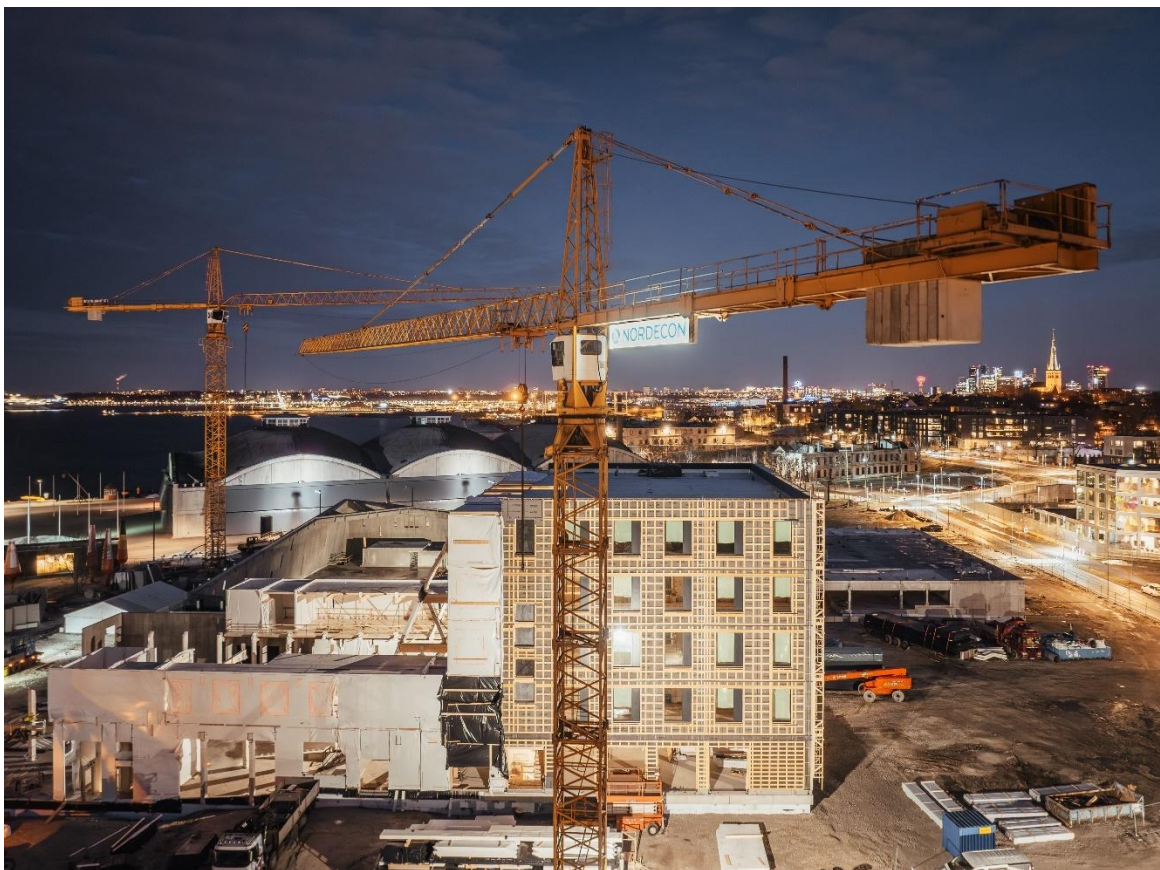




Nordecon AS

Group sustainability strategy 2025



Contents

Sustainability in our strategy.....	3
Stakeholder groups and their expectations	4
Our material sustainability topics	5
GOVERNANCE.....	6
1. Responsible management.....	6
2. Innovation and technological solutions	6
SOCIAL RESPONSIBILITY.....	7
3. Employees and work environment	7
3.1. Occupational health and safety	7
3.2. Working conditions	7
3.3. Training and development opportunities	8
3.4. Diversity and equal opportunities	8
4. High-quality customer experience	8
5. Contribution to society and support activities	9
THE ENVIRONMENT.....	10
6. Reduction of climate impact	10
7. Resource use and circular economy	10
8. Environmental protection.....	11
Summary table of sustainability goals.....	12
Sustainability strategy management.....	13

Sustainability in our strategy

The future of the Nordecon group is shaped by our own decisions and actions, as well as by the surrounding environment and our ability to adapt to change. The construction sector has a major impact on the environment and society. Completing construction projects requires large amounts of energy and natural resources, not to mention the waste generated by construction activities. The sector also has a significant social impact – it offers a large number of jobs, but the work environment has a higher than average risk of accidents. On the other hand, completed buildings and infrastructure assets support regional development and increase community wellbeing.

As one of the leading general contractors in Estonia, we consider it our duty to stay one step ahead of mandatory legal requirements, which underpin our commitment to responsible business practices. We have consistently focused on sustainability since 2017, when we began reporting on it in accordance with the internationally recognised GRI standards. One of the most significant steps we have taken is to switch all our electricity consumption to renewable energy, which made us one of the first construction companies in Estonia to do so in 2022. We have also contributed to the Rohetiiger (Green Tiger) construction roadmap, which was prepared in collaboration with entrepreneurs and experts and sets the goal of reducing CO₂ emissions in the construction and real estate sector by 85% by 2040.

In 2024, we mapped the group’s most significant areas of impact based on the new European Sustainability Reporting Standards (ESRS) and developed a sustainability strategy to address economic, social and environmental challenges, increase our competitiveness and ensure the group’s long-term sustainability.

OUR SUSTAINABILITY PRINCIPLES

- We sustainably create the built environment.
- We are responsible and environmentally conscious in our business activities.
- We are committed to innovative solutions.
- We value and respect our employees.
- We contribute to training the next generation of construction professionals.

Sustainability is an integral part of our business strategy, management principles and daily operations. Our material sustainability topics and goals are aligned with Nordecon’s vision, mission and values, supporting our role as a reliable, responsible and forward-looking construction partner and employer.

VISION	MISSION
To be the preferred partner in the construction industry for customers, subcontractors and employees.	To offer customers sustainable building and infrastructure construction solutions that meet their needs and fit their budget and thus help them maintain and increase the value of their assets.
<div>VALUES</div> <div>Professionalism</div> <div>Reliability</div> <div>Teamwork</div> <div>Sustainability</div>	

Stakeholder groups and their expectations

Each of our construction projects is unique and requires close communication with a number of different parties. The value and success of our activities depend on our cooperation with key stakeholder groups, including financiers, employees, customers, subcontractors, suppliers and society at large.

When setting our sustainability goals and planning our activities, we consider the stakeholders who are most affected by, and who have the greatest impact on, our operations.

In 2024, we held meaningful dialogue on sustainability issues with various stakeholder groups. The following overview summarises the main expectations that emerged from earlier communication, as well as from the meetings, surveys and exchange of sustainability information conducted during 2024.

	Stakeholder group	Their expectations
1.	Financiers shareholders, other investors, banks	<ul style="list-style-type: none"> • Company profitability and stable growth • Good reputation and ethical conduct • Compliance with laws and regulations • Systematic approach to sustainability: human rights, labour rights, climate, the environment, business ethics • Innovation and use of digital solutions
2.	Employees current and future employees	<ul style="list-style-type: none"> • Competitive remuneration and motivation system • Employee engagement • Development opportunities and employee recognition • Good reputation as an employer • Flexible working conditions
3.	Customers private and public sector customers	<ul style="list-style-type: none"> • Adherence to agreements and deadlines • Transparent communication and cooperation • Competitive and fair pricing • High occupational safety standards • Innovative solutions and recommendations for best practices
4.	Subcontractors and suppliers construction companies, materials suppliers, etc.	<ul style="list-style-type: none"> • Timely fulfilment of obligations • Professional communication and mutual respect
5.	Society legislators, supervisory authorities, local governments, local communities, schools, non-governmental organisations, professional associations	<ul style="list-style-type: none"> • Law-abiding and ethical conduct • Open and transparent communication • Consideration of local community needs • Environmentally friendly and sustainable operations • Contribution to society through education, local development, sponsorship and cooperation with communities

Our material sustainability topics

GOVERNANCE	1. Responsible management 2. Innovation and technological solutions
SOCIAL RESPONSIBILITY	3. Employees and work environment 3.1. Occupational health and safety 3.2. Working conditions 3.3. Training and development opportunities 3.4. Diversity and equal opportunities 4. High-quality customer experience 5. Contribution to society and support activities
THE ENVIRONMENT	6. Reduction of climate impact 7. Resource use and circular economy 8. Environmental protection

Contributing to the UN Sustainable Development Goals

The global social, economic and environmental challenges the world is facing require joint action from countries, companies and individuals alike. At Nordecon, we recognise our role and responsibility and we are committed to helping achieve the shared sustainability goals. Our sustainability priorities primarily contribute to the following UN Sustainable Development Goals (SDGs), which guide our environmental, social and economic impact.



Further information on the UN Sustainable Development Goals can be found on the UN official website: <https://sdgs.un.org/goals>.

GOVERNANCE



1. Responsible management

We act openly and transparently, adhering to the best practices of the construction industry. Honesty, ethics and compliance with applicable laws and regulations are embedded in our organisational culture.

We have zero tolerance for conflicts of interest, corruption, unfair competition or any other kind of unethical behaviour.

We offer anonymity and protection to anyone who reports concerns via our whistleblowing hotline, enabling us to identify possible violations or incidents that could damage our reputation and operations. This helps create a more transparent and secure work environment, while promoting honest and ethical behaviour in the construction sector.

Establishing compliance requirements and collaborating with subcontractors and suppliers on sustainability initiatives helps us build a more ethical and sustainable supply chain. We do not cooperate with partners known to engage in unfair or unethical practices. We actively seek opportunities to support and guide our partners in complying with and developing sustainability principles.

In 2025, we will develop the Nordecon group's code of ethics, which will reflect our core values, provide clear guidelines on ethical behaviour for our employees and partners, and strengthen our credibility.

Goal	Key performance indicator
0 incidents of corruption	Number of confirmed incidents of corruption or bribery
0 incidents of discrimination against employees or human rights violations	Number of incidents of discrimination against employees or human rights violations
Address all reports transparently and promptly	Number of reports received through the whistleblowing hotline
Do not enter into partnerships with companies that have tax debts, are subject to sanctions, or whose behaviour does not comply with honest business practices	Compliance checks on business partners
Develop a code of ethics for the group in 2025	Preparation and approval of the code of ethics by the end of 2025 at the latest

2. Innovation and technological solutions

Our goal is to be a market leader in innovation and digital construction. We implement innovative solutions that boost our operational efficiency and support the achievement of our sustainability goals.

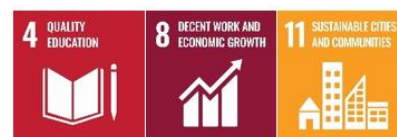
Innovation and technological solutions help improve our operational efficiency, work quality and profitability. Progress in these areas has a positive impact on all our sustainability goals. Using digital tools saves resources, reduces the risk of errors and makes the sector more attractive to young people choosing a career path.

However, adopting cutting-edge digital technology also introduces new risks, making our operations more vulnerable to cyber threats. Cybersecurity risks can affect data security and availability, as well as the timely delivery of work. We are therefore paying increased attention to raising cybersecurity awareness among our employees.

Goal	Key performance indicator
Consistently implement innovative solutions	Continuous innovation monitoring and implementation
Organise annual cybersecurity training for employees	% of people who have participated in cybersecurity training
Ensure that cybersecurity systems are up to date and comply with relevant requirements	Resolution of significant findings raised during IT audits within 6 months

SOCIAL RESPONSIBILITY

3. Employees and work environment



The success of the group, and our ability to achieve our goals and objectives, depends on the professionalism and engagement of our employees. Therefore, providing a modern and safe work environment, as well as motivating working conditions, is a constant priority for all our companies.

3.1. Occupational health and safety

Our goal is to prevent all serious workplace accidents. All serious accidents involving people and the work environment can be prevented.

In the construction sector, the risk of accidents at work is higher than in other sectors. Therefore, it is important for everyone – our employees, partners and customers – to have safe and well-maintained construction sites. We are responsible for ensuring safety on our construction sites and for creating a safe, ergonomic work environment to prevent accidents and occupational diseases among our employees and those of our partners. We work every day to be recognised as a leader in the construction industry for achieving a safe and secure work environment.

Goal	Key performance indicator
Prevent accidents at work: 0 serious or fatal accidents at work	Number of serious or fatal accidents (group and subcontractors)
Ensure safety at construction sites: Work safety indicator (TOM) $\geq 90\%$ Work safety coefficient $\leq 1.3^*$	Work safety indicator TOM Work safety coefficient
Ensure that 100% of subcontractors have signed an occupational health and safety agreement and completed occupational safety training	% of subcontractors with whom occupational health and safety agreements have been concluded

* Embach Ehitus OÜ

3.2. Working conditions

Our goal is to maintain and continuously increase employee satisfaction and engagement.

Our business results are directly influenced by our ability to retain and increase employee satisfaction and engagement. To this end, we provide a stable and secure work environment for our employees. Given the seasonal nature of construction activities and variations in workload, we have introduced flexible working hours and arrangements to promote work-life balance, reduce health risks and minimise staff turnover.

Alongside competitive salaries, we provide a comprehensive benefits package that promotes employee wellbeing and strengthens commitment.

We value honest and open communication and we strive to keep our employees well-informed and included.

Goal	Key performance indicator
Increase employee satisfaction: TRI*M index ≥ 66	TRI*M index
Reduce staff turnover to $\leq 18\%^*$	% of staff turnover
Reduce voluntary staff turnover to $\leq 10\%^*$	% of voluntary staff turnover

*Nordecon AS and Tariston AS

3.3. Training and development opportunities

Our goal is to maintain and continuously enhance the professional competencies of our employees.

Due to an ageing population and the complex nature of the engineering profession, there is fierce competition for talent. Therefore, attracting and developing specialists is strategically important for ensuring our long-term sustainability.

We pay close attention to supporting our employees in their professional development and recognise their achievements. Our employees' expertise is one of the key factors in our success, which is why we invest in their training in a systematic and structured manner.

Goal	Key performance indicator
At least 50% of engineering and technical personnel (ETP) undergo professional training every year	% of ETP who have completed at least one training course per year
At least 60% of engineering and technical personnel (ETP) hold a valid professional certificate	% of ETP with a valid professional certificate
Offer paid internships every year	Number of interns
Conduct development discussions with 100% of engineering and technical personnel (ETP) every year	% of ETP who have participated in development discussions

3.4. Diversity and equal opportunities

We respect human rights and treat all employees equally, regardless of their age, gender, ethnic background, or special needs. This enriches our organisational culture and fosters an inclusive work environment.

We acknowledge and recognise the individual contributions and initiatives of each person. Our transparent, open and fair motivation system is based on clear metrics that support equal treatment.

We pay attention to gender diversity within our governance bodies and encourage women to pursue careers in engineering in order to expand the talent pool and promote diversity in the sector.

Goal	Key performance indicator
Start monitoring and analysing the gender pay gap and relevant trends from 2025	Gender pay gap
Make sure that Nordecon AS, the parent of the group, complies with the requirements of the Gender Balance on Corporate Boards Directive, which will take effect in 2026	Gender diversity (% of men and women on the board and in the council)

4. High-quality customer experience

Our goal is to provide sustainable construction solutions for buildings and infrastructure that meet our customers' needs and fit their budget, thereby helping them maintain and increase the value of their assets.

Throughout our history, we have been committed to offering high-quality construction work and value-creating partnerships. Our strength lies in our ability to manage large-scale and complex projects across various market segments – a capability that sets us apart from many other players in the construction industry.

The main measures of our success are highly professional project management, completing projects on time and to the required quality standard, and ensuring the safety of the entire construction process.

Goal	Key performance indicator
Customer satisfaction index ≥ 8.5 (out of 10)	Customer satisfaction index
100% of projects delivered on time	% of projects delivered on time

5. Contribution to society and support activities

Our goal is to consistently give back to Estonian society by supporting sports, education, culture and local community activities.

We believe it is important to contribute to the development of society beyond our core business. Our companies systematically support areas in which we can have a positive impact, such as developing future talent, promoting the construction sector and improving the wellbeing of local communities.

To promote engineering, we helped launch the 'Lae end' (Charge Yourself) education programme, which supports the professional development of lower secondary school physics and chemistry teachers, and have contributed to it for three years. We collaborate with Tallinn University of Technology to award scholarships and with the Estonian Association of Engineers to deliver lectures in Estonian schools and encourage students to pursue engineering careers.

Goal	Key performance indicator
Contribute to Estonian society through support activities	Amount of support provided by the group

THE ENVIRONMENT



The changing regulatory environment and growing societal awareness of environmental issues mean that we must pay increasingly more attention to the environmental impact of our construction activities. To ensure that our operations are correct and responsible, and to prevent risks and reduce negative environmental impacts at every stage of our projects, we adhere to all applicable environmental laws and regulations.

Energy efficiency, environmentally friendly solutions and value-based procurement, including an assessment of suppliers' environmental responsibility, are becoming increasingly important. By setting measurable goals in areas where we have the greatest impact, we strengthen our competitiveness and ensure the long-term viability of the group.

6. Reduction of climate impact

Our goal is to reduce greenhouse gas emissions across the group in line with Estonia's and the European Union's climate neutrality targets for 2050.

Around 90% of the group's greenhouse gas emissions are scope 3 emissions resulting from our value chain, primarily from the production of building materials, transport, and the use of finished buildings and infrastructure. Our activities also generate scope 1 and 2 emissions, which mainly result from machinery used in construction processes, asphalt concrete plants, passenger cars and our consumption of electricity and heat. In 2024, we began including subcontractors in our climate impact discussions.

One of our most significant contributions to reducing climate impact is our use of renewable energy. We were one of the first companies in the Estonian construction sector to take concrete steps towards achieving national and EU climate goals, with all of our Estonian group companies switching to renewable energy in 2022.

Although we already apply various environmentally friendly practices, we recognise that there is room for improvement in this area. From 2025, we measure our scope 1 and 2 carbon footprint across the group. Using the data collected in the baseline year, we will set more specific emission reduction targets in 2026.

Goal	Key performance indicator
Reduce GHG emissions group-wide	Group GHG emissions (tCO ₂ eq), scope 1 and scope 2
	GHG emissions intensity (total GHG emissions per revenue)
Use electricity produced from 100% renewable sources at all consumption points across the group	% of renewable electricity consumed at group companies' consumption points (direct contracts)

7. Resource use and circular economy

Our goal is to promote efficient resource use and increase the use of recycled materials while ensuring compliance with quality standards and regulations.

The construction sector has a significant impact on resource use and waste generation. In the future, construction will become more circular, favouring the refurbishment and renovation of existing buildings, increased use of secondary materials and greater reliance on prefabrication.

Although the type and quantity of building materials are largely determined in the design phase, our expertise and experience can influence their efficient use throughout the entire process. We advise our customers on environmentally friendly and cost-effective options and consistently seek solutions to reduce material consumption and waste in the design and construction phases.

One of the most significant impacts of construction activities is the generation of waste on construction sites. In line with the principles of circularity, we have set ourselves the goal of increasing the proportion of waste sorted at construction sites by raising awareness and providing training for our employees and subcontractors.

Goal	Key performance indicator
Promote efficient use of materials and recycled materials	% of recycled asphalt in asphalt production*
Reduce the amount of mixed construction waste and increase the proportion of sorted waste to 20% in 2025	% of sorted waste in total waste

* Tariston AS

8. Environmental protection

Our goal is to prevent environmental risks, minimise negative impacts and keep the environment clean.

The main sources of potential impacts and risks relating to the pollution of wildlife, soil and bodies of water are road construction and the operation of asphalt plants and quarries. Other sources of risk include oil, fuel and sewage leaks, and the local impact on biodiversity in the immediate vicinity of construction sites.

We mitigate the risk of environmental pollution by raising employee awareness, maintaining equipment in good working order and employing appropriate working techniques.

Goal	Key performance indicator
Reduce environmental impacts or ensure they remain within specific limits	Number of precepts from authorities

Summary table of sustainability goals

GOVERNANCE	
Goal	Key performance indicator
1. Responsible management	
0 incidents of corruption	Number of confirmed incidents of corruption or bribery
0 incidents of discrimination against employees or human rights violations	Number of incidents of discrimination against employees or human rights violations
Address all reports transparently and promptly	Number of reports received through the whistleblowing hotline
Do not enter into partnerships with companies that have tax debts, are subject to sanctions, or whose behaviour does not comply with fair business practices	Compliance checks on business partners
Develop a code of ethics for the group in 2025	Preparation and approval of the code of ethics by the end of 2025 at the latest
2. Innovation and technical solutions	
Consistently implement innovative solutions	Continuous innovation monitoring and implementation
Organise annual cybersecurity training for employees	% of people who have participated in cybersecurity training
Ensure that cybersecurity systems are up to date and comply with relevant requirements	Resolution of significant findings raised during IT audits within 6 months
SOCIAL RESPONSIBILITY	
3. Employees and work environment	
3.1. Occupational health and safety	
Prevent accidents at work: 0 serious or fatal accidents at work	Number of serious or fatal accidents (group and subcontractors)
Ensure safety at construction sites: Work safety indicator (TOM) $\geq 90\%$ Work safety coefficient $\leq 1.3^*$	Work safety indicator TOM Work safety coefficient
Ensure that 100% of subcontractors have signed an occupational health and safety agreement and completed occupational safety training	% of subcontractors with whom occupational health and safety agreements have been concluded
3.2. Working conditions	
Increase employee satisfaction: TRI*M index ≥ 66	TRI*M index
Reduce staff turnover to $\leq 18\%^{**}$	% of staff turnover
Reduce voluntary staff turnover to $\leq 10\%^{**}$	% of voluntary staff turnover
3.3. Training and development opportunities	
At least 50% of engineering and technical personnel (ETP) undergo professional training every year	% of ETP who have completed at least one training course per year
At least 60% of engineering and technical personnel (ETP) hold a valid professional certificate	% of ETP with a valid professional certificate
Offer paid internships every year	Number of interns
Conduct development discussions with 100% of engineering and technical personnel (ETP) every year	% of ETP who have participated in development discussions
3.4. Diversity and equal opportunities	
Start monitoring and analysing the gender pay gap and relevant trends from 2025	Gender pay gap
Make sure that Nordecon AS, the parent of the group, complies with the requirements of the Gender Balance on Corporate Boards Directive, which will take effect in 2026	Gender diversity (% of men and women on the board and in the council)
4. High-quality customer experience	
Customer satisfaction index ≥ 8.5 (out of 10)	Customer satisfaction index
100% of projects delivered on time	% of projects delivered on time
5. Contribution to society and support activities	
Contribute to Estonian society through support activities	Amount of support provided by the group
THE ENVIRONMENT	
6. Reduction of climate impact	
Reduce GHG emissions group-wide	Group GHG emissions (tCO ₂ eq), scope 1 and scope 2
	GHG emissions intensity (total GHG emissions per revenue)
Use electricity produced from 100% renewable sources at all consumption points across the group	% of renewable electricity consumed at group companies' consumption points (direct contracts)
7. Resource use and circular economy	
Promote efficient use of materials and recycled materials	% of recycled asphalt in asphalt production***
Reduce the amount of mixed construction waste and increase the proportion of sorted waste to 20% in 2025	% of sorted waste in total waste
8. Environmental protection	
Reduce environmental impacts or ensure they remain within specific limits	Number of precepts from authorities

*Embach Ehitus OÜ, ** Nordecon AS and Tariston AS, ***Tariston AS

Sustainability strategy management

Sustainability management and strategy form an integral part of the group's overall strategy. They are closely linked to the group's management principles and aligned with its quality, environmental, and occupational health and safety management systems, which are based on international standards (ISO 9001, ISO 14001 and ISO 45001).

The management board is responsible for implementing the sustainability strategy. Sustainability topics have been integrated into the management of the group's operating activities and are addressed as part of normal management processes. When implementing the sustainability strategy, we consider the needs and capabilities of each group company, adapting the approach to their core activities, ambitions and business strategy.

To coordinate the sustainability strategy and activities, the group has set up a sustainability steering group, which is led on a daily basis by a sustainability specialist, who is also the contact person for all sustainability-related enquiries.

Area-specific management has been delegated to managers of relevant departments and subsidiaries, or their designated contacts. Sustainability management within the group is carried out uniformly, ensuring cooperation and achievement of the objectives of both the parent company and the subsidiaries.

In accordance with the management system, the group has an internal reporting system that enables the parent company's management to continuously monitor and track the main results of sustainability-related topics (e.g. occupational safety and environmental protection), as well as key operational performance indicators. Monitoring important topics is supported by regular data collection from subsidiaries (quarterly, biannually or annually, depending on the area). The effectiveness of implementing the strategy is analysed annually during a management system review by Nordecon's management team, which provides a basis for further improvements.

The strategy is reviewed annually in the first quarter and updated as necessary in the event of significant changes in the operating environment or regulations.

Awareness of sustainability is raised through internal communication, meetings, discussions, and information provided by managers.

Sustainability-related goals, activities and results are disclosed in the group's annual report, on its website and in communications with key stakeholders.

The sustainability strategy and principles have been approved by the supervisory board of Nordecon AS.

Version 1, [23 April 2025]