

Sustainability at Nordstern

Nordstern aspires to be a sustainability leader within the property development and construction industry in Denmark. To achieve this vision, we are working to reduce the negative impact of our activities on climate and the environment as much as possible and to promote important people and responsible business agendas. To guide this work, in 2023, we launched a sustainability strategy with ambitious targets towards 2030 within all strategic focus areas. The strategy was based on a double materiality assessment providing a comprehensive image of how Nordstern’s business affects people and the environment, as well as which sustainability-related financial risks and opportunities affect our business (please see page 35 for further details on the double materiality assessment).

Our sustainability strategy builds upon three pillars with the following goals relating to the environmental (E) and social (S) aspects of our business:

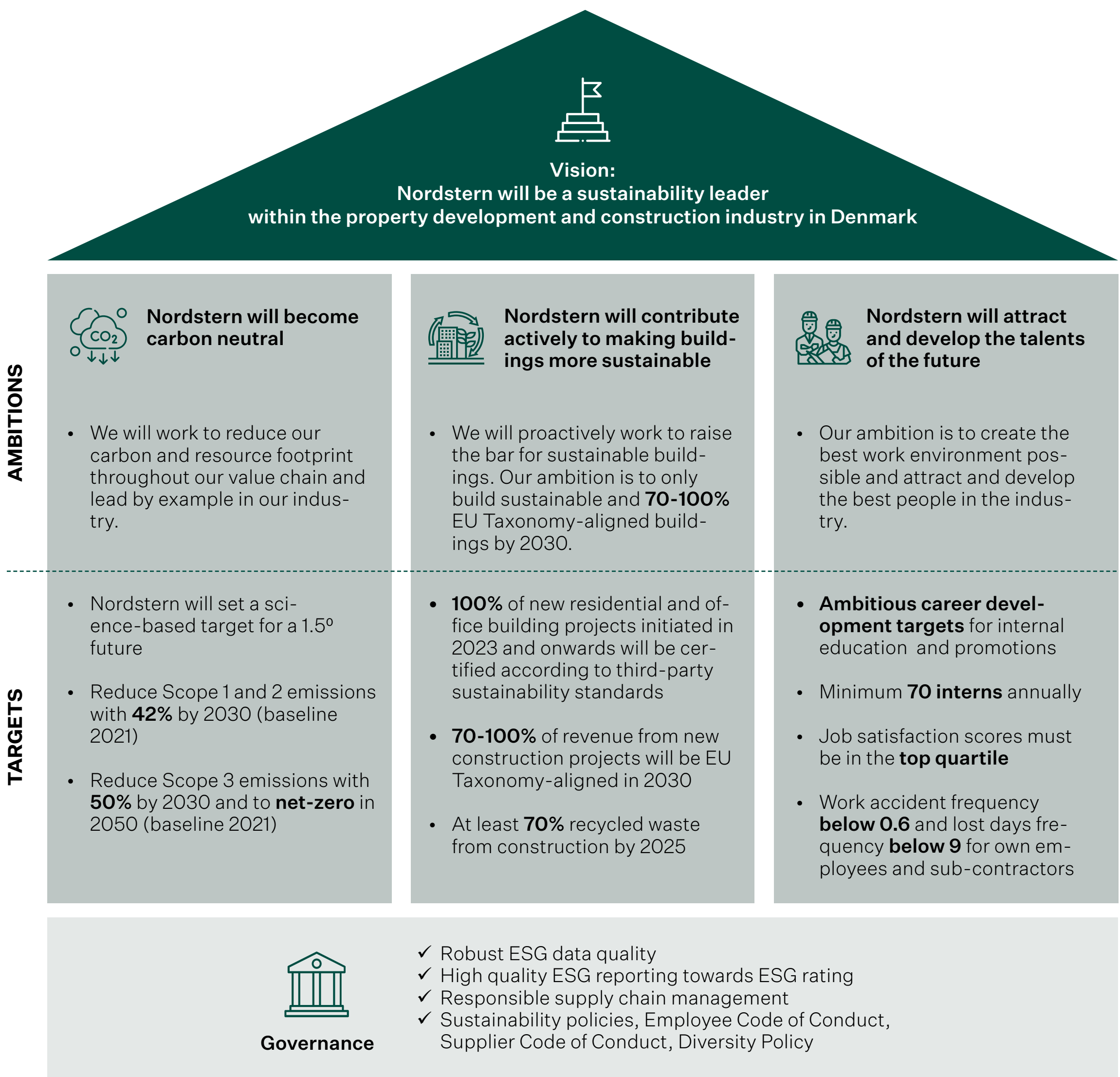
- 1. We will become carbon neutral and have ambitious reduction targets towards 2030 (E),
- 2. We will contribute actively to making buildings more sustainable (E), and
- 3. We will attract and develop the talents of the future (S).

These pillars/goals are in turn supported by a foundation of governance (G) measures, including:

- 1. Comprehensive ESG data collection to allow the tracking and reporting of our progress, and
- 2. A set of policies and procedures to ensure responsible supply chain management and appropriate internal conduct.

Nordstern’s sustainability strategy is visualized in the adjacent strategy house shown on the right, which also summarizes the main key performance indicators (KPIs) and targets within each of the three pillars (E and S) and the foundation (G). For a comprehensive list of Nordstern’s sustainability KPIs and targets, please refer to pages 52-53.

In the following sections of the annual report, we review our policies and targets, actions, and results for each of the strategic pillars, as well as the risks they are subject to. As such, the following sections of the Annual Report constitute the statutory reporting on corporate sustainability, gender composition of the management, and explanation of data ethics, in accordance with sections 99a, 99b, and 99d of the Danish Financial Statements Act.





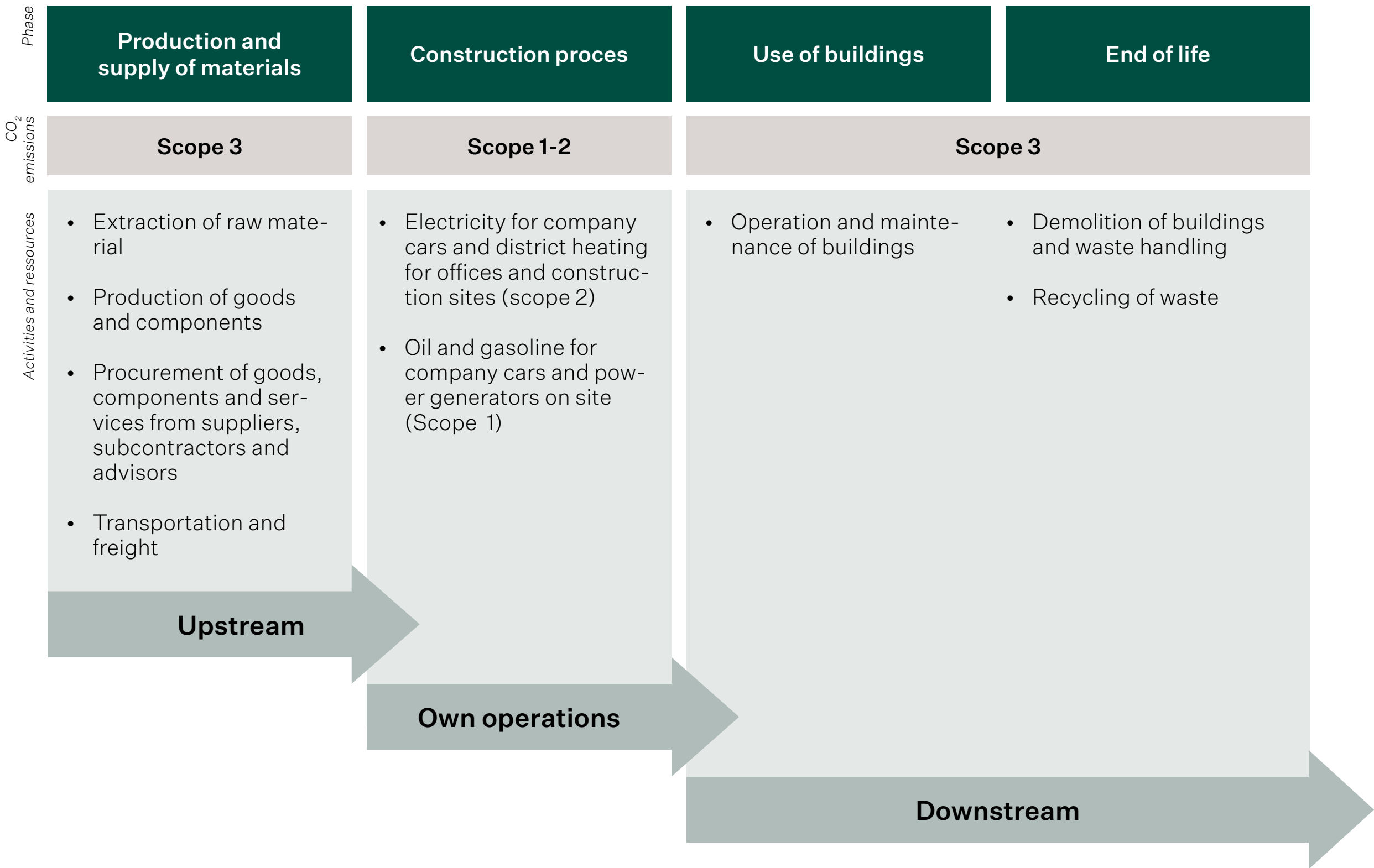
Business model and sustainability organization

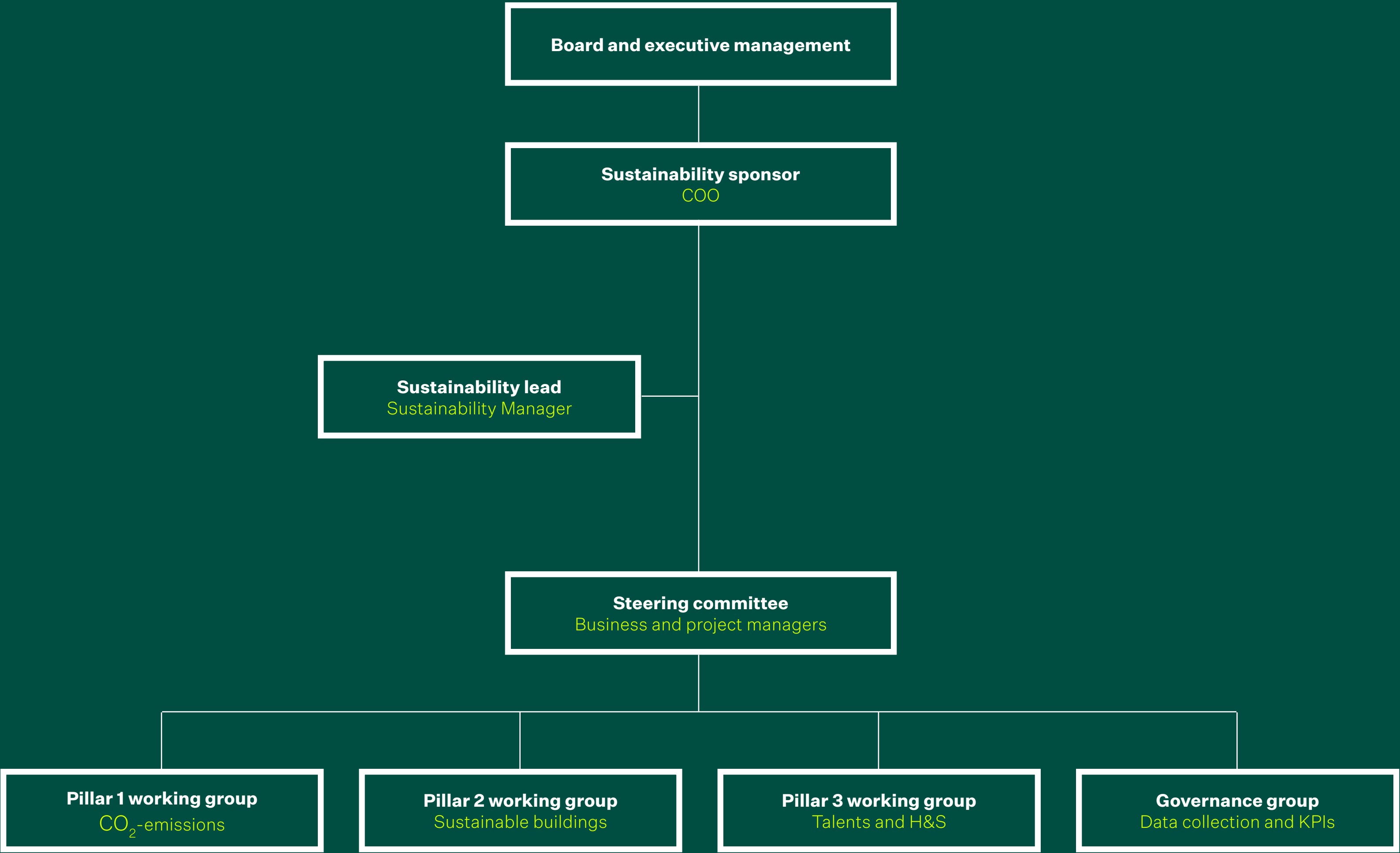
To achieve our environmental, social, and governance targets within each of the strategic focus areas, Nordstern strives to promote sustainability throughout our entire value chain. This entails addressing challenges collaboratively with our clients, suppliers, subcontractors, and other partners, all of whom play crucial roles in developing and implementing sustainable solutions. Internally, we have established a sustainability organization tasked with the implementation of our sustainability strategy.

Sustainability throughout the value chain

Nordstern’s corporate strategy business model is illustrated on page 14 of the annual report. The business model centers around our core activities, namely the development, construction management, and sale of real estate projects, conducted daily in our offices and on our building sites in Denmark. This is where we have the most immediate impact and influence on the surrounding community and our stakeholders, addressing environmental, social, and governance considerations.

However, we also play a significant role in activities both upstream (such as the extraction of raw materials, production, and transportation of construction components) and downstream (including the operation, maintenance, and eventual demolition of our buildings, as well as waste management), and these activities, in turn, have environmental and social impacts extending beyond our own operations. From a value chain perspective, our business model is visualized in the figure below.





Nordstern's sustainability organization

An organization to support the strategy

Since 2020, Nordstern’s internal sustainability organization has been responsible for developing and implementing initiatives aimed at reducing Nordstern’s negative impact on climate and the environment, meeting our environmental and social responsibilities, and addressing our clients’ demands for more sustainable construction. With the introduction of our new sustainability strategy, we have expanded and enhanced the sustainability organization to encompass all aspects of the strategy. The new sustainability organization is cross-organizational to strengthen knowledge sharing, facilitate the development of sustainable initiatives, and ensure continuous progress in our pursuit of each sustainability strategy objective.

Four working groups have been established, one for each strategy pillar, and a fourth group dedicated to the collection and reporting of ESG data. Each working group has an owner and a project leader. The owners, who are senior managers in our operations, provide the necessary organizational leverage for action and ensure local implementation of initiatives in collaboration with corporate management. The project leaders possess expert knowledge within the topic of each pillar and monitor the progress of our work.

In connection with the launch of Nordstern’s new ESG strategy, a joint workshop was conducted for all members of the sustainability organization to delve into each of the strategy KPIs and to develop initiatives supporting the targets within each of the different pillars of the strategy. The implementation of the strategy is now advancing locally throughout the Nordstern organization to ensure ownership and progress.

Double materiality assessment

In the formulation of our ESG strategy, Nordstern carried out an intial double materiality assessment to pinpoint the ESG themes of utmost significance to our business. As legislation and guidance are not yet complete, and industry standards still remain, there may be changes to the preliminary double materiality analysis in coming years.

Employing the double materiality methodology, we identified key ESG topics across two dimensions:
1. Impact materiality - assessing how our activities impact society and the environment, and 2. Financial materiality - gauging how sustainability issues influence our activities and value creation.

The objective of the assessment was to provide an overview of where our business has the most significant impact on our surroundings and to identify the risks and opportunities we encounter across the entire value chain concerning ESG issues. The assessment played a pivotal role in informing decisions within our ESG strategy, enabling us to select and prioritize focus areas and initiatives in our on-going sustainability work and reporting.

Double Materiality Matrix

Our double materiality assessment draws from desktop research, interviews, and workshops involving our sustainability team, managers, and other employees across our organization. This approach ensures that the assessment is representative of the entire company, capturing the sustainability impact, risks, and opportunities inherent in our entire operation.

Environmental

Social

Governance

Impact Materiality	Essential				<div><div></div>E-2 Environmental and climate impact of the procuction of raw materials in the supply chain</div>	<div><div></div>E-1 Certified sustainability buildings</div>
	Significant				<div><div></div>E-4 Waste and recycling in construction and renovation</div>	<div><div></div>S-1 Health and safety in construction and renovation</div> <div><div></div>E-3 Carbon emission from construction and renovation activities</div>
	Important	<div><div></div>E-5 Project impact on biodiversity</div> <div><div></div>E-6 Water usage in construction and renovation</div>	<div><div></div>S-5 Labour & human rights in the value chain</div>	<div><div></div>S-3 Interaction with local communities</div>		
	Informative	<div><div></div>S-7 Social impact on end-users, i.e., affordability, accessibility</div>	<div><div></div>S-6 diversity and inclusion</div>	<div><div></div>G-1 Anti-corruption and bribery in own operations and the value chain</div> <div><div></div>S-4 Employee well-being</div> <div><div></div>G-2 Sustainability governance</div>	<div><div></div>S-2 Talent management (attraction and retention, training anf development, employee satisfaction)</div>	
	Minimal					
		Minimal	Informative	Important	Significant	Essential
						Financial Materiality

Climate and environment



Nordstern’s climate impact

Carbon emissions contribute to climate change, and our planet is witnessing the repercussions of global temperature shifts. In an effort to mitigate Nordstern’s impact on the climate, we are consistently working towards reducing our carbon footprint across our entire value chain. This commitment aligns with the Paris Agreement’s goal of limiting the Earth’s temperature increase to a maximum of 1.5 degrees Celsius. Our objective is to decrease CO₂-emissions in both Scope 1, 2, and 3.

Risks

The construction industry faces increasingly stringent regulatory requirements, with national building regulations introducing restrictions on CO₂-emissions over the lifespan of new buildings. Beyond regulatory demands, clients and end users are setting ambitious targets, which often exceed regulatory requirements. The continued success and relevance of Nordstern hinge on our ability to offer solutions for new buildings with lower CO₂-emissions than current standards. Staying informed about developments in low-emission products and solutions allows us to choose the best construction methods and materials for our clients.

Policy and Targets

At Nordstern, we are dedicated to reducing our carbon and resource footprint throughout the value chain. We have adopted the Science Based Targets initiative (SBTi) as the framework for our reduction efforts and target setting. SBTi sets emissions reduction targets considered ‘science-based’ in accordance with the latest climate science, aligning with the Paris Agreement’s goal of limiting global warming to 1.5°C above pre-industrial levels. Our Scope 1, 2, and 3 reduction targets have been set based on the SBTi, and in 2023, we submitted these targets for official validation:

- Reduce Scope 1 and 2 CO₂-emissions by 42% by 2030 compared to a 2021 baseline.
- Reduce Scope 3 CO₂-emissions by 50% by 2030 compared to a 2021 baseline.

We received positive feedback on our submission in early 2024.

Actions

To reduce our Scope 1 and 2 emissions, we have taken the following steps in 2023:

- Implemented a company car policy allowing only electric or plug-in hybrid cars (energy class A+++).

- Adopted a green electricity policy for all new construction sites and offices, with approximately 98% of purchased electricity being certified green.
- Conducted a pilot project with power monitoring devices on a construction site to identify and minimize electricity consumption during non-working hours.
- Explored alternatives to diesel-driven generators for on-site power generation, including generators with batteries to reduce diesel consumption.
- Monitored diesel consumption on sites, introducing less diesel-consuming alternatives to sites with above-average diesel consumption.
- Made power generation a standard observation item at all kick-off meetings for building sites.
- Increased focus on the earliest possible establishment of power supply from utility companies.

In 2024, we will analyze the data collected from these initiatives to inform future projects and further reduce CO₂-emissions from our sites.

To reduce scope 3 emissions, in 2023 we have taken the following actions:

- Worked on projects with CO₂-emissions well below the building regulation requirements (several projects should meet 9.5 kg CO₂e/m²/year) and worked on one specific project with strict requirements for low CO₂-emissions. Here, we need to meet a CO₂-emission target of 7 kg CO₂e/m²/year. The project team has spent the past year designing the project to meet these requirements, significantly increasing our knowledge and experience with low CO₂-emission products and solutions. This knowledge has been documented and incorporated into Nordstern’s design department, to be implemented in future projects to help reduce our Scope 3 emissions. Going forward, the ambition is to gather more experience with low

CO₂-emissions across projects.

- Engaged in dialogues with several suppliers of building materials with low CO₂-emissions to enter into partnerships with the most relevant suppliers and update our knowledge on low-emitting products.
- Started collaborating with a developer of a real-time Life Cycle Assessment (LCA) solution to perform real-time LCA calculations on an upcoming Nordstern project.
- Initiated a guideline for Nordstern’s development and design teams describing which design measures have the most material impact on final CO₂-emissions with the goal to plan projects in a more CO₂-efficient manner.
- Collected data from past and ongoing projects to create a catalogue of building materials and constructions to show the CO₂-emissions from different solutions.

Results

2023 was the first year in which Nordstern collected data on CO₂-emissions for each of scope 1, 2, and 3. Also, in 2023, Nordstern submitted for a science-based target under the Science Based Target initiative based on 2021 as the baseline year. Hence,

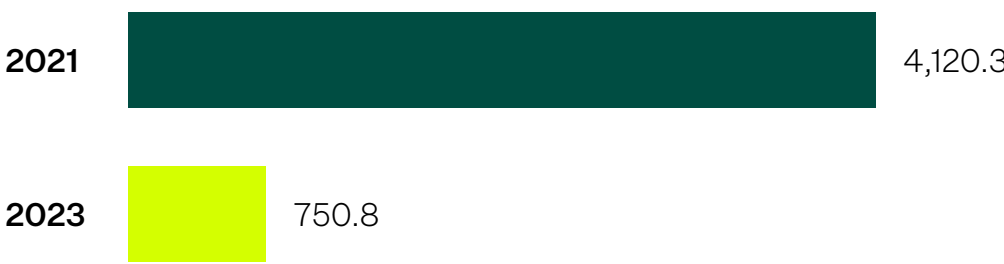
We have reduced
scope 1 and 2 CO₂-emissions
by 82% from 2021 to 2023

during 2023, data was collected for scope 1, 2, and 3 emissions in 2021, which is why 2021 serves as the comparison year below. Data for 2021 covers all of Nordstern, even though we were not under joint control in 2021.

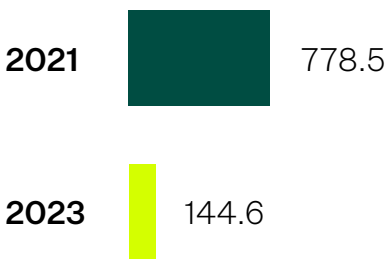
In scope 1, our CO₂-emissions stem from fuel consumption for company cars and oil consumption on our construction sites. In scope 2, our CO₂-emissions stem from electricity and district heating consumption in our offices and on our construction sites and electricity consumption for electricity-driven company cars. The figure to the right summarizes our market-based scope 1 and 2 emissions in 2023 compared to 2021 (for location-based emissions, please refer to page 52).

- In scope 3, our CO₂-emissions stem from various sources:
- Life cycle calculations of the projects handed over in 2023 (emissions over a 50-year period, including emissions from the production of building materials used in the projects, calculated energy consumption, replacements of materials over a 50-year period, and disposal of the building after 50 years).

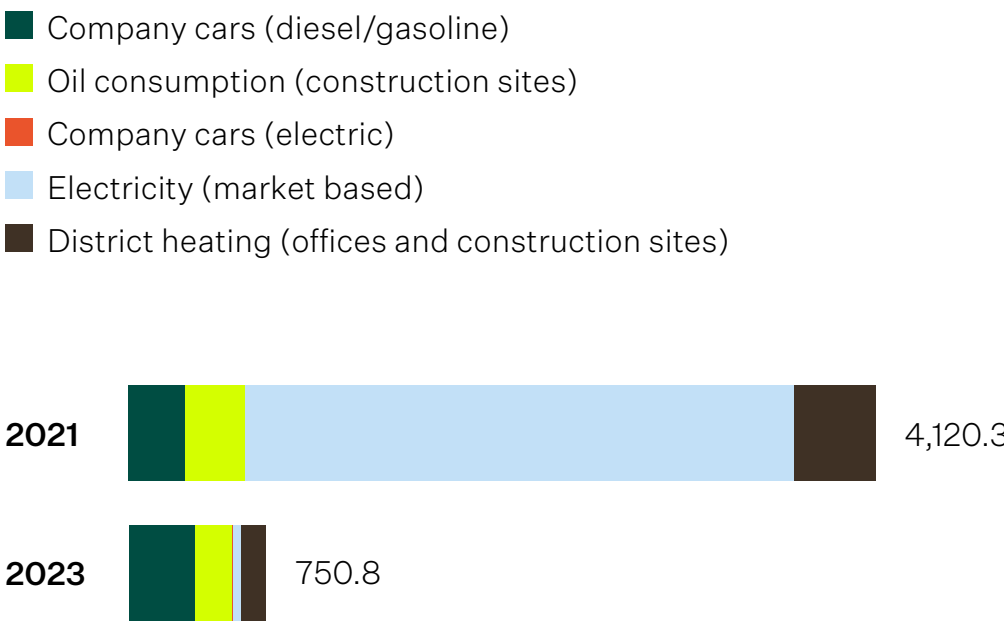
Nordstern’s scope 1-2 CO₂-emissions (total)
(Ton CO₂/year)



Nordstern’s scope 1-2 CO₂-emissions (per 1 BDKK revenue)
(Ton CO₂/year/BDKK revenue)



Nordstern’s scope 1-2 CO₂-emissions (split according to sources)
(Ton CO₂/year)



- Costs related to Nordstern’s operation (office supplies, hotels, restaurants, and more).
- Costs related to Nordstern’s development projects (consultants, advertising, and more).
- Upstream emissions from scope 1-related energy consumption.
- Waste from offices and construction projects.
- Costs related to business travel.
- Employee commuting (other than by company cars).

Most of the scope 3 CO₂-emissions stem from our projects. In 2023, we have calculated our CO₂-emissions in scope 3 for the first time. We have also calculated it with 2021-emissions as a baseline, allowing us to compare the progress within scope 3 emissions.

With almost the same activity in 2023 compared to 2021, we have reduced our CO₂-emissions in all three scopes, both in absolute numbers and relative to our activities (revenue). We have reduced our scope 1+2 emissions by 81.8%. In scope 1 alone, the reduction is just 11%, indicating a significant potential for further improvement. Despite having already met our target of a 42% reduction in Scope 1-2, we remain committed to striving for additional reductions in the scopes where we have the most immediate control. To achieve our goal of a 50% reduction in scope 3 CO₂-emissions, we will need to focus on reducing CO₂-emissions from our projects, which constitute the largest portion of Scope 3 emissions and hold substantial potential. This will be the primary focus of our efforts moving forward.

CO₂reporting for Nordstern’s activities, Scope 1 + 2

	2021	2023
Scope 1 (direct emissions)	CO ₂ (tons)	
Company cars	312.8	361.3
Oil consumption (construction sites)	325.1	204.3
Scope 1 total	638.0	565.7
Scope 2 (indirect emissions)	CO ₂ (tons)	
Company cars	-	13.0
Electricity (offices and construction sites – market based)	3,036.3	40.7
District heating (offices and construction sites)	446.0	131.4
Scope 2 total	3,482.3	185.1
Scope 1 + 2	CO ₂ (tons)	
Scope 1 + 2	4,120.3	750.8
	CO ₂ (tons) / year / BDKK revenue	
Scope 1 + 2 per BDKK revenue	778.5	144.6

CO₂reporting for Nordstern’s activities, Scope 3

	2021	2023
Scope 3 (indirect emissions)	CO ₂ (tons)	
Scope 3.1: Upstream purchased goods and services	153,839	122,406
Scope 3.3: Upstream fuel and energy related activities	596	430
Scope 3.5: Waste generated in operations	47	153
Scope 3.6: Business travel	1,214	904
Scope 3.7: Employee commuting	1,183	1,051
Scope 3.11: Use of Sold Products	48,845	49,976
Scope 3.12: End-of-life treatment of sold products	17,222	17,515
Scope 3 total	222,948	192,435
Construction alone (included in 3.1, 3.11 and 3.12)	157,401	158,276
Construction alone (included in 3.1, 3.11 and 3.12) % of scope 3 total	70.6%	82.2%
	CO ₂ (tons) / year / BDKK revenue	
Scope 3 per BDKK revenue	42,122	37,049

Nordstern’s total CO₂-emissions
in scope 1, 2 and 3 (scope 2 market based):

	2021	2023
CO ₂ (tons)		
Scope 1	638	566
Scope 2	3,482	185
Scope 3	222,948	192,435
% of total emissions		
Scope 1	0.3%	0.3%
Scope 2	1.5%	0.1%
Scope 3	98.2%	99.6%
CO ₂ (tons) / BDKK		
Scope 1	121	109
Scope 2	658	36
Scope 3	42,122	37,049

Expectations for the Future

Regarding scope 1 and 2 emissions, we have already met our 2030 target. However, we will continue to implement measures to further reduce our emis- sions, including location-based emissions. Our plans and expectations for 2024 are as follows:

- Our company car policy will facilitate a greener car fleet with lower fossil fuel consumption and, consequently, lower emissions.
- All construction sites and offices will run on certi- fied green electricity.
- Electricity consumption on our building sites can be further reduced through the analysis of data and insights from power monitoring devices on- site.
- Our continued focus on (the avoidance of) die- sel-driven power generators on-site will reduce diesel consumption and CO₂-emissions.

For scope 3 emissions, our 2030 goal is a 50% re- duction compared to 2021. To achieve this goal, it is crucial to reduce the lifetime CO₂-emissions from our projects (according to LCA calculations). We are confident that our increasing experience with low-emission solutions, along with the development and continued refinement of internal design guide- lines and catalogs of low-emission materials, will propel us in the right direction. This will be done in close collaboration with equally ambitious clients focusing on lowering the CO₂-emissions from their buildings. Going into 2024, we observe that more projects in our order book and pipeline are being designed to meet stricter demands concerning low CO₂-emissions, which will reduce our scope 3 emissions per project in the years to come. Lower lifetime CO₂-emissions from a project (according to LCA calculations) will be captured and reflected in our CO₂-emissions reporting in the year the project is handed over.



Thors Bakke II, Randers



Plushusene, Tommerup Haveby, Kastrup

Making buildings more sustainable

With the adoption of our 2023 sustainability strategy, we have intensified our efforts to make buildings more sustainable, placing a sustained focus on delivering buildings that adhere to recognized third-party sustainability standards and, increasingly over the coming years, are aligned with the EU Taxonomy.

Risks

The double materiality assessment conducted in connection with the preparation of our sustainability strategy (please refer to page 35 above) showed that the greatest risks of Nordstern impacting the environment negatively are associated with carbon emissions, waste handling, and the use of raw materials in construction. At the same time, the lack of an answer to these environmental risks would, in and of itself, constitute a risk to Nordstern’s business and performance, as clients, employees, and partners rightfully expect Nordstern to mitigate the potential detrimental impacts of our activities and to provide solutions to the environmental challenges we face. Furthermore, there is a fast-growing demand, in particular from institutional investors, for EU Taxonomy-aligned construction projects assisting our customers to deliver on their own sustainability agendas.

Policy and Targets

Construction certified according to recognized third-party sustainability standards, such as DGNB, takes the above-mentioned risk factors into account. Thus, our goal of only building certified

construction and steadily increasing the share of EU Taxonomy-aligned projects has been set to minimize these risks. To make buildings more sustainable, we have set the following targets:

- All new residential and office building projects initiated in 2023 and onwards will be certified according to third-party sustainability standards.
- 70-100% of revenue from new construction projects will be EU Taxonomy-aligned in 2030.
- At least 70% of waste from our construction sites will be recycled by 2025.

Actions

In order to meet our targets, in 2023 we have initiated or strengthened the following initiatives:

- We advise all our clients about the benefits of certification vs. the initial investment required to ensure certification on all new construction (residential and office).
- We advise an increasing number of clients about the EU Taxonomy and what is required for the individual projects to be Taxonomy aligned.
- We are involved in the development of the new DGNB manuals at Rådet for Bæredygtigt Byggeri to ensure that the content of the manuals is ambitious and operational and also to keep us informed and prepared for future measures.
- To establish clear roles and responsibilities during the construction phase and to improve the execution of all certified projects, a dedicated DGNB and Sustainability Manager is appointed on all construction sites.

- All DGNB and Sustainability Managers are educated internally through a training program developed by Nordstern and tailored to meet the challenges experienced during the construction phase of a DGNB project.
- We have implemented auxiliary tools in the Dalux platform for all DGNB projects to ease the collection of data and perform required controlling: 1) A DGNB supervision plan for the construction management with all relevant DGNB elements, 2) Input to control plans for all subcontractors with the DGNB elements the individual subcontractor must document.
- We have developed a new process to ensure that Nordstern’s sustainability department provides support and guidance at the right times during the life of a certified project, including at least three mandatory meetings at critical stages of the project: 1) Start-up of design, 2) Submission of authority project, 3) Start-up of the construction site.
- During 2023, different parties from the industry have gathered to discuss the EU Taxonomy. There have been several meetings which have been run by Danmarks Statistik and also meetings run by Rådet for Bæredygtigt Byggeri. At Nordstern, we have participated in a number of these meetings to engage in industry discussions on how to operationalize and document the fulfillment of the EU Taxonomy. Based on these meetings, the industry has contacted the European Union to clarify different criteria.

Results

- 80% of all Nordstern’s residential and office buildings initiated in 2023 (73% of revenue) will be certified according to third-party sustainability standards (DGNB and/or the Nordic Swan). As such, all but two turnkey projects initiated in 2023 will be certified. Of the two non-certified turnkey projects, one is a completion of a project that was already initiated and partly constructed by another contractor who went into bankruptcy. Thus, certification of this project was not possible. The other non-certified turnkey project was already so far along in the design phase when Nordstern was awarded the contract that certification would require substantial redesign, which could not be performed within the delivery deadlines agreed. In order not to jeopardize the timely delivery of the project and put the construction process at risk, we chose not to certify the project but rather work with other sustainability parameters on the project. Viewed in light of the concrete circumstances surrounding the two non-certified turnkey projects, we find the certification ratio of 80% acceptable but will keep working towards 100% in 2024.
- In 2023, Nordstern entered into its first contract for a residential project aiming to be EU Taxonomy-aligned. We are currently working on a total of three projects expected to meet the EU Taxonomy criteria and planned to be EU Taxonomy-aligned.
- In 2023, 58% of waste from our construction sites was recycled, while 40% went to combustion and 2% to landfill. We are on the right track towards our 2025 target that at least 70% of waste from our construction sites will be recycled, but in 2024 we will focus on increasing the share of waste being recycled and decreasing the share that goes to combustion.

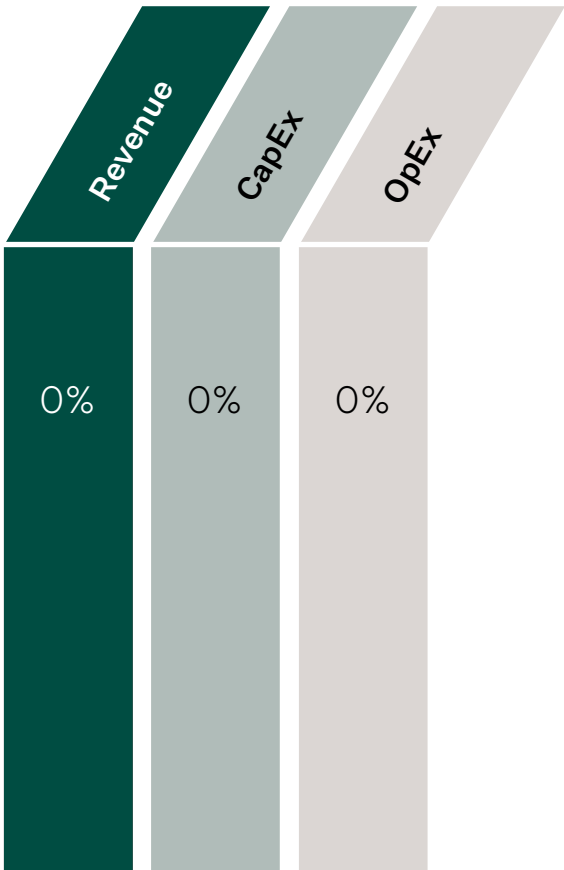
Nordstern’s KPIs

Share of projects initiated in 2023 to be certified according to third party sustainability standards

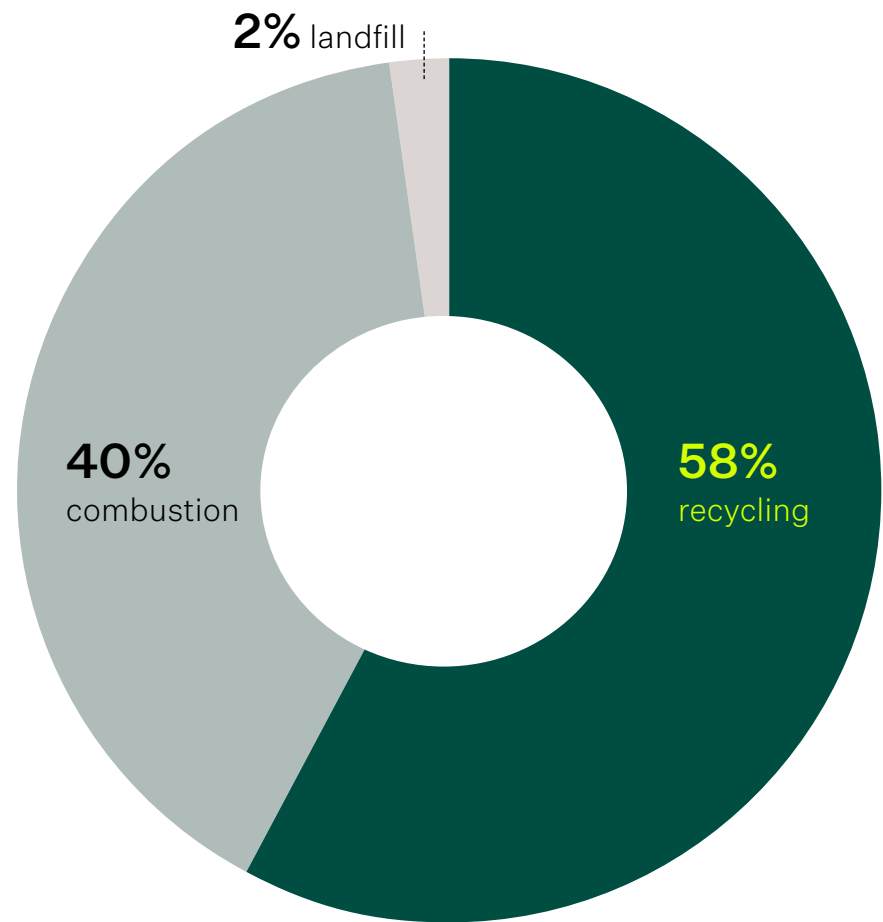


EU Taxonomy

Proportion of EU Taxonomy aligned economic activities



Waste





Social

Nordstern strives to conduct sustainable business in the broadest sense of the word. Therefore, we spent a significant part of 2023 developing and implementing an ESG strategy, which focuses not only on the environmental impact of our company but also on the social and governmental aspects. To that end, we can now closely monitor and measure our impact, progress, successes, and shortfalls.

Nordstern's corporate strategy business model can be seen on page 14. The ESG strategy and policies implemented during 2023 are all aligned with the general business model, and the KPIs set to measure our progress are coherent with the business model.

Social Strategy

Nordstern has a substantial impact on the local communities in which it operates. The buildings we construct stand for decades or centuries and affect not only those who build them and the users but the entire surrounding community. Therefore, we want to ensure that the mark we leave – both physically and socially – is as positive as possible.

On some projects, this means employing people on the edge of society, thereby giving them a fresh start. On others, it means providing new green spaces for the community or constructing public housing at affordable prices.

When measuring our development within the social aspect of our ESG strategy, our employees remain

our focus and top priority. Our goal is to create the safest and healthiest work environment possible in the Danish construction industry. Consequently, most of our social strategy and targets are focused on our employees and the contractors who work on our projects.

Risks

The most significant risks for Nordstern of failing our social strategy are if we – unconsciously – create an unhealthy work environment that leads to dissatisfaction and/or work-related accidents, or if we fail to attract, train, and develop the best talent in the industry. We strive to minimize these risks through different policies and KPIs, which are further explained and reported on below.

Developing the talents of the future

Nordstern is dedicated to educating the next generation and contributing to their employment. One means to achieve this is to employ interns on our projects across the country. We have set a very ambitious target for the number of interns we want to employ every year (70 interns per year from 2025). With 48 interns in total in 2023, we consider ourselves on track with this target.

Læringleftet

In addition to Nordstern's intern program, we also strive to attract young people to the construction industry in general. For example, in 2023, we built upon the lessons learned from our first 'Læringleftet' (the apprentice promise) project at Bellahøj, a renovation project in Copenhagen. Here, apprentices are mentored and brought together at social events to create cohesion and a sense of belonging.

At present, 'Læringleftet' is at three of our renovation projects – Solhusene, Hedemarken, and Bellahøj – and is planned for the coming project, Prags Boulevard.

In addition, in 2024 we will sign a declaration of intent with the builder's association and six other major Danish turnkey contractors. The intent is to secure at least 14% apprentices on all construction sites, to ensure the ongoing education and development of young, Danish craftsmen.

Education and Development of Employees

At Nordstern, we are dedicated to the education and advancement of our employees. Therefore, career development and advancement of employees are part of Nordstern's social strategy.

One of the best ways of ensuring both personal and professional development is through education. Every year, employees are offered several courses taught by either internal or external specialists. The courses are free of charge for the employees and incorporated into our career development program.

As part of our training program, selected employees are invited to join our internal multi-stage management education. In 2023, 21 employees completed the project management education, and 22 completed the construction management education.

We are well underway towards our 2025 target of 60 participants in total per year, as the good results from 2023 will encourage even more employees to participate in the coming years.

Lastly, we have set a target of at least 25 internal promotions per year. This goal has certainly been met in 2023. However, due to the alignment of titles following the merger in April, the number of merger-related title changes distorts the baseline data. Thus, we have chosen not to report on this target in 2023.



Employee turnover

After an upward trend for the past years, we have seen a decrease in the number of employees in 2023 as we have gone from 452 total FTEs to 422 total FTEs (a decrease of 7%). The lower number of employees reflects the current market situation and activity level.

The majority of the reduction has been from positions that have not been filled again, but we have also seen layoffs in some departments.

Health and Safety

At Nordstern, we have maintained a low level of absence due to sickness. We have a set target of a sick leave percentage lower than 2%, and we met this target in 2023 with an average of 1.5%, not including long-term sickness. Including long-term sickness, the sick leave percentage was 2.7%, a slight increase from 2022’s 2.4%. One cause of long-term absence is stress, which we aspire to bring down through different initiatives such as our project manager network, where colleagues accross the company meet several times a year to be inspired and forge lasting bonds.

In 2023, we obtained the official Work Environment Certification, an ISO standard. We were certified by the third-party agency, Bureau Veritas, who also conducts the external audits carried out in offices and on construction sites. The Work Environment Certification is a steppingstone towards further improving our safety and work environment.

Going to work must be safe, not only for our employees but also for our partners on construction sites. Thus, Nordstern has set ambitious standards and targets to keep accidents at the lowest level possible. Our target for the number of accidents per 100 MDKK revenue is 0.6. In 2023, we registered 1.3 accidents per 100 MDKK revenue. Most of these are related to smaller accidents such as tripping.

Similarly, we have a set target of no more than 9 lost working days due to accidents per 100 MDKK revenue. This target was not met, as the higher number of accidents resulted in 13 lost working days per 100 MDKK revenue. None of the accidents were serious. However, the current level of accidents is above our internal targets, and we are committed to bringing down both the number of accidents and the number of working days lost in 2024.

Diversity

In 2023, 15% of Nordstern’s employees were women, a slight decrease from 2022 (17%) . Most female employees work in office-based functions in the legal, human resource, finance, and communications departments. In these departments, the percentage of female employees was 62% by year-end.

By year-end, 19% of managers (defined as the executive management and managers reporting to executive management) were female, a slight increase from 2022’s 18%. Management in 2023 totalled 21 persons, whereof four were women. There are no women on the Board of Directors.

By 2025, we aspire to have at least 30% female representation in management, whereas there are no set target figures for women on the Board, as there are only two members. The increase in female representation must me secured through recruitment processes. We have seen three replacements in management in 2023, but unfortunately there were no female candidates for any of the three positions. Thus, it was not possible to increase the number of women.

In 2024, we will develop and implement a more detailed diversity policy to supplement our current non-harassment policy. The diversity policy will not focus on gender diversity alone; it will also cover other diversity aspects such as age, nationality, ethnicity, sexual orientation, etc., as well as anti-discriminatory measures.

Nordstern aspires to become a more diverse and inclusive company to reflect the diversity of the society around us and attract the most competent employees no matter their gender or other diversity factors. To do so, we must be inclusive and an attractive workplace for everyone.



PERCENTAGE OF WOMEN



1.3

ACCIDENTS PER 100 MDKK



SICK LEAVE (%)

Governance

At Nordstern, we developed and implemented a new comprehensive ESG strategy in 2023. The governance aspect of the strategy focuses on strong, sustainable management, having the right policies in place, and securing robust ESG data quality. Nordstern already observes Danish and international labor market and anti-corruption legislation, and through our governance strategy, we have supplemented these with our own policies, when necessary, in order to ensure that good governance is in place at Nordstern.

Human rights

Generally, we assess the risk of human rights violations in our business to be very limited. We adhere to Danish and European regulations and work with trusted partners, who are equally dedicated to human rights and the rule of law.

In 2023, we have at no time observed human rights violations in connection with our business. Also, there have been no reports to the whistleblower scheme available on nordstern.dk of human rights violations.

Nordstern has imposed contractual requirements on all construction contractors to ensure that ILO conventions are adhered to and that their workers have Danish collective agreement-based pay and working conditions. In addition, we emphasize that suppliers must report pay and withhold A tax etc. We reserve the right to request documentation for this. Nordstern’s own employees work under condi-

tions that are equal to those provided by a collective agreement, as a minimum.

Compliance with human rights is part of Nordstern’s employee Code of Conduct, to which all employees must adhere. We will initiate internal courses in the Code of Conduct in 2024 to increase awareness further and to ensure that the Code of Conduct is well-known and followed by all employees.

In 2023, we adopted and started implementing Nordstern’s Supplier Code of Conduct, including our human rights policy towards suppliers. So far, Nordstern’s Head of Procurement had by year-end approached 67 suppliers of which 62 have signed the Code of Conduct, one has signed with conditions, and four are pending. Considering that the Code of Conduct has been a part of all supplier contracts since its adaptation, we consider our target of including the Code of Conduct into all contracts with suppliers as met.

Anti-corruption

As a respectful and responsible Danish company, we strongly denounce corruption and bribery. Nordstern’s internal Code of Conduct therefore contains a thorough review of the desired behavior in cooperation with the value chain, comprising business partners, construction contractors, suppliers, and customers. As such, Nordstern has imposed a complete ban on any form of bribery – for both the giver and the receiver. Similarly, Nordstern’s Supplier Code of Conduct solicits the commitment from all suppliers not to tolerate or engage in any form of corruption or bribery.

The Supplier Code of Conduct is, as mentioned above, introduced to suppliers by Nordstern’s Head of Procurement during the negotiation process. On top of giving suppliers the written material, the Head of Procurement also engages in discussions on the Code of Conduct and general behaviour to ensure that the spirit of the Code of Conduct is understood.

In 2023, we have undertaken ‘Value Workshops’ where all Nordstern employees participate in groups of 10-20. At the workshop, employees discuss the four values of the company as well as general behaviour as exemplified by the Code of Conduct. The workshops are highly rated by both employees and management.

Nordstern operates in an industry that has been marked by cartels and other forms of breach of competition law in the past. We strongly condemn any such practices as they are detrimental to competition and to the image of the industry. The anti-corruption policies are therefore supplemented with a

policy for anti-competitive behavior – both internally and towards our suppliers. The policy contains a ban on the exchange of information and/or the conclusion of agreements with competitors, customers, construction contractors, and/or suppliers who risk restricting the free market forces. We did not detect any breach of these policies in 2023. As we have implemented continuous monitoring and follow-ups on both external and internal stakeholders, we do not expect any breaches in the coming years either.

Data ethics

The processing of personal data is neither a critical part of nor closely linked to Nordstern’s business activities. As a business-to-business (B2B) company with very few transactions with private customers, Nordstern processes personal data in respect of customers and suppliers only to a very limited extent – and only for customer/supplier administration purposes. Other than that, the processing of personal data mainly relates to internal activities involving employees’ personal data for human resource (HR) administration purposes. Thus, we do not use data to track the movements or consumer preferences of any private individuals, and we do not use machine learning, artificial intelligence or similar to profile customers, employees, or other private individuals.

For these reasons, we have assessed that it is not necessary for Nordstern to have a formalized policy on data ethics beyond those described in our General Data Protection Regulation (GDPR) policies, which are available to all Nordstern employees and included in employment contracts.

Corporate governance

The responsibility for the overall and strategic management of Nordstern lies with the Board of Directors, elected by the shareholders. The Board of Directors has appointed the Executive Board to handle the day-to-day management of the company. The division of responsibilities between the two governing bodies is described in the rules of procedure for the Board of Directors and the Executive Board.

Management structure

Nordstern has a two-tier management structure comprised of the company’s Board of Directors and its Executive Board. No single person is a member of both governing bodies.

The role of the Board of Directors is to establish the overall purpose of and strategy for accomplishing the company’s business goals. The Board of Directors also ensures that the company has the right management and organizational structure; monitors the Executive Board to ensure that it is pursuing the established goals, strategies, and guidelines; and appoints and removes members of the Executive Board.

The Executive Board is responsible for the day-to-day management and execution of the strategy as well as for providing systematic and accurate feedback to the Board of Directors at board meetings and through ongoing reporting.

Board committee

The Board of Directors has established an Investment and Contract Committee, which assists the Board in the risk assessment and approval of the company’s construction contracts above a certain value. The Committee also assesses and approves investment proposals concerning land acquisitions as well as the sales of property development projects.

Board of Directors and Executive Board

The Board of Directors consists of two members, both elected by the shareholders in a general meeting for terms of one year. Johannes Vielberth serves as Chairman of the Board. There are no set targets for female representation on the Board, as there are only two members.

There are at least four board meetings a year; in 2023 five were conducted. All met Nordstern’s target of a 100% attendance rate.

The meetings of the Board follow a fixed structure to ensure a high level of information and transparency. Furthermore, the Chairman is in continuous close dialogue with the Executive Board, including at regular status meetings held during months without board meetings.

The Executive Board of the company consists of CEO Torben Modvig, CFO Jan Aarestrup, COO Michael Storgaard, and CCO Johnny Hey, who joined on January 8, 2024.

Nordstern’s management structure is illustrated below:



Board of Directors



Johannes Vielberth
Chairmann of the Board
Director, Corporate
Transactions ActivumSG



David Bannerman
Member of the Board
Manager ASG Luxemborg

Executive Management



Torben Modvig
CEO



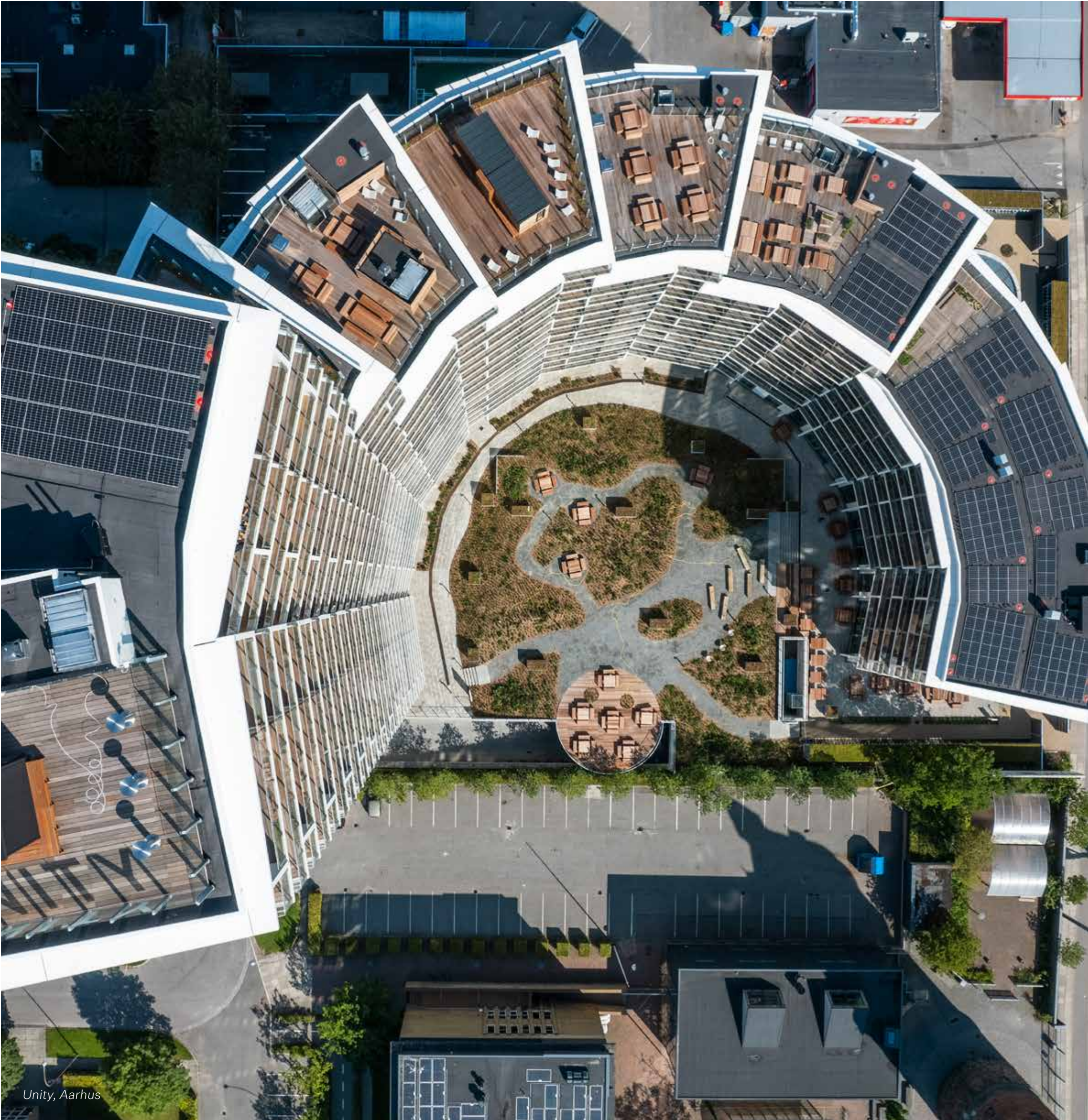
Jan Aarestrup
CFO



Michael Storgaard
COO



Johnny Hey
CCO



Risk Management

Because of its business activities, Nordstern is exposed to a number of risks, some of which are related to the industry and others more directly to Nordstern’s organization and activities. These risks are a natural part of our everyday operations and can have a varying degrees of impact on Nordstern’s reputation, future activities, and earnings. We strive to reduce risks to an acceptable level through effective risk management.

The management of strategic, operational, and financial risks must ensure that negative effects are minimized or avoided altogether. This can be done by reducing the probability of negative consequences and by reducing the potential effects of negative consequences.

Risk management is based on continuous monitoring to identify relevant risks. On this basis, the identified risks are analyzed and assessed to allow for the implementation of the measures that are required to address them.

The Board of Directors has the overall responsibility for risk management at Nordstern and defines the

overall framework for identifying and addressing risks. The Executive Board has the day-to-day responsibility for implementing the overall framework and for developing Nordstern’s risk management concept as well as reporting on developments in the most important risk areas to the Board of Directors.

As part of the risk management process, a classification of identified relevant risks is made based on whether they are likely to occur and what the probable effects will be. The classification is divided into three levels: low, medium and high. When it comes to the assessed effects, most of the identified risks will be of a financial nature. Preventive measures are defined and prepared based on the classification.

Market risks

Economic growth

Identified risk areas

Macroeconomic conditions set the scene for economic growth, which traditionally plays a significant role for companies operating in a cyclical industry, where construction and property development to some extent belong. Nordstern’s business activities are focused on selected geographical areas in Denmark and are primarily targeted at business-to-business transactions and only indirectly at business-to-consumer transactions. An economic recession involves a certain risk that Nordstern’s business volume and earnings will come under pressure due to lower demand from institutional investors, developers, and consumers. However, strong growth may also imply a certain risk exposure related to resource scarcity, supply chains under pressure, and price increases, which again may cause inflation and an upward pressure on interest rates. These factors can eventually cause delays, weakened demand from investors due to yield compression, and may put Nordstern’s earnings under pressure.

Probability ☐ ☒ ☐ Impact ☐ ☒ ☐

Preventive measures

The macroeconomic conditions are, obviously, beyond Nordstern’s sphere of influence. It is therefore key that we constantly monitor all aspects of the market so that we can quickly respond to changes in market assumptions.

A business model which includes new construction as well as renovation of residential and non-residential construction, institutions, etc., and where the customers can come from both the private sector and the public and semi-public sectors, entails a level of diversity which makes it possible, during a business cycle, to focus on the areas with the highest growth. Since our business model is based on outsourcing and a constant focus on process and cost optimization, we have ensured a significant scalability to reduce our vulnerability during a market downturn. In general, long-term planning and measures against project execution risks play an important role in handling the risks related to longer periods with high economic growth.

Political risks

Identified risk areas

Political risks relate to decisions that may, directly or indirectly, change the preconditions for Nordstern’s business activities. These could be legislative changes to areas such as construction, personal taxation, corporate taxation, property taxation, tenancy legislation, financial legislation, VAT, and taxes. However, they may also be planning changes at the state, regional, and municipal levels.

Probability ☒ ☐ ☐ Impact ☒ ☐ ☐

Preventive measures

Nordstern generally has no influence on risks related to political decisions. To be able to respond quickly to political initiatives and changes that may have an impact on Nordstern’s business activities, we closely monitor the political landscape.



Operational risks

Projects execution risks

Identified risk areas

Project execution risks include the risks associated with the execution of building projects on a turnkey basis, partly in respect of the management and control of the project and partly in respect of the contractual relationships with construction contractors and materials suppliers. Poor management and control can lead to failure to comply with the timetable and the quality of execution, which may affect the relationship with both customers and collaboration partners and may have unwanted economic consequences. Up to the hedging date, Nordstern will be exposed to potential price increases and bottlenecks with respect to the elements in turnkey projects that are not covered by final supplier contracts at the time of conclusion of a turnkey project. Nordstern will also be exposed to bankruptcies among construction contractors and materials suppliers with whom contracts have been concluded.

Preventive measures

Great attention is paid to the correct staffing of building projects to meet the resource needs, necessary experience, and required professional and managerial skills. Well-designed processes, such as continuous follow-up and reporting in cooperation with business controllers, ensure a high level of transparency regarding the progress, quality, and financial aspects of the projects. As a consequence of several significant write-downs on ongoing projects in 2023, additional efforts in this area have been initiated.

Our contract policy ensures that, before the final approval of a turnkey contract, we obtain offers for all essential trade contracts. The level of hedging is controlled by our contracts committee. Hedging of the most important elements of the turnkey contract prior to the conclusion of the contract is therefore ensured. We require performance guarantees from subcontractors to hedge the risk of bankruptcy.

Probability

Impact

Development risks

Identified risk areas

The most important risks related to property development include conditions that may entail an unintended tie-up of capital and unsatisfactory earnings, including, in a worst-case scenario, losses. If a development property is acquired which is not covered by a local development plan that supports the prerequisites of the project, certain risks such as timing and potential building rights will be attached to it.

The process of a local development plan can be protracted, and the outcome is subject to uncertainty. In the absence of a binding agreement with an investor on the purchase of a completed project (a newly built and/or newly renovated property) at the time of takeover of the development property, there is a risk that the project cannot subsequently be sold at the assumed price or within the expected timeframe. Commencing construction without a final agreement with an investor — construction at one’s own expense — entails the same risk scenario as above but with even greater exposure when it comes to both funds tied up and earnings. In both cases, the risks are markedly increased in case of negative market development.

Preventive measures

Nordstern seeks to acquire development properties covered by a local development plan in force so that the project conditions and framework are fixed at the time of purchase. However, attractive new opportunities regularly emerge. Here, realizing the potential requires a new local development plan. In these cases, Nordstern will only conclude a purchase agreement contingent on a satisfactory local development plan.

For Nordstern, the starting point is that an agreement with an investor must be concluded before a development property is acquired. This is often ensured by making a purchase conditional on Nordstern’s conclusion of an agreement with an investor within a certain period. A deviation from this principle can be accepted if Nordstern acquires a development property without prior agreement with an investor but is in close dialogue with potential investors or if the potential sale of the project has been confirmed by one or several property agents. In such cases, higher requirements will be made for the financial potential of the project and the time frame for the conclusion of an agreement with an investor must be foreseeable. Commencement of construction prior to a final agreement with an investor will only take place in exceptional cases. In such cases, it would only be minor projects where the commercial arguments for commencement carry more weight than the potential risk exposure.

Probability

Impact

IT risks

Identified risk areas

IT risks relate to both external and internal matters and can be in the form of theft and misuse of data, loss of data, and system breakdown—all of which can have a considerable negative impact on the operation and management of Nordstern’s business activities. The causes can be cyber-attacks, failures among subcontractors, implementation errors, functionality failures, and breaches of safety procedures. The risk of being struck by a cyber-attack appears to be increasing.

Preventive measures

The security aspects of Nordstern’s IT solutions, including infrastructure in particular, are monitored and evaluated on a continuous basis in cooperation with external consultants. To ensure the right level of resources and skills, part of our IT tasks and processes have been outsourced to external collaboration partners in areas such as operation and safety. Uniform systems, standards, and checks, and online training sessions are applied as widely as possible in order to minimize the risk of errors and breaches. Additionally, penetration tests and security analyses are performed by external specialists on an ongoing basis.

Probability

Impact

HR risks

Identified risk areas

HR risks include the attraction and retention of employees. Employees play a key role in Nordstern’s path to success. In view of the complexity of its business activities, Nordstern relies on management and employee teams with strong skills in a number of areas of expertise. The competition for skilled employees is particularly intense during a booming economy. Here, there is a risk of losing employees and of not being able to attract the right employees to the extent necessary. The consequence of many unfilled positions would be a negative effect on the ability to realize the revenue and earnings targets.

Preventive measures

The key to attracting and retaining the right employees is that Nordstern is viewed as an attractive place to work. Nordstern aims to be the most attractive place to work in the industry based on our strong culture and values, and by providing opportunities for professional and personal development with great co-determination on day-to-day tasks. The implementation of an employee share scheme for all employees helps underpin this ambition.

The remuneration of management and other employees is set by taking specific tasks and responsibilities, as well as value creation and conditions in comparable companies, into account.

Probability

Impact

Safety risks

Identified risk areas

Safety risks are mainly associated with Nordstern’s building projects, which involve several potentially dangerous activities and therefore carry a risk of industrial accidents. This can affect Nordstern’s own employees as well as the employees of construction contractors and collaboration partners. The risk of industrial accidents is, of course, increased if established procedures and guidelines are not observed.

Preventive measures

Nordstern’s work is based on an occupational health and safety policy which is approved by the Board of Directors and aims to avoid all types of injuries and accidents at our building sites. Nordstern ensures continuous follow-up and reporting on occupational safety to the Board of Directors. Specific plans, routines, and systems for handling any incidents or near misses have been implemented.

Probability

Impact

Regulatory risks

Identified risk areas

Regulatory risk falls under the area of compliance and includes the risk that applicable legislation, rules, agreements, and policies are not observed. This may be in the form of deliberate or unintentional actions and can affect Nordstern negatively in several areas.

Preventive measures

With due respect to our reputation and in any other context, Nordstern cannot accept that the organization and its individual employees fail to observe applicable legislation, rules, agreements, or policies governing our business and administrative activities. Using effective and secure systems, separation of functions, internal controls, and communicating and monitoring applicable policies and guidelines, etc., we try to ensure compliance in all areas.

Probability

Impact

Financial risks

Credit risks	
<div>Identified risk areas</div> <p>Credit risk is the risk that Nordstern’s customers are unable to make payments in accordance with existing contracts.</p> <div><div>Probability</div><div><div></div><div></div><div></div></div><div>Impact</div><div><div></div><div></div><div></div></div></div>	<div>Preventive measures</div> <p>Nordstern generally requires guarantees from customers to obtain satisfactory assurance that payments are received in step with deliveries made under existing contracts. Additionally, Nordstern has well-planned processes for continuous monitoring and reporting of due payments.</p>
Funding risks	
<div>Identified risk areas</div> <p>Funding risk includes the lack of access to the required credit facilities and guarantee frameworks. Nordstern’s sale of turn-key contracts generally does not require funding. In certain cases, Nordstern implements projects itself, and in other cases, Nordstern takes co-ownership of projects. These activities depend on the ability to obtain the necessary credit facilities on satisfactory terms. In relation to customers, in particular, but also to certain materials suppliers and other collaboration partners, Nordstern needs to provide guarantees within an externally established framework.</p> <div><div>Probability</div><div><div></div><div></div><div></div></div><div>Impact</div><div><div></div><div></div><div></div></div></div>	<div>Preventive measures</div> <p>Over a long period, Nordstern has had strong financial resources in the form of large cash deposits and established but unutilized credit facilities. Furthermore, Nordstern has well-established guarantee frameworks with four of the leading guarantee providers.</p> <p>We strive for good, long-term relationships with our financial partners, which we seek to maintain through a high level of transparency, continuous reporting, and a satisfactory equity ratio.</p> <p>The Board of Directors and the Executive Board continuously assess whether Nordstern’s capital structure sufficiently supports the achievement of the targets set for activity level and earnings.</p>

ESG key figures

Strategic KPIs	Unit	Target	2023	2021	
Environment					
CO ₂ e, scope 1	Tons	Reduce Scope 1 CO ₂ -emissions with 42 % by 2030	566	638	reduction of 11% from 2021
CO ₂ e, scope 2 – Market based	Tons	Reduce Scope 2 CO ₂ -emissions with 42% by 2030	185	3,482	reduction of 95% from 2021
CO ₂ e, scope 2 – Location based	Tons	Reduce Scope 2 CO ₂ -emissions with 42% by 2030	839	1,560	reduction of 46% from 2021
CO ₂ e, scope 3	Tons	Reduce Scope 3 CO ₂ -emissions with 50% by 2030	192,435	222,948	reduction of 14% from 2021
Total GHG emissions (market based)	Tons	Reduce total GHG emissions with 50% by 2030	193,185	227,068	reduction of 15% from 2021
GHG intensity per net revenue	Tons/revenue	Reduce GHG intensity per net revenue with 50% by 2030	0.000037	0.000043	reduction of 13% from 2021
Energy consumption	GJ	Target to be set during 2024	27,392	58,512	
Energy intensity per net revenue	GJ/revenue	Target to be set during 2024	0.0000053	0.000011	
Water consumption	m ³	Baseline and target to be set during 2024	18,461	NA	
Total waste volume from construction sites	Tons/revenue	Waste volume baseline and target to be set during 2024	0.0000015	NA	
Recycled waste from construction sites	%	70% recycled waste from construction by 2025	58	NA	
EU Taxonomy-aligned revenue	%	70-100% of revenue from new construction projects to be Taxonomy-aligned in 2030	0	NA	
Sustainability certifications	%	100% of residential and office buildings certified as sustainable from 2023	80 / 73	NA	80% based on the number of projects 73% based on revenue

Strategic KPIs	Unit	Target	2023	2022
Social				
Full time equivalents	FTE	No target	422	452
Interns	Number	Minimum 70 interns annually by 2025	48	63
Gender diversity: Board and Management (Executive Management and reports to Executive Management)	%	No target for Board of Directors as long as there are only two Board members Target for Management: 30% women by 2025	BoD: 0% Management: 19%	BoD: 0% Management: 18%
Sick leave /absence	Days/FTE	Sick leave < 2 %	1.5%	N/A
Reported work accidents	Frequency	Below 0.6 accidents per DKK 100M revenue	1.3	N/A
Lost-time injury frequency	Frequency	Below 9 lost days per DKK 100M revenue	13	N/A
Employees in a career development program	Number	Graduate program: 5 employees annually Internal project management education: 60 employees annually	N/A 43	N/A
Internal promotions	Number	> 25 annually	N/A	N/A

Strategic KPIs	Unit	Target	2023	2022
Governance				
Proportion of the underrepresented gender on board of directors	%	No target for BoD as long as there are only two board members	0	0
Attendance rate at board meetings	%	Target: 100% attendance	100	100
Suppliers who have signed Supplier CoC	Number	CoC part of all subcontracts from 2023	65	N/A
Employees trained in Employee CoC	%	Develop online training program and onboarding CoC training in 2023	N/A	N/A

ESG accounting practices

KPI	Accounting practices
Environment	
CO ₂ e, scope 1	Emission factors: DEFRA 2023 Petrol and diesel used in company cars in 2023 Oil used on construction sites (purchased by Nordstern) in 2023
CO ₂ e, scope 2 – Market based	Emission factors electricity: Energinet 2022 Emission factors district heating: The specific company’s emission factor for their district heating product (for 2022 or 2023). Where this does not exist for 2022 or 2023 we have used the national emission factor from Energistyrelsen 2022 Electricity and district heating used in offices and on construction sites (purchased by Nordstern)
CO ₂ e, scope 2 – Location based	Emission factors electricity: Energinet 2022 Emission factors district heating: The specific company’s emission factor for their district heating product (for 2022 or 2023). Where this does not exist for 2022 or 2023 we have used the national emission factor from Energistyrelsen 2022 Electricity and district heating used in offices and on construction sites (purchased by Nordstern)
	We have used the principals from the Greenhouse Gas Protocol (GHG Protocol)
CO ₂ e, scope 3	Scope 3.1 Purchased goods and services: Emissions from spend costs: DEFRA 2023 Amount of spend costs in 2023: From Nordstern’s ERP Emissions from buildings, product stage: Ökobaudat and specific EPD’s Included projects: Handed over in 2023. For all projects where there is a specific LCA, data from this has been used (phase A1-A3). For the rest, we have used a 9,5 kg CO ₂ e/m²/year for new construction projects and 7,5 CO ₂ e/m2/year for renovation projects based on Build’s reports (total for the phases A1-A3, B4, C3, and C4): https://build.dk/Assets/Klimapaavirkning-fra-60-bygninger_/BUILD-Rapport-2021-13.pdf https://build.dk/Assets/Klimapaavirkning-fra-renovering/klimapaavirkning-fra-renovering.pdf Based on an average of our projects with a calculated LCA, the total CO ₂ -emissions have been split into the different phases. Scope 3.3 Fuel and energy related activities: Upstream emissions from consumption: Emission factors: DEFRA 2023 Consumptions from Scope 1 and 2 Scope 3.5 Waste generated in operations: Emissions from waste: DEFRA 2023 Amount of waste: information from the waste handling companies

KPI	Accounting practices
CO ₂ e, scope 3 (continued)	Scope 3.6 Business travel: Emissions from spend costs: DEFRA 2023 Amount of spend costs in 2023: From Nordstern’s ERP
	Scope 3.7 Employee commuting: Emissions from employee commuting (by car): DEFRA 2023 Driven km by employees: Calculation of distance between each employee’s home and their workplace (and return) times 166 working days times 95 % (it is estimated that 5 % of employees travel by bicycle, public transport or another way). From Dansk Statistik we have information on the part that drives in petrol car, diesel car, hybrid car or electricity.
	Scope 3.11 Use of sold products: Emissions from buildings, use stage: Ökobaumat and specific EPD’s Included projects: Handed over in 2023. For all projects where there is a specific LCA, data from this has been used used (phase B4 and B6). For the rest, see scope 3.1.
	Scope 3.12 End-of-life treatment of sold products: Emissions from buildings, use stage: Ökobaumat and specific EPD’s Included projects: Handed over in 2023. For all projects where there is a specific LCA, data from this has been used used (phase C3 and C4). For the rest, see scope 3.1.
Total GHG emissions	Total of scope 1, 2 and 3 emissions
GHG intensity per net revenue	Total of scope 1, 2 and 3 emissions divided by revenue (DKK)
Energy consumption	Electricity and district heating used in offices and on construction sites (purchased by Nordstern). Information from Nordstern’s ERP
Energy intensity per net revenue	Electricity and district heating used in offices and on construction sites (purchased by Nordstern) divided by revenue (DKK).
Water consumption	Water consumption from offices and on construction sites (purchased by Nordstern). Information from Nordstern’s ERP.
Total waste volume from construction sites	Waste (tons) from offices and construction sites where Nordstern is responsible for handling the waste. Waste amounts (tons) are documented by the different waste carriers. Waste amounts (tons) are measured in different fractions. The total waste amount is divided by revenue (DKK).
Recycled waste from construction sites	The waste carriers have informed how their different fractions are handled (recycling, combustion and landfill).
EU Taxonomy-aligned revenue	Not relevant in 2023
Sustainability certifications	All new residential construction (including hotels) and offices, Nordstern has signed a contract with during the past year, is included in the overview (where Nordstern is general contractor). Exceptions are projects where Nordstern only is hired to build the project (and hence, is not included in the planning of the project) (where Nordstern is main contractor).

KPI	Accounting practices
Social	
Full time equivalents	ATP accounting method
Interns	Data from HR Management system
Gender diversity, all employees	ATP accounting method
Gender diversity, management	ATP accounting method
Sick leave /absence	Data from time registration system, Intempus
Reported work accidents	Data from internal reports on health and safety
Lost-time injury frequency	Data from internal reports on health and safety
Employment of socially vulnerable people	Not relevant
Job satisfaction	Data from annual Ennova report
Employees in a career development program	Data from HR Management system

KPI	Accounting practices
Governance	
Proportion of the underrepresented gender on Board of Directors	Not relevant
Attendance rate at board meetings	Data logged in ‘Minutes from the Board meeting’
Suppliers who have signed CoC	Data from internal log compiled by Nordstern’s Head of Procurement
Employees trained in CoC	Data from HR Management system (to be implemented from 2024)