

ESG/Sustainability Report 2023.

outline

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Introduction:

A Message from our CEO

Dear Stakeholders,

As the CEO of Hoff Entreprenader AB, I am proud to lead a company that prioritises and is deeply committed to sustainability and responsible business practices. Our journey towards sustainability is not a solitary one but a collective effort involving all our stakeholders. We operate in a city home to multinational construction companies and global industry giants, which present unique challenges. However, together, we have taken significant steps not just to remain competitive but also to lead the way in fulfilling our social and environmental responsibilities.

At Hoff Entreprenader AB, we have taken a proactive approach to integrate critical elements of sustainable development, such as compliance, corporate social responsibility, reporting, and shared value initiatives, into our ESG corporate policy guide. This is not just a response to external pressures but a genuine commitment to ensuring the continuity of our business. We are not waiting for change to happen; we are making it happen. This approach reassures us that we are on the right path, fostering a work environment that empowers our team to manage themselves, be proactive, and deliver quality work while fulfilling their commitments to our customers and stakeholders.

Since the outbreak of COVID-19, we have shown our ability to adapt and persevere. We have taken a proactive approach and reimagined our work methods, adopting practices that enhance productivity and flexibility while reducing costs and consumption. Our operational processes, ranging from materials and suppliers to safety procedures, ethical standards, construction methods, work processes, customer service, and communication, are guided by our philosophy of striving for excellence and never settling for anything less than the best.

Our commitment to sustainability is not just a statement but a series of concrete actions. We have implemented process-oriented management systems in compliance with ISO standards to ensure quality and environmental safety for our employees and customers. Growing legislative and customer demand for energy-efficient and lower-emitting options creates opportunities and risks for the changing market. To meet this demand Since [2021], we have been actively working towards achieving net-zero emissions in our operations. We have phased out 61% of our diesel fleet and transitioned to hybrid and electrified cars to reach this goal, significantly reducing our emissions.

We follow the UN Guiding Principles on Business and Human Rights and have implemented internal grievance mechanisms through whistleblowing directives. These actions are not just for our benefit but to contribute to a socially sustainable world we all share and must protect. Our operations prioritise equal treatment and an inclusive work culture of openness, fairness, and respect.

Thank you for taking the time to read this message. If you have any questions or comments, please get in touch with us anytime.

Best regards,

Johan Hoff – CEO Hoff Entreprenader AB

1.2 Qualitative Information

Hoff Entreprenader, a family-owned business established in 1998, is not just another construction company. Our diverse portfolio of projects in the Oresund region, from small service work to large contracts, highlights our expertise in new construction and renovation of older buildings that demand extra care and precision. What truly sets us apart and should make you, our stakeholders, proud is our unwavering commitment to preserving heritage, as seen in our restoration of several historic properties in Sweden, including the Rosenvingeska house in Malmö. This unique aspect of our sustainability practices is a testament to our dedication and sets us apart in the industry.

As a participant member of the United Nations Global Compact (UNGC) and LFM 30, Hoff Entreprenader is not just a participant in the sustainability initiative but a driving force. Our sustainable report is not just a document but a testament to our commitment and leadership in fostering transparency and consistency in sustainability reporting. It aims to provide accessible and comparable information on our environmental, social, and governance (ESG) metrics across the construction industry sectors, setting a benchmark for others.

ESG/Sustainability Governance

Hoff Entreprenader is a company that prioritises sustainability and embraces an inclusive work culture. We comply with ISO 14001:2004 and ISO 9001:2008 for quality and environmental management systems. Our focus is on customer satisfaction, and we strive to enhance our operations continually.

Our management team oversees the risk environment and associated management practices. To ensure their efficacy, the Management and supervisory teams engage in regular meetings throughout the year, during which they discuss ongoing and emerging risks and receive updates from internal and external advisers. At Hoff Entreprenader, we believe that comprehensive risk management is a shared responsibility. While senior managers delegate specific risk management duties to employees, they maintain overall responsibility. The board reviews and approves significant projects and investments.

We have established a Risk Management Team, led by our CEO, to identify and manage risk. The team reviews critical risk areas and establishes effective compliance practices. Our enterprise-wide approach to risk management ensures informed decision-making while considering economic, environmental, and social factors.

In summary, we remain committed to ensuring the sustainability of our enterprise by adopting a comprehensive approach to risk management and oversight. This approach will enable us to manage risks effectively while making informed decisions considering the economic, environmental, and social factors critical to our long-term success.

We are a reliable partner for large commercial and residential projects, small-scale renovations, and refurbishments. Our services cover everything from construction to project management, and our experience serving local communities is unmatched.

2.1 Social responsibility

Senior management, including the CEO, is responsible for social policies, including the company's Code of Business Conduct. Our ethics and compliance team, working under the direction of senior management, is

responsible for developing and implementing these policies. We educate all employees on our Code of Business Conduct policies, which cover our expectations for fair, lawful, and ethical business conduct.

All employees are trained on ethical standards, including respect for diversity, anti-harassment, and protection of consumer information.

At our company, we prioritise our employees' safety above everything else. This is achieved through engagement and accountability at all levels. Our Executive Safety Team (EST) directs our safety and health strategy and ensures consistency across all work groups. Management and represented employees collaborate to identify risks and prevent injuries. Every employee has a voice in Safety Action teams.

2.2 Environmental responsibility

Our company prioritises environmental issues and has established a governance structure and practices to manage them. The senior leadership team is responsible for identifying and managing any environmental risks the corporation may face. Our CEO works with the team to analyse the environmental impacts of our strategies and tactics, with a particular focus on climate change. The senior management team collaborate with other departments to find cost-effective solutions for reducing emissions. We stay up to date with new and proposed policies related to environmental issues.

The CEO and the compliance team are responsible for discussing our overall climate-related corporate strategy. This committee meets at least once per quarter to review and discuss our current goals and initiatives related to climate change. This helps us identify any risks and opportunities in achieving those goals.

Each of our operating units and the CEO is responsible for ensuring that we comply with environmental regulations. If there is any significant noncompliance, the senior management team are informed. We report the environmental compliance status and any significant findings of noncompliance to the Audit and Oversight Team in our quarterly report. This committee reviews significant environmental risk exposures, and the steps management has taken to monitor and control such exposures, among other things.

Our unwavering commitment to preserving heritage sets us apart and should make you, our stakeholders, proud. This is seen in our restoration of several historic properties in the South of Sweden, including the Rosenvingeska house in Malmö.

This unique aspect of our sustainability practices is a testament to our dedication and sets us apart in the industry.

Our Corporate Responsibility Report and its accompanying environmental policy statement.

Additional resources:

Please find below a summary of our management plan:

- We have established clear Ethics and Compliance Policies to ensure we operate fairly and responsibly.
- We are committed to sustainability and have a Corporate Sustainability Policy to guide our business practices.
- Our management team is comprised of experienced professionals dedicated to achieving our goals and ensuring the success of our organisation.

[Visselblåsare.pdf](#)

[Corporate Responsibility Policy 2024](#)

[ESG-ReportingScope2024.docx Hoff Entreprenader](#)

[ESG&Sustainability targets](#)

[SDGs Hoff Entreprenader](#)

Business Continuity - Sustainability Strategy

3.1 Business environment

Our company, Hoff Entreprenader AB, provides diverse services in the South of Sweden. Because of the regional diversity of our operations, we need to adapt to various environmental, economic, and regulatory factors. We are committed to preventing pollution and minimising environmental impact while complying with legal requirements. We always aim to provide our customers with expert advice on eco-friendly materials and construction techniques. Our machinery is equipped with engines that have minimal environmental impact, and we have high recycling rates as we sort waste at its source. We expect all our employees to follow our environmental policy in their daily work, and we hold them accountable for doing so. We never compromise on our commitment to environmental protection, and we take every necessary measure to ensure that we continue to have a positive impact.

Furthermore, we are transitioning to electric vehicles to reduce our carbon footprint, lower fuel costs, and responsibly cut greenhouse gas emissions (GHG). We closely monitor our environmental impacts and environmental regulations, including GHG emissions regulation, in all aspects of our strategic business planning. We know that current GHG emissions regulations and any future legislation or regulation that may be adopted could have a wide range of effects on our construction business. Therefore, we strive to be flexible and prepared to address potential outcomes while ensuring a secure, cost-efficient, and reliable fuel supply for our operation's needs.

3.2 Our Business Process Model

Hoff Entreprenader has adopted a process-oriented management model to enhance its products, services, and business operations from a customer perspective. The model is integrated into the operations through management, critical, support, and outsourced processes. This interplay between processes is applied to the management system, aiming to view the business from a customer perspective and improve services, products, and general standards of business operations. Here's how we're implementing this model into our operations:

1. Management processes describe how Hoff Entreprenader is managed and followed up, including the organisation's business system development and continuous improvements. The management process includes meetings and follow-ups to lead and develop the company. Development is part of the Directorate's activities, and an annual plan for the fiscal year is a good indicator of management success.
2. Critical processes describe how we meet product specifications and customer commitments. Primary management activities must follow the agreed terms of reference, other customer requirements, and applicable constitutional provisions.
3. Support processes: The task of support processes is to support the company's internal processes (core business). They do not involve external stakeholders like customers.
4. External collaboration: An outsourced process involves an external party to perform a specific function. We check and ensure that outsourced processes meet customer and constitutional requirements.

4.2 Risks and Opportunities

At Hoff Entreprenader, we take climate-related and environmental issues very seriously. We are committed to operating a responsible and sustainable business, and we integrate processes for identifying, assessing, and

managing risks that continuously monitor our assets and regulatory developments. We believe that proactivity and staying informed of any changes that may affect the economics of our business is crucial.

To improve our sustainability awareness, we have partnered with various industry organisations, such as LFM 30 and UNGC, and we actively participate in their programs. As a company, we uphold ethics, integrity, and transparency as our core values and are committed to good management practices.

Our primary focus is to improve social progress in our communities. We partner with sustainability-driven supply chains and support grassroots initiatives and local businesses to contribute to sustainable business continuity. Our efforts aim to reduce energy consumption and waste production, lower emissions, keep workers employed, reduce inequalities, and mitigate the risk of hunger and lack of training.

One of the primary challenges in our field is persuading clients to adopt sustainable practices such as reusing materials and selecting local contractors. Despite facing issues with our newly acquired electric vehicles during the winter season, we remain committed to promoting sustainable practices by encouraging landlords to participate in environmentally friendly initiatives, such as installing solar panels and providing charging poles for electrified vehicles.

4.2 Plans and Progress

Since 2018, our organization has been actively engaged in restructuring our portfolio to operate in environmentally sustainable facilities. This has significantly reduced our overall environmental impact, improved environmental performance, and created a safer and healthier work environment. Among the measures implemented in our facilities are electric charging ports and waste management systems, which have led to an overall reduction in emissions compared to levels recorded in 2000. Our multi-emission reduction strategy is expected to continue cost-effectively delivering more excellent environmental benefits.

Reducing greenhouse gas (GHG) emissions from our transportation methods is critical to our strategic planning process. This underscores our commitment to environmental stewardship while meeting our obligation to provide reliable, affordable service to our customers. In support of this, we plan to collaborate with industry partners, environmental groups, and government bodies to reduce carbon dioxide (CO₂) emissions by 60% below 2005 levels by the close of 2025 and 80% below 2005 levels by the close of 2030. Additionally, we have set a long-term goal of achieving net carbon neutrality by 2050.

Our capital plan for 2024-2028 aligns with our focus on sustainability. We intend to introduce high-performing, long-haul electric vehicles to phase out all diesel-powered vehicles eventually. We expect that this plan will facilitate our transition from diesel fuel. By the end of 2030, we anticipate using diesel only as a backup fuel for long-haul transportation, with the ultimate goal of completely eliminating diesel by the close of 2032.

We remain committed to evaluating sustainability-related risks and opportunities and revising our approach as technology, products, and markets evolve.

Community relations

4.1 Building Resilience Through Giving

Hoff Entreprenader is dedicated to fostering sustainable growth in our communities through inclusive dialogues. We aim to support projects and initiatives that align with our values and positively impact our local communities. Our charitable endeavours are focused on providing essential assistance to the communities where we operate. Additionally, we are committed to supporting local organisations to combat hunger and alleviate suffering from the lack of basic human needs. Some of the local causes we supported in the 2020-2021 period include.

We aim to support projects and initiatives that align with our values and positively impact our local communities We aim to support projects and initiatives that align with our values and positively impact our local communities.

We have made monetary donations to support several organisations in need, including Active Skola, which addresses the inequalities caused by emerging crises and ongoing financial crises. Active Skola promotes children's rights and protection and offers anti-bullying programs. You can read more about their efforts at <https://aktivskola.org/>.

We also donated to Giving People, a local organisation that assists families struggling financially, physically, and mentally. You can read more about their efforts at <https://givingpeople.se/>.

Additionally, we supported the Nattvandrarna Organization by helping fund CPR training for their volunteers and team. This organisation conducts regular night patrols in the community and has saved the lives of many young people. You can learn more at <https://nattvandrarna.se/>.

We at Hoff Entreprenader are proud to support various youth sports clubs to motivate children and young people to fulfil their potential. We believe in the importance of inclusive dialogues to achieve sustainable community growth.

We have supported the following clubs:

Malmö Red Hawks is the only elite hockey club in Malmö, offering opportunities for youth groups. We helped update its equipment and facilities.

Malmö Flickorna is a gymnastics club exclusively for girls and women. We supported their participation fees for vulnerable children and promoted engagement initiatives for safe and proactive social projects.

HK Malmö Handball Club works to include different boys and girls. We helped update their facilities and supported girls' participation in tournaments.

Limhamn Ice Hockey Club works to include different youth groups. We helped update its equipment and facilities.

Malmö FF Akademi is a football club synonymous with Malmö and has produced extraordinary world talents like Zlatan Ibrahimovic. MFF works to include and promote talents from vulnerable and diverse groups, both boys and girls. We helped update their equipment and facilities.

Conclusion:

Inclusive dialogues are essential to achieve sustainable growth in our societies.

Certifications:

HOFF ENTREPRENADER AB has a credit rating of AAA, which is the highest credit rating, ensuring a secure business and a long-term relationship. We are certified and approved through BAS-U/BAS-P, which is the Construction Work Environment Coordinator that certifies safe workplaces and a safe environment.

Skills and Competence:

As part of our business development, we regularly train our staff to deliver quality work and stay up to date with innovations, technology, material knowledge, safety protocols and working methods. We review the need for internal and external training initiatives annually for the entire staff as a group.

Customer Care:

At our company, the customer comes first. Our goal is clear: to provide exceptional services and tailor-made building solutions that meet our clients' needs. We use only the highest-quality materials to create durable, sturdy, and functional spaces that reflect our customers' unique vision while also respecting the environment.

With our extensive knowledge of material choices, product lifecycles, and building technology, we can construct structures that embody the essence of quality living. We are a reliable and dependable partner for large commercial and residential projects, and small-scale renovations and refurbishments. Our services cover everything from construction to project management, and our experience serving local communities is unmatched.

We believe in the power of the individual and encourage initiative, contribution, and commitment as the backbone of our collective progress towards a more sustainable future.

Join us and experience the difference that comes with working with a company that puts customers first.

www.hoffentreprenader.se



