

Polygon Group AB

Sustainability report

2021



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Sustainability report

Sustainability is an essential factor for our customers, employees and other key stakeholders which bring out great opportunities and challenges for Polygon that we manage through our sustainability framework, Our responsibility.

The Our responsibility programme consists of three areas:



Reducing environmental impact

Restoration is our core business, which involves bringing damaged property back into use as efficiently as possible. We also work together with customers to prevent damage from occurring in the first place. In this way, we limit the use of new materials and equipment, and reduce waste, which decreases both environmental impact and financial cost.

Polygon has significant capacity to restore after weather events caused by climate change such as floodings. During summer of 2021, large floodings in various parts of Germany caused massive damages in several communities. Polygon played an important role in helping a lot of people to get back to their homes as soon as possible.

A decision has during 2021 been made to calculate the group's total footprint for base year 2021 (scope 1, 2 & 3) and based on the outcome set targets, agree on activities as well as update and communicate an ambitious environmental strategy during 2022.

We work in close collaboration with our customers & suppliers to design efficient solutions and processes to limit environmental impact supported by the latest technology, digitalization and innovation. We have also started engaging some suppliers and subcontractors on our most mature markets.

Restoration

The world wants more of what is core of what we do. Our job is to restore rather than replace damaged property. We bring valuable property back to life, saving resources and decreasing both environmental impact and cost compared with demolition and rebuilding. A study Polygon conducted with two students from the Royal Institute of Technology in Stockholm estimated that Polygon's water damage restoration services avoid CO2 emission compared with rebuilding damaged buildings by around 25 percent. Furthermore, Polygon restore not only buildings, but also water damaged content which enables reuse of for example furniture, technical equipment and vehicles.

Prevention

We continue to develop our solutions, services and partnerships with the aim of further reducing environmental impact. We are continuously expanding our damage prevention capabilities. One example is Polygon's subsidiary Hiotlabs AB, which offers a new set of sensor-based services and solutions to prevent water damage. We have grown our prevention services and increased the number of solutions delivered during the year.

Promoting resource efficient operations

When our activities have environmental impact, we strive to minimise their magnitude and to be as resource efficient as possible. Our activities are centered around reducing vehicle fuel consumption, the use of energy in our equipment, and managing materials, chemicals and waste. Type of activity & targets are decided in each local Polygon country based on local circumstances.

Example of how we work to reduce vehicle fuel

- Eliminating unnecessary visits, better planning, more remote monitoring & video inspections
- Improve vehicle fuel efficiency – driver feedback systems
- Reduce emissions from vehicles – smaller vehicles, electric vehicles with green charging
- Consolidate material deliveries to site

Example of how we work to reduce energy used in our equipment

- Eliminate unnecessary drying by better planning & remote monitoring
- Use faster and more energy-efficient drying equipment and techniques
- Consider energy efficiency when purchasing new equipment
- Educate and share knowledge of innovative technologies

Example of how we work to manage material, chemicals & waste

- Processes to ensure as much material as possible is restored
- Design waste management processes and educate for example by contracting certified and centralized waste management contractors to promote nationwide standards and the optimal management of waste.
- Environmental consideration when choosing material & chemicals

We perform external energy efficiency audits in accordance with the EU energy efficiency directive which covers approximately 80 percent of the Group. The audits are part of our structured way of working that strives to promote constant improvements. In addition, many of our businesses have Environmental Volunteer Groups or similar initiatives that are run by colleagues taking our environmental commitment out to the wider community.

Without changing the way we think and do things we will not be able to make a difference. Polygon have therefore different initiatives in our Polygon countries to enable a change in behavior and culture. One example is Polygon in Norway which have joined forces with a team of master's students at the University of Oslo (UiO), who will integrate and develop an organizational culture with a strong "environmental culture" to ensure that Polygon Norway achieve their sustainability goals.

First choice employer

Our employees are our most important resource, and their dedication and competence are crucial to our success. We seek to create good, safe and inclusive work environments where our employees feel engaged and can develop to ensure that Polygon is a first-choice employer.

Inclusive work environment

Polygon has more than 6,000 employees in 16 countries, with a diverse blend of backgrounds. Regardless of background, everyone at Polygon should feel respected and included – this is a cornerstone of our corporate culture and is consistent with our corporate values of integrity, excellence and empathy. We promote diversity in the workforce through our Code of Conduct, inclusivity training, our Responsible Business Partner policy and in country-level Employee



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Handbooks. Polygon's Inclusivity training is part of mandatory content in Polygon Learning Zone, our digital platform for employee learning.

Safe work environment

We apply a structured approach to minimise risks and protect our employees and others from injuries and accidents. Personal protective equipment, clothing, and air filtration to avoid exposure to harmful substances are particularly relevant to our business. We also prevent the spread of microbes and particles to the outside environment. Results from a recent employee survey highlight that employees perceive their work environment to be good in terms of safety, and that employees feel that Polygon prioritises a safe working environment. We continuously monitor sick leave and work-related injuries in each country. On a Group level, both have decreased compared to last year. All countries have local health and safety policies in place, dedicated specialists and established processes to mitigate risks. We benchmark and work to continuously improve our health and safety processes. Many Polygon countries have a health and safety accreditation; Italy, for example, holds an ISO 45000.

Good work environment

Our people are Polygon's greatest asset and we believe that engaged, skilled and satisfied employees will lead to satisfied customers and the success of Polygon. Polygon conducts a Group-wide employee survey every year that involves all employees in all countries. The survey results shows that our employees see Polygon as an attractive employer in all countries and the 2021 results were above the industry benchmark in almost every area. Being an attractive employer that engages with its employees is essential as it creates opportunities for people to express their views, wishes and concerns, which contributes to overall employee satisfaction. Polygon have won some prestigious people awards and aim to continue to do that.

Examples of how we work to be the first choice employer;

- ✓ Young Talents' training programme
- ✓ Promote learning and development through Polygon Learning Zone
- ✓ Talent management with Polygon Academy & Polygon Champions' Camp

Responsible business

We have a responsibility to conduct our business to high ethical standards and with respect towards our various stakeholders, such as our customers, employees and society in general. We expect our people to lead by example, with our values of Integrity, Excellence and Empathy as their guiding principles. To promote sound business practices and to act ethically and with integrity, we place great emphasis on implementing our Group Policies and guidelines.

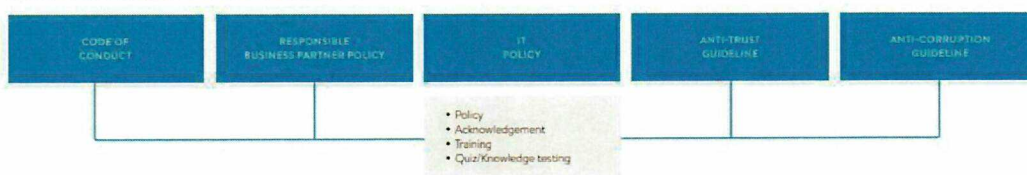
Business Ethics and Compliance

The Polygon Code of Conduct outlines the main principles of our corporate responsibility, as well as the personal, ethical and professional principles that all Polygon employees should adhere to. These principles guide our relations with Polygon colleagues as well as with customers, suppliers and society. In addition, a Responsible Business Partner policy, which reflects our Code of Conduct, is in place in all countries. In addition to the Code of Conduct and the Business partner policy an Anti-trust and Anti- Corruption guideline have been implemented and mandatory trainings of the guidelines is conducted on a regular basis. This is one of the mitigating activities, among other, to reduce the risk for corruption and bribes.

Policies & guidelines

Polygon have 16 group wide policies and guidelines as well as supplemental local policies and guidelines. All policies and guidelines are available on the group intranet and communicated through the Polygon learning Zone. The group IT policy has been updated and a new e-learning including cybersecurity and data privacy has been created & launched during 2021. This is one activity to mitigate the risk for cyberattacks that has been more common in the world the latest year and that all companies and organizations currently are facing.

MANDATORY POLYGON LEARNING ZONE CONTENT FOR ALL EMPLOYEES



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Communication and knowledge

The Polygon Learning Zone is an essential tool to support the 'Our Responsibility' programme as it is our tool to reach out to all employees and to ensure learning & development and to support compliance and quality.

Polygon has established processes to periodically review and monitor the statistic of group mandatory training to continuously improve the completion rate.

While Polygon's Our Responsibility programme is a unified approach, it allows room for adaptation to local legislation and conditions. Each course is available in the languages spoken in the countries in which we operate. In addition, Polygon's business model is designed to guarantee that we always act ethically, in combination with sustainable financial development.

In addition, we have a gift register and a web-based integrity line to ensure ethical business conduct. Inspirational videos that feature examples of how we address sustainability in various parts of Polygon are also promoted among employees.

Examples:

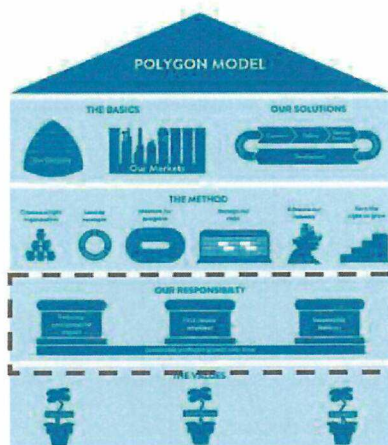
- Established policies, guidelines and procedures
- Digital tool to implement policies and guidelines
- Integration plan for all companies we acquire
- Appointed compliance officers in each country
- Integrity hotline

Risk management

We continuously evaluate risks, processes and controls to ensure they support accountability, effectiveness, transparency and ethical behavior. We believe that strong corporate governance is the foundation for a sustainable and well-governed company.

The Board of Directors has the overall responsibility for risk management while the operational work is delegated to the CEO, Group management and country presidents. Polygon manages risks through an active risk management process based on risk identification, evaluation, mitigation and monitoring. The process starts with each country annually identifying and evaluating its most significant risks. Country-specific activities are implemented and reviewed by the Group in business review meetings. The Group management then identifies and evaluates the most significant risks at Group level.

We use risk categories of 'financial', 'operational' and 'strategic' as part of the identification process. The risks identified are evaluated based on their potential impact and likelihood. The Group risk assessment is presented to the audit committee and the board on an annual basis. Proactive risk management is a central part of the Polygon Model. We continuously initiate and implement risk mitigation activities. The control structure is incorporated into our daily processes, and we review and monitor control activities



- The Polygon Model, our business model have been updated during 2021. The three 'pillars' represent Polygon's ESG/ Sustainability program, Our Responsibility. The "pillars" are integrated throughout the entire Polygon Model and part of everything that we do. The ground of the house is our values.
- Polygon has appointed a Head of Sustainability for driving Polygon's sustainability agenda on group level.

Polygon businesses received a variety of sustainability-related awards and recognition during the year, for example Polygon UK achieved Achilles' accreditation for the third year in a row. Further information is available at Polygons website.

Key figures

EMPLOYEES PER GEOGRAPHICAL SEGMENT 31 DECEMBER 2021

Segment	Number of employees	Of whom men, %
Nordics and UK	2,351	84
Continental Europe	3,544	78
North America	173	72
Total headcount	6 068	80

AGE DISTRIBUTION

Age	%
<40	48
41-50	26
51-60	21
>60	5
Total	100

EMPLOYEE STATISTICS

	2021
Work attendance, %	95
Employee turnover rate, %	25
Average number of employees	5,801
Of whom men, %	5,435

EMPLOYEE SATISFACTION

	2021
Response rate, % (BM 81)	88
Team Efficiency Index (ESI) (BM 76)	77
Leadership index (LSI) (BM 78)	79
Engagement index (BM 80)	83



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The auditor's report on the statutory sustainability report

To the general meeting of Polygon Group AB, corporate identity number 559324-6548

Engagement and responsibility

The Board of Directors is responsible for the statutory Sustainability Report being prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination of the statutory Sustainability Report has been conducted in accordance with FAR's auditing standard RevR 12. The Auditor's Report on the statutory Sustainability Report. This means that our examination of the statutory Sustainability Report is different and substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion

A statutory Sustainability Report has been prepared.

Stockholm, 30 May 2022

Ernst & Young AB



Henrik Jonzen

Authorised Public Accountant



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