

# Veidekke's climate plan

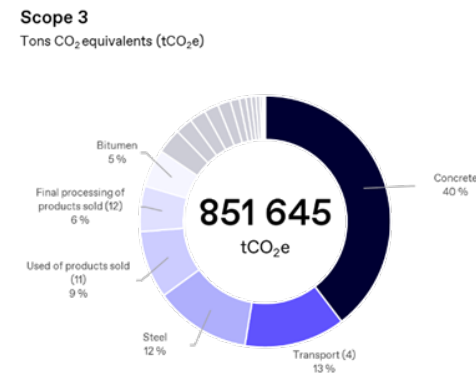
## The road to net zero emissions by 2045

<p><b>Sustainability challenge</b></p>	<p>The earth's tolerance limits are being exceeded, among other things this applies to climate change, loss of biological diversity and land use changes.</p> <p>Veidekke belongs to the 40% sector – because the sector is linked to high energy consumption, large consumption of materials and natural resources, as well as the generation of large quantities of waste. Globally, the construction industry accounts for about 40% of the world's CO2 emissions, so we are part of the problem we must solve.</p>
<p><b>Our approach</b></p>	<p>As one of the first companies on the Oslo Stock Exchange, Veidekke committed in November 2015 to conduct its operations in accordance with the Paris Agreement (at the time the UN's two-degree target). This commitment provided a clear direction for the environmental work, and a focus was placed on cutting emissions throughout the value chain.</p> <p><b>Our climate targets:</b>  <b>2045:</b> Veidekke must be net zero throughout the entire value chain  <b>2030:</b> 50% reduction in scope 1 and 2 (base year 2018) and 50% reduction in scope 3 (base year 2020)</p> <p>Veidekke is the first construction company in Scandinavia to set a net zero climate target as verified by SBTi (July 2022). Both the company's short-term and long-term climate targets have been verified by the renowned Science Based Target initiative (SBTi). <a href="#">Companies taking action - Science Based Targets</a></p> <p>Veidekke has introduced a climate budget that has been broken down into business areas. Compliance with greenhouse gas budgets will be followed up in line with economic and HSE targets, and both sustainability-linked loans (company level) and economic management incentives are linked to the greenhouse gas budget.</p>
<p><b>Measures to become "future fit"</b></p>	<p>Veidekke has developed a climate plan, an action-oriented and climate science-led strategy that strives for Veidekke (and its value chain) to reach 1.5oC. Veidekke is working to ensure that the business model remains relevant in a net zero economy.</p>
<p><b>Most important steps Veidekke can take in order meet the plan for a 50% reduction by 2030</b></p>	<p>In the years to come, Veidekke will make wise and bold choices and set clear priorities. We see change in society as an opportunity where we can play on our innovative and involving culture and engineering expertise. Veidekke will be net zero in 2045, starting with annual linear reduction in emissions, with a halving of them by 2030.</p> <p><b>Until 2025, measures and effects are characterised by:</b></p> <ul style="list-style-type: none"> <li>• Switching to fossil-free/emission-free energy carriers</li> <li>• Material selection and use of resources</li> <li>• Product development and innovation</li> <li>• Project portfolio</li> </ul> <p><b>Onward towards 2030 and 2045:</b></p> <ul style="list-style-type: none"> <li>• Further develop and accelerate the measures from the period before</li> <li>• Innovate and adopt new technology</li> <li>• New business models</li> </ul> <p>We will neutralise residual emissions through carbon capture and other methods that remove CO2e from the atmosphere</p>
<p><b>Our progress</b></p>	<p><b>Scope 1 and 2:</b> In 2021, CO2 emissions from Veidekke's own activities amounted to 81 290 tons of CO2e, of which 78 730 tons were in scope 1 and 2 560 tonnes in scope 2. This represents a 17% reduction in absolute emissions from 2020, which means that Veidekke met the climate budget. The reduction is partly due to an increased share of biofuels and a large</p>

proportion of the projects being shut down and therefore in a less energy-intensive phase. Emissions amounted to 2.16 kg CO<sub>2</sub>e per traded NOK 1 000, which is a reduction of 13 % from 2.48 kg CO<sub>2</sub>e in 2020.

In Veidekke's own operations, asphalt in Norway accounts for 44%. Emissions from asphalt activities in 2021 are estimated at 15.9 kg CO<sub>2</sub>e per ton of asphalt produced, compared with 16.8 kg in 2020. The reduction in emissions per ton is partly due to the moving of production to more efficient asphalt plants.

**Scope 3:** In 2021, Veidekke for the fourth time produced emission figures for Scope 3, which includes emissions throughout the entire value chain, accounting for approximately 90% of all emissions related to the Group's activities. Veidekke has decided to use 2020 as a base year<sup>1</sup> to measure future developments in Scope 3 emissions.<sup>2</sup> In 2021 CO<sub>2</sub>e emissions from Scope 3 amounted to 851,645 tons compared with 907,033 in 2020.



<b>Our corporate governance</b>	The ultimate responsibility lies with the Board
<b>Policy and link to more info</b>	<ul style="list-style-type: none"> <li>• Veidekke's corporate strategy: <a href="#">Strategy   Veidekke</a></li> <li>• Climate and environmental policy: <a href="#">Governing documents (veidekke.no)</a></li> </ul>
<b>International frameworks (references)</b>	<ul style="list-style-type: none"> <li>• Paris Agreement</li> <li>• Greenhouse Gas Protocol (GHG Protocol)</li> <li>• Science Based Targets initiative (SBTi)</li> <li>• IPCC Special Report: Global Warming of 1.5 degrees</li> <li>• EU Taxonomy</li> <li>• Task Force on Climate-Related Financial Disclosures (TCFD) Initiative</li> <li>• CDP: Climate transition plan: Discussion paper</li> </ul>
<b>Examples of partnerships and collaboration</b>	Our job is both to reduce our own emissions where we can, but also to use our competence and expertise to reduce the climate footprints of our customers and suppliers. We explore collaborations with various external actors with regard to circular solutions, for example related to the reuse of concrete and unpolluted heavy masses. Veidekke is a strategic partner with the foundation <b>Zero Emission Resource Organisation (ZERO)</b> . In the dialogue with investors, sustainability and climate planning, especially climate risk and opportunities, is a recurring theme.

<sup>1</sup> We have identified the need to update the base year for Scope 3 to 2020, primarily to ensure that the correct basis for comparison is used. Changes have been made in relation to both scope and method.

<sup>2</sup> The transportation and distribution of products bought by the reporting company during the reporting year between Veidekke and level 1 suppliers and their own business (in vehicles and facilities not owned or controlled by Veidekke). The use of products sold, including energy consumption in buildings handed over during the reporting year. Final processing of sold products relates to waste management and final processing of materials bought by the reporting company (during the reporting year)

<b>Sustainability goals - contributions</b>	Goal 13: By 2045, Veidekke will be net-zero throughout the entire value chain, thus helping to limit climate change. <a href="#">Archive for SDGs - UN Global Compact Norway</a> , <a href="#">UN Sustainable Development Goals</a>
<b>Measures and indicators</b>	See Veidekke's Annual and Sustainability Report 2021 <a href="#">Veidekke Annual Report 2021 (cision.com)</a> See also for annual CDP reporting <a href="#">Home - CDP</a>
<b>Updating</b>	The climate plan is updated at least annually, primarily during the 1st quarter