



ESG Questionnaire

2024-01-16

ESG Questionnaire

General industry	Answer
<p>Please list the industry's three biggest sustainability (ESG) related challenges and briefly describe the process for identifying these challenges</p>	<p><i>Transparency and control through the entire supplier chain</i> This is required, among other things, to ensure that the business is free from corruption, forced labour, and deficiencies in the work environment.</p> <p><i>Climate neutrality</i> Changed working methods and more flexible building solutions are required to reach the industry goal of net zero emissions by 2045. Zengun wants to particularly mention recycling and reuse of materials with longer durability.</p> <p><i>Sustainable urban development</i> The industry needs to switch to construction that ensures sustainable environments where work and living function in balance and are supported by efficient communication solutions.</p>
<p>Have you conducted any preliminary assessments of your company in relation to the EU Taxonomy? If so, what was the outcome?</p>	<p>Zengun will perform a preliminary assessment during 2024</p>
Environment (1/2)	Answer
<p>Please list the firm's three primary risks related to climate change and if any, the firm's climate-related opportunities</p>	<p><i>Risks</i> There is a risk that the conversation to more climate-smart choices will be too slow in relation to set climate goals if:</p> <ul style="list-style-type: none"> • Parts of the supply chain lag behind in the transition to climate-neutral construction • There are not enough good alternatives for the transition required • Customers fail in their priorities <p>Zengun actively seeks customers with high ambitions in sustainability. With changed market conditions, there is a risk that the Company must choose customers who do not prioritize sustainability and climate improvement and that Zengun therefore has problems maintaining and developing improvement work and competence level. If the construction industry turns out not to be mature enough to switch up to the circularity required, there is a risk that it would also affect the Zengun Group.</p> <p><i>Opportunities</i> <i>Digitisation</i> is a major and important opportunity for improvements in environmental and sustainability work. There are a multitude of tools and services that facilitate transparency, reporting, comparisons, and follow-up of various sustainability parameters. Thus, the processes are streamlined, and we can refine our data and identify areas of development for environmental work.</p> <p>An additional success factor that allows us to increase our positive impact on the climate is that Zengun gets involved early in the projects. When the Company is involved already in the planning stage, a lever is created for Zengun's competence to identify and evaluate more climate-efficient alternatives together with its customers. Over 85 percent of Zengun's ongoing projects aim to meet some type of environmental certification, which provides clear guidance in sustainability issues and a quality stamp on the environmental performance in the final delivery.</p>

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Environment (2/2)	Answer
Does the firm anticipate any climate-related investments, and if so to what extent?	The Zengun Group wants to take its responsibility for societal development by contributing with competence and experiences to the greatest possible extent. Zengun is continuously involved in various research projects and industry initiatives related to, among other things, circular material flows and reuse. This together with both customers and industry colleagues who are prominent in sustainability issues. At present, Zengun sees no additional investment need related to this issue.
Circular Economy: how are purchases and waste managed? If the firm rely on any scarce resources, please describe what efforts are made to mitigate the risk of those resources becoming scarcer in the future, e.g. recycling, reusing substitutes or improved resource efficiency?	The projects follow a company-wide minimum level for a number of parameters, for example for waste management, material selection, chemical handling. As a rule, project-specific environmental or certification requirements are also added. Furthermore, the project- and supplier-specific implementation within each purchase is required. All subcontractors and material suppliers are required to follow Zengun's code of conduct.
Transition-related risks (for example changed customer preferences or legislation): Do you anticipate any risks or opportunities due to the transition to a carbon-neutral society? Is there any risk of the firm's offer being negatively affected? If yes, how has the firm positioned itself to handle that risk?	There is a clear demand for sustainable alternatives and a transition to more circular processes in Zengun's market. The development is clear and Zengun is well ahead and has long been working on the path. A hypothetical risk could be that the transition in the industry is too slow from the legislator's perspective, which is why sanctions or stricter legislation are introduced.
Have you set a target to become carbon neutral? If so, how have you defined carbon neutrality?	Zengun has set the goal to become climate neutral by 2045, which is in line with Sweden's environmental objectives. According to the definition, supplementary measures such as climate compensation can be credited towards achieving net-zero emissions. Zengun operates in accordance with the "Roadmap for fossil-free competitiveness - Construction and Civil Engineering Sector."
Please list the firm's (1-2) primary means of making a positive environmental impact or minimising negative environmental impact. Please list the corresponding most relevant UN Sustainable Development Goals. What proportion of sales can be directly linked to selected UN SDGs?	The most important areas where the Zengun Group contributes to a reduced climate footprint and thus a positive impact on the climate have been identified as: waste management, transport & fuel, and material selection. All of these are linked to the climate goal of circularity. Follow-up and communication take place internally today in various tools, for example within the framework of the certification process that affects each project, in the documentation platform for building products and chemicals, statistics, random samples, and deviation follow-up.

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Social	Answer
<p>Does the firm have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?</p>	<p>A safe and secure work environment is the highest priority at Zengun Group's workplaces. The work environment policy can be found on the website. Zengun is constantly developing processes and tools for safe and secure workplaces, primarily through preventive work. The Company requires that all environment work should take place on a digital platform for reporting, statistics, and follow-up. Since Zengun was founded in 2009, very few serious accidents have occurred.</p>
<p>If applicable, please state your targets for gender and cultural equality and indicate the relative split of men/women at every level of the firm</p>	<p>Zengun does not have a set target but actively works to create an equal and diverse workplace.</p> <p>Gender distribution:</p> <ul style="list-style-type: none"> • Total number of employees: Women 35%, Men 65% • Company's management group: Women 60%, Men 40% • Board of Directors: Women 25%, Men 75%
<p>Does the company conduct any other community engagement activities aside from those directly connected to the business?</p>	<p>Zengun is continuously involved in various types of social commitments, for example, the company has arranged several charity runs. Furthermore, Zengun annually donate a sum of money to various employee-selected organisations instead of a Christmas gift.</p>
<p>How often does the firm conduct audits of its suppliers, and how often do you discover incidents not compliant with your code of conduct?</p>	<p>The Zengun Group's governing documents and policies are incorporated into each purchase agreement. For larger purchases or purchases that are deemed to require greater transparency, site visits are made to the relevant suppliers. Furthermore, the work environment policy and code of conduct are followed up in the daily work in the projects. All subcontractors are reviewed based on established basic requirements before they can be hired. The code of conduct for suppliers and partners is included as a contract appendix in all purchases.</p>
<p>Please list the firm's (1-2) primary means of making a positive social impact or minimising negative social impact. Please list the corresponding most relevant UN Sustainable Development Goals. What proportion of sales can be directly linked to selected UN SDGs?</p>	<p>Zengun's main contribution to promoting social sustainability is ensuring that the Company has a sustainable supply chain free from child and forced labor, corruption, and other irregularities. This primarily relates to Goal 8 (decent work and economic growth) and Goal 16 (peace, justice, and strong institutions), but it also has an impact on other goals. Approximately 90% of Zengun's revenue consists of purchased goods and services.</p>

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Governance	Answer
Do all staff members receive continuing education on anti-corruption? Are there any ongoing or historical incidents involving corruption, cartels or any other unethical business conduct? Have any preventive measures been taken?	There are requirements that all employees in leading positions must undergo training in good business ethics and anti-corruption. In 2019, an external whistle-blower function was implemented that can be accessed via Zengun's website and is thus also available to external parties. So far, no incidents have been reported. The Zengun Group has no history of incidents in the area of ethical misconduct, corruption, or cartel formation. Proactive measures are regularly carried out, for example through education, industry-wide commitments, and thorough purchases.
Please state the firm's business tax residence (i.e. where the firm pays tax) and explain why that specific tax residence was chosen	Sweden, where the Company performs all its business.
How many independent members sits on the Board of Directors?	2, 50% of the Board of Directors
Please state if and to what extent, the company has transactions with related parties	No transactions with related parties.
Which KPIs dictate the remuneration to management (are sustainability and diversity goals included)?	The Zengun Group applies market-based compensation for the CEO and management. Variable compensation is primarily linked to profitability.
Describe the company's process for monitoring and reporting ESG issues and performance to senior management/the Board. In your response, please confirm what KPIs are monitored (if any) and how frequently reporting is undertaken	Formal reporting of ESG issues is reported on annual basis, but monitoring is carried out throughout the year.
Have you signed a Union agreement?	Yes

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Principle adverse impacts	Answer
Revenue (EUR)	EUR 244m (exchange rate as of 2024-01-16, EUR/SEK=11.3455)
Greenhouse gas emissions; Scope 1, Scope 2, Scope 3	Scope 1: 77.1 tonnes Scope 2: 499.9 tonnes Scope 3: 26,152 tonnes (excluding end-of-life, energy and maintenance of sold properties) Full year 2022
Share of non-renewable energy consumption	Both our permanent offices use 100% renewable electricity. In our production operations, an estimated 30-35% non-renewables are used, however it is often our customers who are responsible for construction heating and electricity
Share of non-renewable energy production	N/A
Energy consumption in GWh	Approximately 7 GWh (2022)
Tonnes of emissions to water	This is not something that we track but we have only had a few minor fuel spills during the past year.
Tonnes of hazardous waste and radioactive waste generated	Approximately 7.5 tonnes, including asbestos (2022)
Unadjusted gender pay gap	N/A
Board gender diversity	Board: 25% women, Group management: 60% women
Fossil fuel operations	Fuel for machines and to some extent for heating during certain production stages.
Sites/operations located in or near to biodiversity-sensitive areas where activities negatively affect those areas	No
Science Based Target	No
Reports to CDP	No
UN Global Compact Signatory	No
Involved in the manufacture or selling of controversial weapons	No
Whistle-blower policy	Yes
Supplier code of conduct	Yes