the code and no rectification is made within the agreed time period, the business partnership may be terminated. Likewise, there are procedures that are triggered in the event an employee breaks with the Code of Conduct.

## WHISTLE-BLOWER FUNCTION

To enable anonymous reporting of breaches of the Code of Conduct and other ethical breaches, Zengun has an external whistle-blower function. The service is open to employees, suppliers and customers, who are informed of this when they sign the company's Code of Conduct. No reports have been submitted during 2020.

Zengun's Code of Conduct can be read in its entirety on our website, which is also where you can find the whistle-blower function.

## RESPONSIBILITY IN THE SUPPLY CHAIN, IN EVERY STAGE AND EVERY PROJECT

A sustainable supply chain is built on an efficient purchasing process, from the choice of materials to socially responsible

production of products and services. Each of Zengun's projects have their own conditions, but what they have in common is the central role of a sustainability perspective in the entire construction process.

The majority of the budget for a construction project consists of purchased services and materials. Procurement process governance is therefore essential for sustainability, since it accounts for the majority of the Group's sustainability impact as well as the individual project's effects on individuals, society and the environment. Prerequisites for successful projects include excellent planning, selection of the purchasing strategy, requirements established from the procurement stage and ongoing consultation during production. For projects in the project partnering format, customers and consultants should have an insight into the purchasing and be invited to participate.

**A sustainable supply chain is built on an efficient purchasing process**

## SUPPLIERS WITH CONSENSUS

As well as being an attractive supplier for our customers, we want to be an attractive customer for our suppliers and partners. In our experience, this creates competitiveness and ensures quality, both in sales and when carrying out projects. Zengun is familiar with the subcontractor and supplier market where we operate. We consider Europe our primary market for material suppliers with whom we have direct agreements, but there are parties outside Europe in our supplier base. All subcontractors and suppliers are covered by our Code of Conduct and are expected to share our position on sustainability and responsible business.

**CONTROLLED PURCHASES**

The purchasing process's established procedures for supplier assessments and monitoring ensure that sustainability initiatives are applied throughout the supply chain. To enable us to verify that materials and services are purchased from serious suppliers, subcontractors are only permitted to be used in two stages.

The companies that supply us with goods or services are controlled based on environmental, financial, risk, working conditions and safety criteria.

**RESPONSIBILITY IN THE ENTIRE SUPPLY CHAIN**

The supply chain in the construction industry is often complex and hard to control in terms of sustainability. This is primarily connected to human rights, working conditions and anti-corruption.

Zengun contributes to continuous efforts made in the industry and across other industries to improve working methods and procedures concerning risk analysis, knowledge

transfer and increased control, both for the environment and for societal responsibility in the supply chain. This is to provide long-term support and tools that help ensure that products and materials used in construction and groundworks projects are produced responsibly.

As an additional step to ensure compliance with our code in our supply chain, Zengun has decided to further control our purchases. In practice this means that for all transactions that entail an increased sustainability risk, we conduct an expanded risk analysis and evaluation ahead of any purchase. Examples of risky transactions connected to materials include natural stone, steel and installations as well as screws and nails. We also have a proactive purchasing approach when it comes to conflict minerals. Zengun has excluded countries based on data from the International Trade Union Confederation (ITUC) and the Corruption Perceptions Index (CPI). This means that management needs to approve any purchases from countries outside groups 1 and 2 according to the ITUC or who are rated under 60 by the CPI.

# A decentralised organisation has significant opportunities to make a difference

Karin Pettersson is the quality, environmental, health and safety (QEHS) coordinator at Zengun, working on projects in every phase and coordinating with all of the roles in the project organisation.



"My typical workday as a QEHS coordinator in projects is rather varied, since it's a coordinating function for quality, environment and work environment issues.

These can be anything from ensuring that the work environment, environmental and quality documents we use in production are accurate and up-to-date to reviewing and supervising our subcontractor's QEHS work during the project to managing all of the quality documentation ahead of the final stage of a project.

Another important part of my role is ensuring that the project complies with the management system that Zengun follows as well as regulatory requirements and our customers' requirements.

There are numerous opportunities to affect central processes and to participate in the company's development and operations at Zengun thanks to the decentralised organisation. For me, this has meant being involved in Zengun's development group and, primarily, working the company's management system and ISO certification. The experiences I've had from project work have played an important role in the progress we've made in those areas.

My experiences from supporting operations in these issues, both in projects and centrally, have been varied and instructive, but most of all they've been fun."



OUR TOTAL CARBON FOOTPRINT  
PER BUILT SQM 2020

LANDFILL

370 kg <5%

# Resource optimisation

## – a key factor in climate work

The role of construction contractor entails a responsibility to deliver sustainable properties and offer support to our customers throughout the duration of the project, from concept to management.



The majority of project partnerships enable Zengun to enter at an early stage as an adviser with strategic influence and to remain involved in the entire process. This means Zengun has the opportunity to influence which products, materials, working methods and project-specific requirements are established in relation to quality, the environment and the work environment. With a proactive approach, we create added value, business and competitive advantages, and long-term savings for our customers and the business as a whole.

### **MOST PROJECTS ARE ENVIRONMENTALLY CERTIFIED**

There is continued high demand from our customers for environmental certification of projects and high ambitions for sustainability factors. Out of all of Zengun's ongoing projects for 2020, 86% will be environmentally certified, calculated in terms of net turnover. Our employees are trained in all of the market-leading certification sustainability standards – BREEAM, LEED; Sweden Green Building Council, Swan Ecolabel, WELL and Green Building – and support our customers in their work with them. A new internal offering for 2020 is the role of BREEAM Advisory Professional, which further supports our customers in their certification journey.

### **INITIATIVES FOR REDUCING CARBON FOOTPRINT**

The construction and property sectors are among those with the greatest environmental and climate impact. This means that it is of the utmost importance that we actively work to reduce the environmental impact at every possible stage. We are involved in several networks to learn from, contribute to and influence development within the sector and across wider society.

Just as we want to be our customers' sustainability partner, we trust that our suppliers can and want to perform according to our targets. Collaboration and planning at every stage of a project is necessary for creating the preconditions for sustainable construction.

Resource optimisation is a key factor in sustainability for the construction industry, including everything from careful material choices to waste management and flexible designs. We strive to optimise and support a circular flow of materials through our own initiatives and ones across the entire industry.

Nationally, the construction industry generates around one third of Sweden's total waste and accounts for one fourth

of the amount of hazardous waste (excluding the mining industry). There is substantial potential for reducing resource consumption in the industry in order to transition to an entirely circular material flow in line with global climate goals.

### *Efficient use of materials*

Optimising waste sorting and the reuse of construction and demolition waste is a hygiene factor for Zengun and something we are constantly striving to improve. This includes handling construction material in the best possible way as well as good planning and preventative work to minimise the amount of waste we generate.

A major challenge in this work is increasing material efficiency in remodelling and demolition projects so that the lifespan of existing construction material can be spent being reused rather than recycled. In the planning phase, we can provide advice and knowledge about how buildings can be designed flexibly to allow long-term resource efficiency for future adaptations and changes. This is a complex and central issue for the industry and requires changes to traditional production methods. Zengun participates in several industry-wide initiatives to build knowledge in this area.

### *Analysis and actions*

To work according to the global goals and reduce our climate impact, we need to identify the changes we can make in all parts of the operations. One part of this is encouraging all of our employees to take alternative transportation to and from the work place and offering them company bicycles and SL Access cards. Our goal is for all of the vehicles in our fleet at the end of 2021 to be fuelled with electricity, gas, ethanol or another fossil-free alternative. This includes all of our work vehicles, company cars and service vehicles.

A focus area during the past year was improving our employees' sustainability competence and clarifying and strengthening its integration into daily operations. That is why we carried out roll-specific training, achieving high commitment and good outcomes.

Through an initial survey of the company's carbon emissions during the year, we identified a number of areas to prioritise that we will continue to work with in the future. The next step is formulate relevant goals in relation to our emissions and activities to reach these goals.

04



## Employees





**Employees' skills and commitment are a large part of our offering. We take care of our employees – all of our workplaces should be characterised by safety awareness and offer a safe and inclusive work environment free from harassment.**

# Partnership for a safe work environment

Employees are in focus at Zengun and each individual's personal development and commitment is cultivated. A vision to see zero work-related accidents is the basis of daily operations at our workplaces, where health and safety is always at the top of the agenda.



The safety agenda is pursued systematically based on three perspectives:

- Preventive
- Formal based on regulations
- Based on informal structures at each workplace

We are constantly developing processes and tools to create secure and safe workplaces. In preventative work, it is important to take individual construction sites into consideration. The unique construction site is combined with specific work elements, which means different kinds of risks and choices of measures to address them.

## SAFETY AWARENESS IS PART OF CULTURE

The work environment agenda involves the entire project organisation, even if the stated responsibility is with production and project managers. They ensure that each project has the right conditions to maintain a good, safe work environment. Zengun regularly provides health and safety training to maintain a high level of safety awareness in the internal culture. It is also important that each employee takes their personal responsibility for the work environment seriously. By avoiding short cuts and protecting yourself, you also protect your colleagues.

An important industry initiative in this area that aims to ensure that safety initiatives reach beyond individual organisations is "Håll Nollan" (Keep to Zero) – Collaboration to ensure zero accidents in the construction industry. Zengun is an active member, thereby undertaking to collaborate and share expertise.

Zengun's safety work does not begin and end at the worksite, but rather is a process where all of the components are interlinked. In addition to immediate protective measures, we also place a great deal of importance on individual well-being, which is the basis for indirect protective efforts. Good physical and mental health prepares us for the challenges of a construction project. This is something we actively work with in Zengun life (see p. 36).

The last component in our safety work is building from

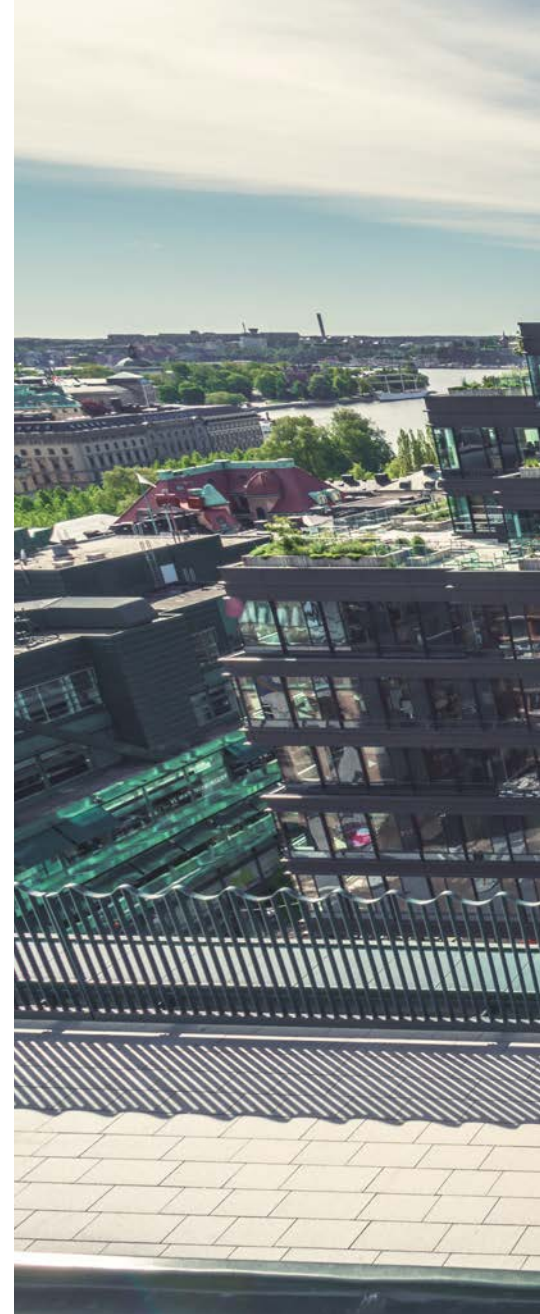
a long-term environmental perspective, meaning that we transfer a finished building that is safe for future users for the rest of its lifetime.

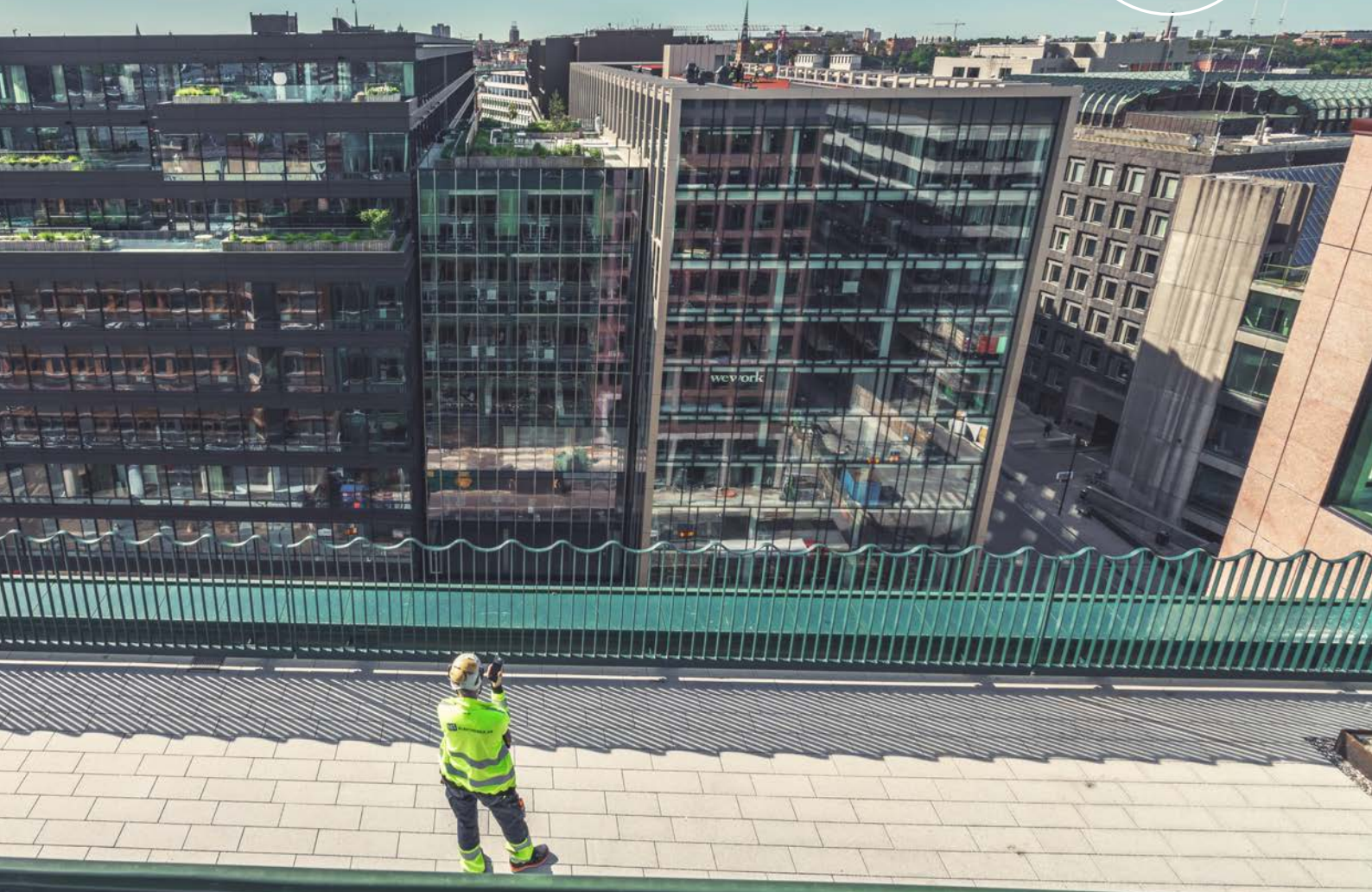
## DAILY OPERATIONS

A work environment plan is developed for all of our projects, and it is regularly followed up and safety inspections are carried out weekly. At Zengun, safety inspections are a sign of a healthy safety agenda. The most important work is not in the inspections, however, but in the daily operations. Transferring knowledge is an important part of this work. To help with knowledge retention, follow-up and continued improvement, digital tools are used across the entire company. These are used for reporting and documenting observations, near-accidents and accidents as well as remedial actions and analyses of risks and obstacles to production.

## THE FIRST STAGE

The projects are led by our employees and are often conducted together with a large number of trusted subcontractors. While procuring these subcontractors, we ensure that only



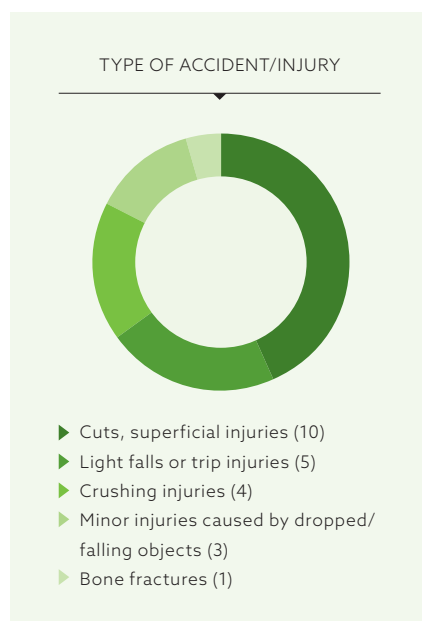


approved contractors with explicit and well-implemented safety and quality agendas are contracted. It is important that everyone at the workplace is able to access and understand our safety procedures, so each working group must have supervisors able to speak Swedish or English.

**WORK ENVIRONMENT MEASURES**

The noteworthy aspect of the work environment measures taken in the last year is the prevailing Covid-19 situation. To quote an employee, "it's difficult to build remotely."

Our operations require us to be on site. To offer as sanitised a workplace as possible, cleaning procedures have been expanded, both in terms of frequency and scope. Breaks and working hours have been scheduled to reduce the number of people in changing and lunch rooms. Hand sanitiser has been placed in several easily accessible places at the workplace. Our employees at site offices have been encouraged to work from home as far as it is possible. They have also been allowed to bring home computer monitors, etc., to maintain a good work environment. We have also ensured a suitable distance between workplaces for those who need to be in the office.



# Systematic inclusion to counteract discrimination

At Zengun, we actively work to create a secure, inclusive and people-centric workplace and make good use of the drive and personal commitment of each employee. This is a key sustainability issue, which has become even clearer during the past year's uncertainty.



Our workplaces, both out at our projects and in our offices, are to be characterised by work safety and a secure, inclusive work environment and culture free from harassment.

## SHARED RESPONSIBILITY FOR THE WORK ENVIRONMENT

The decentralised organisation, in which most decisions are taken within projects in close dialogue with customers, leads to great responsibility for our work being placed on employees. The commitment and expertise of each employee contributes to the success of the projects. The ability to build teams of skilled individuals who complement and assist each other within challenging construction projects is one of the strengths of the company. Major focus is placed on developing and challenging every employee, as well as ensuring their well-being. Everyone is to have the same opportunities of employment, training, promotion and development. Moreover, equal pay for equal work applies to all.

Equal treatment and diversity are vital ingredients in creating an attractive workplace that offers all of its employees, consultants and subcontractors opportunity for development. Countering and highlighting discriminatory situations are a shared daily responsibility for all employees. The ultimate responsibility for this, however, lies with team leaders and managers, who are regularly trained in preventing and stopping unfair discrimination as well as handling unfair discrimination if such a situation should arise. It is the responsibility of the managers to investigate the risk of discriminatory behaviour

and harassment and to take measures to minimise these, within the framework of the systematic work environment initiatives.

## A WORKPLACE FOR EMPLOYEES WHO WANT TO DEVELOP

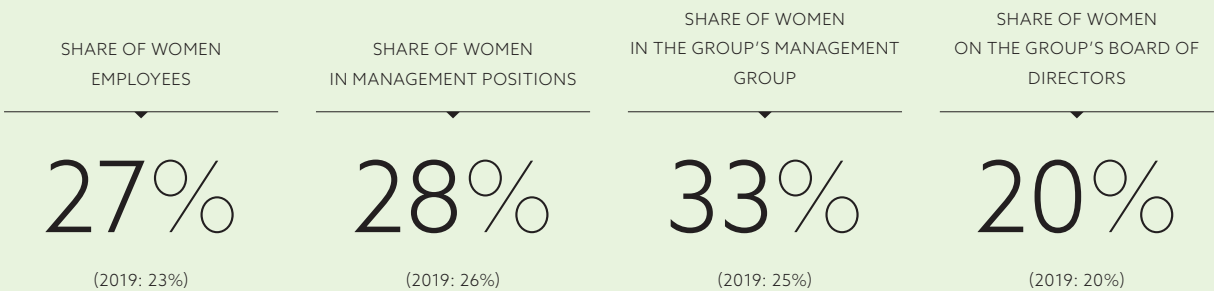
Zengun takes systematic steps to prevent and follow up on measures countering all forms of discrimination and abusive treatment. Within the construction industry, this is largely an issue of shaking off antiquated workplace language that is sexist, racist or homophobic, and offering practical conditions for employees to carry out their work safely and with dignity regardless of sex, gender identity, age, ethnicity, religion, sexual orientation or disability. Parallel with this, we also work proactively to offer all of our employees the opportunity to develop. Recruitment, training and skills development courses are organised strategically with an inclusive approach to support diversity and equality, and all employees are given the preconditions to balance their professional role with their family life and free time.

Equal treatment is a prioritised area for us across the entire organisation, from the Board and management to every project, to secure our skills supply. To continue to develop as a company, Zengun needs to be a workplace where the best employees want to contribute and grow.



HIGHLIGHT

The construction industry is traditionally male-dominated, with average of 9.6% women employees across the industry. At the Zengun Group, we actively promote equality as part of prioritising our sustainability agenda, so we can drive successful projects now and in the future.

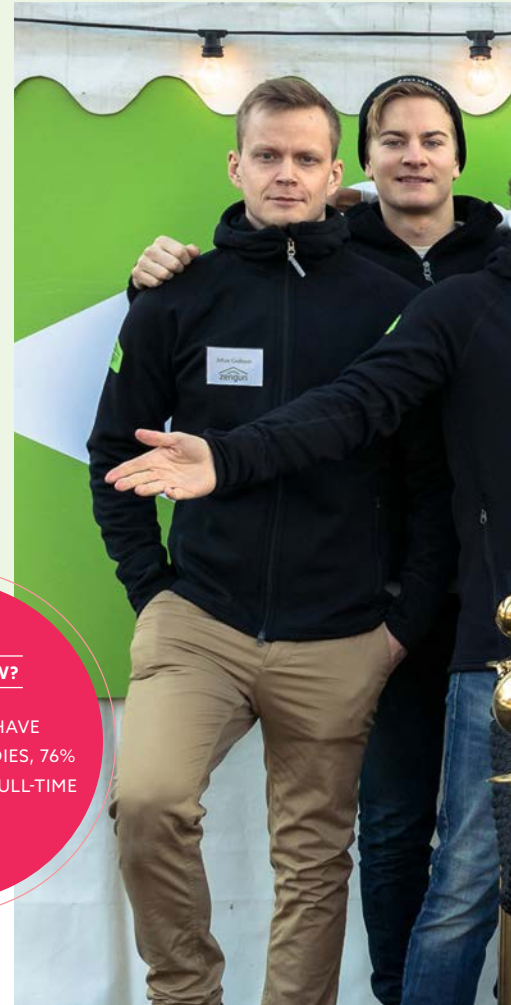


# “If you aren’t always trying to be better, being good is soon in the past”

There is no standardised path to take at Zengun. We work constantly to see the individual and to encourage their curiosity and commitment to support their personal development.

## DID YOU KNOW?

OF THOSE WHO HAVE FINISHED THEIR STUDIES, 76% HAVE REMAINED AS FULL-TIME EMPLOYEES.



Unizen is Zengun's skills development programme that aims to develop and challenge our employees, built on the idea that no one ever stops learning. There are no predetermined development curves when someone starts working for us. But since we have employees across the entire construction chain, we can offer a large number of roles and alternative career paths. To find what works and ensure the individual's interests as well as the company's needs, we work continuously with structured follow-up. A broad and opportunity-based approach is applied based on the follow-up. Individual plans can range over several years, including anything from individual courses to meet the sector's requirements to university study programmes.

Our projects benefit from the work carried out in Unizen, which actively encourages creativity and curiosity by applying the 80/20 principle: 80% tried and tested effective solutions and 20% new ideas and innovation. This applies to everything from the approach and method to materials and technical solutions.

### INTERNAL SKILLS DEVELOPMENT DURING THE YEAR

During autumn 2020, we carried out company-wide internal training for Zengun's project engineers to expand the skills in our operations. The first portion focused on work environment, quality, sustainability and the overall system of operations. The intention is for this to be a series of training

opportunities that are organised internally by our employees with leading-edge expertise in each area. Coming portions of the training will primarily address financing, purchasing and calculations.

### SUCCESSFUL TRAINEE PROGRAMME

One part of Unizen is our popular trainee programme that we carried out for the seventh time in 2020. The programme attracts future civil engineers who get to experience different roles and tasks, and to apply theoretical knowledge early on in their studies. The trainee programme is an important recruitment source for Zengun, since it enables the recruitment of young, motivated employees with knowledge of the latest research and future technical and construction solutions. Zengun participates in annual university-level job fairs. In 2020, a record number of applications were received for the trainee programme, which is due in part to the very successful efforts of current trainees. During the spring, four additional new talents applied and all five of last year's trainees took steps toward becoming full-time employees.

Despite the prevailing pandemic, all trainees were placed at projects and the planned training in presentation technology and calculations was held. We wrapped up 2020 with the annual tradition of inviting one of the founders to provide education, inspiration and a vision for the future.



Marcus (white shirt), together with some of his colleagues.

## “At Zengun we support each other”

After secondary school, Marcus chose to apply to Teknicsprånget for the chance to participate in a four-month-long internship programme. The programme is a joint initiative from Sweden’s employers and the government, with the aim of attracting more young people to high-level technical degrees. Zengun is one of over 180 employers who offer internships to young students.

“Through Teknicsprånget, in 2020 I had the chance to intern for four months at one of Zengun’s major projects, Stora Frösunda 2. To start, I was out a lot at production to try my hand at supervising, together with my advisor. I learned everything from how you decide on a timetable and coordinate different occupational groups to the everyday work needed to create a secure and safe work environment. I also had the chance to learn about the purchasing process during my internship and to see what it’s like to work as an environmental coordinator.

Doing Teknicsprånget at Zengun was really fun, educational and challenging. That’s why I chose to stay for another six months after the end of my internship, before pursuing further studies.

There’s a lot I’ve learned from my time at Zengun. If I have to choose something specific, it’s the ‘Zengun spirit’ of the project. The way I see it, Zengun has managed to create a corporate culture where everyone supports and learns from each other.”



## For a healthy lifestyle

Zengun's health and wellness initiative, Zengun Life, includes everything from everyday exercise and elite initiatives to culture and hobbies. The investment is based in our vision of being "Sweden's healthiest and most active company." Zengun Life supports community, improved corporate culture and increased job satisfaction.



▼  
Zengun Life advocates for a healthy lifestyle in combination with wellness and work-life balance. The goal is also to support community within the company and create places for informal meetings beyond ordinary work roles. The initiative is employee-driven and relaxed, with activities that reflect employees' interests.

Activities in Zengun Life that previously consisted primarily of athletic activities with an emphasis on everyday exercise and community will be expanded to include more culture, lectures and wellness, based on requests from employees. This year's pandemic had a significant effect on the offering

as well as how activities were carried out. Zenrun, the annual charity race, was held remotely through an app. In November, employees were challenged to participate in the Movember walk-run challenge to collect money to treat mental illness in men. We also provided coaching in small groups for improved running technique. The restrictions of the past year have doubtless challenged us to think creatively when hosting activities within the Zengun Life framework, which is something we can bring with us moving forward.



**A strong sustainability profile and close collaboration with industry colleagues sets high standards for me as a project engineer.**

**DID YOU KNOW?**

IN ADDITION TO "LEED PROJECT OF THE YEAR" (SGBC), SERGELHUSET RECEIVED THE PRESTIGIOUS ANNUAL ENVIRONMENTAL PRIZE AWARDED AT BETONGGALAN ("CONCRETE GALA") AND WAS NOMINATED FOR "FACADE OF THE YEAR" (MUR & PUTSFÖRETAGEN).

## First to arrive and last to leave

Ali Jafar is a project engineer with a focus on finance. In general, the role includes work in overall finances with budget reviews, projections, regular meetings with subcontractors and minor calculations for any additional work.

▼  
"As a project engineer, you're usually first on the job in the organisation and also one of the last to leave a finished project. That was my experience at my most recent project at Sergelhuset, a large and comprehensive project in central Stockholm. An incredibly fun and instructive project, whose strong sustainability profile and close collaboration with industry colleagues in adjacent projects set high standards for me as a project engineer. This was reflected in the daily work through

experience exchanges between contractors as well as more thorough monitoring of our subcontractors to ensure the project's environmental certification.

Due to its size, this project also entailed a large internal project organisation and a pronounced collaboration between roles and disciplines. This has created good cohesion and resulted in a comfortable environment in the project, despite the occasionally very intense periods."

# 05



## Risks





Managing risks is a natural part of any business operation. Through monitoring external trends and conscious leadership, Zengun works to transform risks into opportunities. The risks are divided into operating environment risks, strategic risks, operating risks and regulatory risks.

# Risk analysis

	RISK AREA	DESCRIPTION	MANAGEMENT	
SHORT-TERM RISKS	OPERATIONAL RISKS	<b>Health and safety</b>	<p>There are always health and safety risks for employees and subcontractors at a construction site. Personal injuries can lead to lifelong issues or, in the worst case, death. Another health risk is that employees suffer from poor mental or physical health, which can lead to sick leave, a negative work climate and poor work morale.</p>	<ul style="list-style-type: none"> <li>• Safety inspections</li> <li>• Procedures for monitoring accidents/near-accidents</li> <li>• Policy training</li> <li>• Employee dialogue meetings at the workplace</li> <li>• Employee and health surveys</li> <li>• Review of workplace ergonomics training</li> <li>• Zengun Life</li> </ul>
		<b>Environment</b>	<p>The risk of Zengun's operations causing various types of environmental damage. This could, for example, involve emissions from machines, irresponsible material choices or pollution that affects the local environment and/or a more extensive area.</p>	<ul style="list-style-type: none"> <li>• Project-specific environmental and work environment plans</li> <li>• Safety and environmental inspections</li> <li>• Requirements for material assessed from an environmental perspective</li> <li>• Sustainable logistics solutions</li> <li>• Fossil-free transportation and fuel alternatives recommended</li> <li>• Internal training</li> <li>• Sustainability workshops at the beginning of major projects</li> </ul>
		<b>Supply of skills and resources</b>	<p>Zengun's operations are dependent upon the right person being in the right place and with the necessary training/skills for their role. A prerequisite for the company's expansion and results is therefore the recruitment, development and retention of skilled and committed employees. Failure in this regard means we will be unable to deliver the quality required to nurture customer relations and achieve financial targets.</p>	<ul style="list-style-type: none"> <li>• Procedures for monitoring project requirements</li> <li>• Project audits to ensure routines are implemented</li> <li>• Ensure the right staffing for projects</li> <li>• Clear requirements and dialogues with customers</li> <li>• Experience exchange forums</li> <li>• Sustainable recruitment</li> <li>• Internal skills analysis</li> <li>• Leadership and corporate culture training</li> <li>• Unizen</li> </ul>
		<b>Digitalisation</b>	<p>New digital solutions are replacing old technology and ways of working, which creates new services and demand for information management as well as efficient operating solutions for properties. Companies unable to adapt their operations to these changing conditions can lose customers, suppliers and employees.</p>	<ul style="list-style-type: none"> <li>• External trend monitoring</li> <li>• Increased digitalisation initiatives</li> <li>• Designated IT focus group</li> </ul>
REGULATORY RISKS		<b>Ethical breaches</b>	<p>The risk that employees, suppliers or subcontractors do not comply with applicable laws or internal and external policies relating to ethics, anti-corruption, equal treatment and human rights. Breaches or neglect could damage Zengun's relationships with its customers or employees.</p>	<ul style="list-style-type: none"> <li>• Expanded procedures to ensure a sustainable supply chain</li> <li>• Subcontractor monitoring</li> <li>• Internal audits</li> <li>• Code of Conduct monitoring</li> <li>• The whistle-blower function ensures both internal and external anonymous reporting</li> <li>• Continuous dialogues on values and corporate culture</li> <li>• Employee surveys to identify signs of dissatisfaction</li> </ul>
		<b>Legislative compliance</b>	<p>Inadequate regulatory compliance can lead to financial losses, damage to our reputation and legal processes. Individual well-being can also be affected.</p>	<ul style="list-style-type: none"> <li>• Regular legislative compliance checks</li> <li>• Internal quality control audits at several stages</li> <li>• Code of Conduct</li> <li>• Corporate culture with high ethical standards</li> <li>• Competent and responsible employees</li> </ul>

	RISK AREA	DESCRIPTION	MANAGEMENT
OPERATING ENVIRONMENT RISKS	<b>Crises</b>	Refers to crises that arise in the operating environment that Zengun cannot control. These types of crises are also hard to predict and include pandemics, terrorist attacks and cyber-attacks.	<ul style="list-style-type: none"> <li>Guidelines for information security</li> <li>Crisis management plans tailored to projects</li> <li>Increased digitalisation initiatives</li> </ul>
	<b>Climate change</b>	Climate change refers to, for example, extreme weather events and environmental catastrophes.	To help the property sector prepare for new climate conditions, Zengun integrates the climate into all of its project operations.
LONG-TERM RISKS	<b>Trademark</b>	Demand for Zengun's services is built, to a large extent, on customers' and employees' impressions and experience with the company. The industry is constantly changing and customer and employee demands and expectations change with the times. A long-term and flexible trademark strategy is necessary to avoid losing market shares or competitive drive.	<ul style="list-style-type: none"> <li>External trend monitoring</li> <li>Market forums</li> <li>Job fairs</li> <li>Customer dialogues</li> <li>Employee surveys and dialogue meetings</li> </ul>
	<b>Changing economy</b>	The construction industry is sensitive to the state of the economy. Zengun's operations depend on customers' willingness to invest and are thereby affected by any changes in the economy.	<ul style="list-style-type: none"> <li>A decentralised organisational structure, which is expected to create an agile organisation</li> <li>Broad customer base within several segments</li> </ul>
STRATEGIC RISKS			

