

Stronger as a team

Sustainability Report 2019



PE is one of Sweden's leading engineering and architecture consulting firms. As urban planners, we create innovative and sustainable solutions shaping the development of cities, infrastructure and industry. We are represented throughout Sweden, and in 2019 we generated sales of just over SEK 1.3 billion. PE was founded in 2006 and is listed on Nasdaq Stockholm.

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I ensure that contaminated soil and water don't harm wildlife, the natural environment or people

p.21

Meet our Sustainability Council

p.7

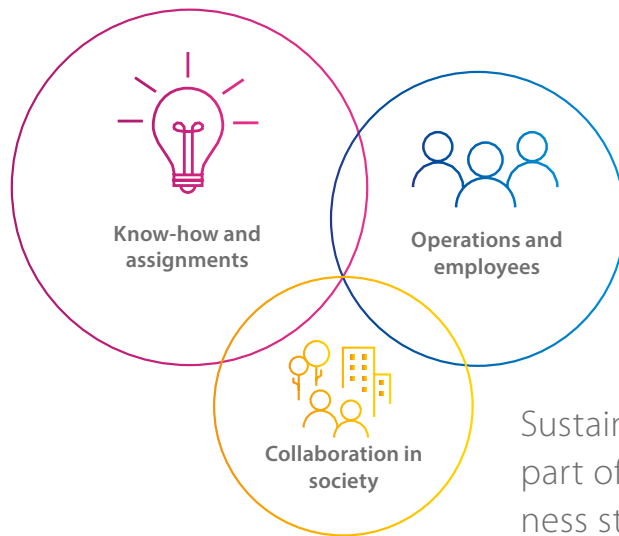


Digitalisation of Stockholm's schools

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Sustainability – part of our business strategy

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PE in brief

Society today is full of challenges that demand change and new solutions. PE's mission is to address these challenges. We are one of Sweden's leading engineering and architecture consulting firms. As urban planners, we create innovative and sustainable solutions shaping the development of cities, infrastructure and industry. The Group employs architects, engineers, project managers and other experts who work closely together to generate value for our clients, and for society in general.

Our business concept

We maintain a firm belief in entrepreneurship, and that our shared success is built on the personal drive of each and every employee. Through genuine commitment to assignments, clients, end users and society, we ensure not only that clients are pleased with the end result of our projects, but also with the process.

Since the company was established in 2006, PE has combined a wide range of strengths in the form of both businesses and people. We bring a variety of backgrounds, skills and experience, but we have one thing in common: a passion to renew and improve society. By encouraging collaboration between our architects, engineers and specialists, we become more innovative and better at identifying synergy effects and solutions. And that's what makes us the strong company we are today. We provide advanced consulting services and solutions across our three divisions: Architecture & Management, Civil Engineering & Infrastructure and Systems.

Our vision

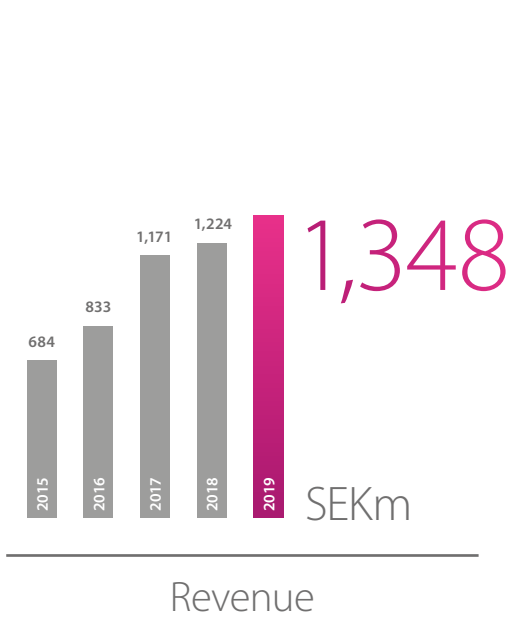
We have grown considerably in recent years, making us a significant player. In a world that is constantly changing, we also need to renew and adapt, and as part of this process we have a real sense of responsibility for making a difference. Our vision is to help renew society, which we achieve through innovative and sustainable solutions. That is why we constantly challenge one another to think more broadly, and sometimes differently. This helps develop our knowledge and our skills, and, by extension, how we create value for our clients, our shareholders and society in general.



We are powered by a desire to renew and improve. It is this drive and commitment that attract not only clients, but also the best employees.

We renew society through innovative
and sustainable solutions

Vision



30
Locations*

42
Offices

1,129
Employees

Architecture & Management

Proportion of revenue **27%**

Services within urban planning, architecture, landscape and interior architecture, as well as project management, analysis and consulting for all stages of the construction process or on societal development and sustainability issues.

Civil Engineering & Infrastructure

Proportion of revenue **32%**

Services within areas such as building design, acoustics, geotechnical engineering, energy, environment, sustainability, bridge and plant design, railways, roads, water treatment and environmental impact.

Systems

Proportion of revenue **41%**

Services within areas such as HVAC design, electrical and telecommunications engineering, safety, fire protection and sprinkler systems, automation and digitalisation.

Three divisions

*Of which one office in Skien, Norway, and one in Chennai, India.

We have a sense of
Commitment

We are driven by
Entrepreneurship

We take
Responsibility

Core values

Interview with President and CEO Per-Arne Gustavsson

Per-Arne Gustavsson is President and CEO and is also ultimately responsible for the Group's sustainability work.

Per-Arne, how would you sum up 2019 from a sustainability point of view?

Over the year we had a strong emphasis on how we develop our sustainability offering. The early stages of projects include important choices that have a significant impact in terms of sustainability. In response to this, we have focused our expertise on sustainability strategy, urban and property development and environmental issues concerning both land and buildings so that, together with our clients, we can create more sustainable and innovative solutions. Other milestones in 2019 included our new membership of the UN Global Compact and our significant progress in expanding and formalising stakeholder engagement to understand our stakeholders' expectations of us and using this as a basis for our priorities.

In financial terms, 2019 was a challenging year for us. We continued to grow, driven by acquisitions, but organic growth and profitability were affected in the short term by initiatives to improve efficiency and restructuring measures. The combined measures we took over the year provide us with a more effective platform and improved earnings capability, which is incredibly important from a sustainability point of view.

How can you contribute to more sustainable development?

As urban planners, we create innovative and sustainable solutions shaping the development of cities, infrastructure and industry. We have grown considerably in recent years, making us a significant player. Our vision is to help renew society, and sustainability is a strategic platform for us that is part of everything we do. The thousands of projects we carry out each year offer the greatest opportunity to contribute.

What trends are you seeing in the area of sustainability and how does this impact PE?

PE's performance is affected by societal developments in Sweden and the global performance of Swedish industry. Society today is full of challenges that demand change and new solutions. The key trends are a combination of historically strong population growth, fast-moving technological development and the need for a rapid transition to a more sustainable society and circular business models. Besides tougher rules and regulations,



end clients and end users also expect the environment and sustainability issues to be considered across all areas. Our role is to think about how architecture, technology and new approaches can contribute sustainable solutions within both urban planning and industry. As experts, our value increases with the complexity of the assignment, as you need strong, collaborative teams with a range of skills to integrate new technology and new approaches. People's needs always have to be at the heart of developments in technology.

What will your sustainability priorities be in 2020 and beyond?

The urban planning sector has a significant impact on the environmental, social and economic aspects of our society. For instance, the construction industry accounts for almost 40 percent of energy-related carbon dioxide emissions. As a consultant and knowledge partner in the early stages of projects, we can influence societal development through our assignments. Our objective is to help our clients make the necessary changes to move towards a more sustainable, circular society and industry. Our starting point comprises the UN Sustainable Development Goals and the 2030 Agenda for Sustainable Development, and we have included this in our business planning. We also offer training to develop capabilities and our aim is for all PE employees to receive relevant additional training. As an attractive employer focusing on development, learning and commitment among our employees, we are creating the foundations for continued profitable growth for PE.

Meet PE's Sustainability Council

PE's Sustainability Council has led the Group's sustainability work since 2018, with ultimately responsible held by the President and CEO. The role of the Sustainability Council is to take overarching responsibility for all aspects of sustainability by prioritising and coordinating overall efforts, based on the materiality analysis.

The aim is to enable our architects, engineers and specialists to contribute sustainable, innovative solutions across the thousands of assignments we carry out each year. The Sustainability Council coordinates measures to ensure that PE complies with legislation and rules to which we are subject, that we have appropriate targets and policies, and that we conduct stakeholder engagement and an annual materiality analysis. This requires ongoing business intelligence and contributions from each role. The council also acts a client for sustainability initiatives within the Group.



We have chosen to have a Sustainability Council instead of a Head of Sustainability in order to better manage the complexity and breadth that sustainability-related work entails.

Per-Arne Gustavsson, President and CEO



Amanda Tevell
Business Area Director
Societal Development



Per-Arne Gustavsson
President and CEO



Åsa Holmgren
HR Director



Peter Stigson
Group Manager
(PhD Eng.)



Sofia Wollmann
Quality and Environment
Director

2019 sustainability work highlights



PE signs up to support the climate

To ensure PE can meet the needs of society without exceeding the Earth's ecological resources we need to strengthen our working practices and create architecture that is mindful of the climate. As part of this, PE has signed up to the initiatives Swedish Architects Declare Climate & Biodiversity Emergency and Local Malmö 2030 Road Map.

PE's sustainability topics:

- 5 Environment and carbon emissions
- 12 Social impact and analysis



High frequency monitoring

A new digital high frequency monitoring tool for measuring employee wellbeing was introduced. The new survey is conducted once a week and only takes around 30 seconds to complete. The purpose is to provide the company's managers with regular feedback, improve job satisfaction and, above all, boost employee wellbeing.

PE's sustainability topics:

- 6 Employee wellbeing*



Training of all managers

The first round of PE's leadership training got underway, with all managers attending the programme over the next few years. The aim of the course is for PE's managers to have the tools they need to act as role models in realising our strategy, developing our corporate culture and encouraging support for PE's structural organisation.

PE's sustainability topics:

- 6 Employee wellbeing*
- 9 Stable finances*

*Material topics in the 2019 analysis.



New business system

PE launched its new Guide business system. The system encompasses the entire organisation, including both our internal administrative work and the assignments we carry out. The aim is to further increase the quality of our services, clarify processes and stimulate continuous improvement.

PE's sustainability topics:

- 4 Quality
- 9 **Stable finances***

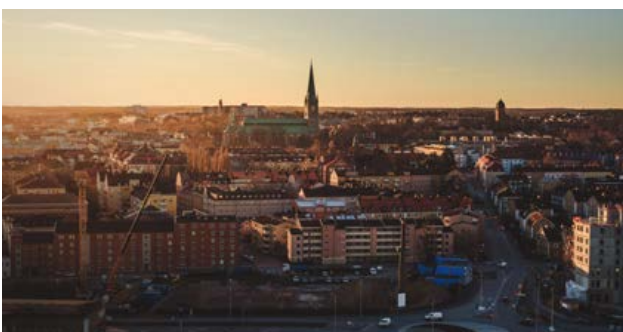


Award-winning sustainability report

PE's Sustainability Report 2018 was recognised as one of the best on the Stockholm Stock Exchange. This follows a review of all the sustainability reports of the 99 companies on the small cap list by independent consultancy Sthlm Kommunikation & IR.

PE's sustainability topics:

- 13 **Transparency and stakeholder engagement**

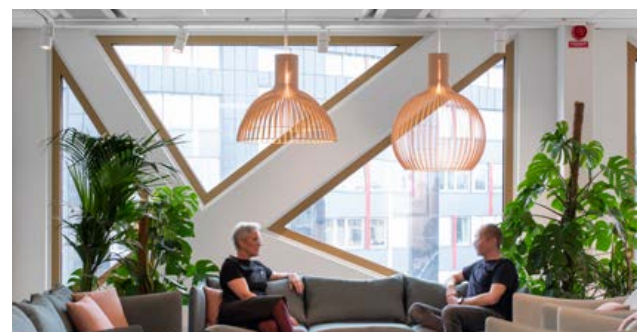


Sweden's smartest cities revealed

Linköping, Malmö and Lund are Sweden's smartest cities, according to the Society Barometer, which was conducted for the fourth consecutive year in 2019. The theme for the year was Smart Cities, with the report attracting significant attention and being presented throughout Sweden over the spring, autumn and winter.

PE's sustainability topics:

- 12 **Social advocacy and analysis**



Moving in together

During the year we brought operations together under one roof in several locations to strengthen our local business, improve opportunities for cooperation, boost team spirit within the Group and reduce our own energy consumption. This has led to the creation of our combined PE offices. The locations involved include Örebro, Uppsala and Malmö and efforts to bring operations under one roof in various locations will continue over the next few years.

PE's sustainability topics:

- 5 **Environment and carbon emissions**
- 6 **Employee wellbeing***



Sustainable Future Hub: bringing people and ideas together

Sustainable Future Hub was founded by Lund University School of Economics and Management as a forum for people and ideas focusing on social and economic sustainability. The aim is to find new approaches and solutions for today's shared sustainability challenges. PE has contributed sustainable development strategies and project management.

The School of Economics and Management's vision is to make a difference by being a world-class business school that understands, explains and improves our world and people's circumstances. At the heart of this vision is the belief that today's big questions and problems can be solved through cooperation that allows different points of view to come together and be challenged.

The School of Economics and Management has created the Sustainable Future Hub project as a response to the significant sustainability challenges that we face in order to bring together some of society's key actors in a shared attempt to achieve a more sustainable future.

The intention is for Sustainable Future Hub to provide a forum for business leaders, students and researchers to meet, cooperate with and be inspired by one another to consider new approaches and solutions to today's sustainability issues. By leveraging Lund University School of Economics and Management's strong partner network, students' passion and researchers' expertise, Sustainable Future Hub aims to make a difference and be a valuable voice and positive force in the current sustainability debate. Sustainable Future Hub cooperates with the business sector through Lund University School of Economics and Management's partner businesses, as well as with numerous other parties within and outside Lund University.



These types of complex challenges require us to work together and try various solutions.

Interview with sustainability strategist Martina Oxling

PE sustainability strategist and project manager Martina Oxling began working on the Sustainable Future Hub project in 2019. She has several years' experience of developing collaboration and innovation platforms, enabling a range of actors to meet and drive development forward together.

What does a project like Sustainable Future Hub provide?

The idea is for Sustainable Future Hub to be a focal point around which different economic and social sustainability projects can revolve, enabling a collaborative route to finding new approaches and solutions to challenges.

How can the project contribute to more sustainable development?

Sustainable Future Hub links Lund University School of Economics and Management's extensive business, student and academic networks. It continually brings together business leaders, researchers and students to talk, listen and gain inspiration from one another to consider new approaches and solutions to today's sustainability issues. We have to solve our sustainability challenges together, so it's particularly important to connect people and organisations from different backgrounds and give them the opportunity to inspire one another and collaborate.

How do you get a project like Sustainable Future Hub to work in practice?

Lund University School of Economics and Management has a great network of partner businesses that have shown real interest from the outset. Not working with sustainability is not an option these days. However, it's not easy for individual businesses to know exactly how to operate in this area. These types of complex challenges require us to work together and try various solutions. That's where Sustainable Future Hub has a role to play as an enabling and driving force, leveraging the expertise of researchers and the enthusiasm of students.



Project name: Sustainable Future Hub

Client: Partnership Foundation at Lund University School of Economics and Management

Project timetable: 2019–ongoing

Capabilities: Strategies for sustainable development and project management

Primary Sustainable Development Goals:



(targets 4.7, 8.1, 8.6, 9.3, 9.4, 17.6, 17.17, 12.6)

Sustainability – part of our business strategy

Sustainability is part of our vision, but it is also a vital part of our business strategy. It's a core element that should be reflected in everything we do as we create value for our clients, and for society as a whole.

We renew society with innovative and sustainable solutions

We endeavour to contribute to a more sustainable future. We do this primarily in the projects we undertake, together with our clients. Together, we are building the properties, communities, infrastructure and industry of tomorrow. This is described in PE's vision to renew society through innovative and sustainable solutions.

Sustainability: a cornerstone of the Group's strategy

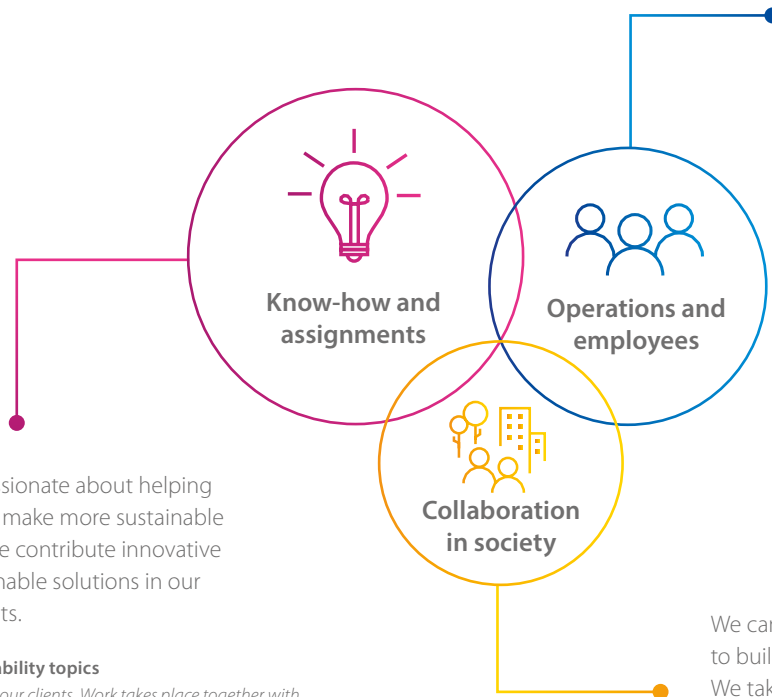
Together with active collaboration and business optimisation, sustainability is part of the strategic platform for PE's group strategy. This means that sustainability should be reflected in everything we do, both within the company and externally.

Scope and definition of sustainability

Our sustainability work is defined by 13 topics that together both encapsulate and specify the overall complexity of the issue. These topics are divided into three areas: Knowledge and Assignments, Business and Employees and Collaboration in Society. Environment, social conditions and personnel, human rights and anti-corruption are included in these various topics.

We manage and define the scope of sustainability. Sustainability management includes all sustainability topics, including material sustainability topics.





We are passionate about helping our clients make more sustainable choices. We contribute innovative and sustainable solutions in our assignments.

PE's sustainability topics

Scope: PE and our clients. Work takes place together with our clients in the form of projects, in which we contribute know-how.

- 1 **Contribution to sustainability through our assignments**
- 2 Employee sustainability capabilities
- 3 Expert sustainability offering
- 4 **Quality**

We practise what we preach. We understand the value in taking a long-term approach to working with sustainability in our business and are constantly seeking ways to improve.

PE's sustainability topics

Scope: PE, internal. This work takes place in our internal processes and is supported by designated functions within the organisation.

- 5 Environment and carbon emissions
- 6 **Employee wellbeing**
- 7 Equality
- 8 Business ethics
- 9 **Stable finances**
- 10 Safety and preparedness
- 11 Responsible supply chain

We can and want to contribute to building a sustainable society. We take responsibility for the future in cooperation with our stakeholders.

PE's sustainability topics

Scope: PE and our stakeholders. Work takes place in collaboration with other actors in society.

- 12 Social advocacy and analysis
- 13 Transparency and stakeholder engagement

Text in bold indicates material topics in the 2019 analysis.



Know-how and assignments

We are passionate about helping our clients make more sustainable choices. We contribute innovative and sustainable solutions in our assignments. This supports our business strategies of Greatest Client Value and Profitable Growth, and contributes to our vision of renewing our society through innovative and sustainable solutions.

1 Contribution to sustainability through our assignments

Material topic

The urban planning sector has a significant impact on the environmental, social and economic aspects of our society. For instance, the construction industry accounts for almost 40 percent of energy-related carbon dioxide emissions. As a consultant and knowledge partner in the early stages of projects, we therefore have a significant opportunity to contribute to sustainable societal development through our assignments.

Our aim is to actively encourage our clients to make positive progress on sustainability. In measuring the outcome of our contribution to sustainability we have chosen to relate to the UN Sustainable Development Goals. In 2019 we included this aspect in business planning and the budget process. Each division has established an action plan to contribute even more in projects together with our clients.

2 Employee sustainability capabilities

Our awareness and capabilities in the field of sustainability are key to our ability to contribute to a more sustainable society. This mainly concerns how our consultants use their sustainability capabilities day to day as architects, engineers and specialists.

We offer training to develop capabilities and our aim is for all PE employees to receive relevant training. This work is overseen by the Sustainability Council in cooperation with the PE School, our in-house employee development platform.

We aim to take a more systematic approach to learning within our assignment activities.



3 Expert sustainability offering

PE has specialist expertise in strategic and practical aspects of sustainability, which we offer our clients at different phases of projects.

Sustainability

- Action plans for sustainability and architecture documentation
- Resource efficiency and circular economy
- National and environmental economy
- Sustainable development of society
- Sustainable development of areas
- Sustainable Property
- Nature-based solutions and local cultivation
- Sustainability report
- Business intelligence and stakeholder analyses
- Sustainability coordination and sustainability programme
- LCC – life cycle cost
- LCA – life cycle analysis
- EPD – environmental product declaration

Energy

- Energy, indoor climate and daylight simulations
- Energy management and energy strategy services

- Energy coordination and energy certification (GreenBuilding)
- Energy declarations
- Energy audits
- Energy analyses
- Industry development and standards
- Operating analyses and optimisation
- Building automation

Environment

- Environmental coordination
- Environmental certification – BREEAM, LEED, Miljöbyggnad, Green Building, CEEQUAL, Svanen, Citylab
- Environmental management
- Environmental strategy services
- Environmental inventory
- Environmental descriptions
- Ecosystem services

Contaminated areas, EIAs and permits

- EIAs for different activities in industry, construction projects, infrastructure and mining
- EIAs for different types of plans

- Permit and application cases in accordance with environmental legislation
- Review of action taken
- Different types of environmental consulting
- Environmental audits (phase 1 and 2 due diligence)
- Geological mapping and drill core logging
- GIS solutions
- Contaminated areas (soil and groundwater)
- Environmental engineering and preparatory reviews
- Radon analyses
- Soil and groundwater inspections
- Surface water, sediment and wetlands
- Risk assessments and establishment of site-specific guideline values for soil and groundwater contaminants
- Demolition and decontamination projects
- Remediation of contaminated soil
- In-situ decontamination of soil, groundwater and bedrock
- Mine shaft decontamination

Interior environment

- Interior environment and radon inspections
- Cleanroom validation
- Mandatory ventilation checks
- Work environment
- Lighting systems and lighting design

Fire, Risk and Safety

- Sprinkler and extinguishing systems
- Fire safety and risk analysis
- Control and surveillance
- Safety systems

Architecture

- Sustainability in Architecture, Interior Architecture, Landscape Architecture and Urban Construction
- Sustainable offices
- Sustainability coach

Find out more about our services at pe.se.

4 Quality

Material topic

For the services we sell and provide, we endeavour to ensure client satisfaction and ideally exceed expectations. We take a systematic approach to making continuous improvements so that we are constantly developing. We do so through ongoing improvement and deviation management both in our business processes and in the assignments we carry out. Over the year we carried out significant development work to migrate our business system to a digital platform, which both increases user-friendliness and manages information through access control. In connection with this, we have also harmonised new delivery

templates and processes so they are the same across the Group following consolidation into one PE.

A risk audit is compiled each quarter for the Board and once a year management holds a review in which the Group management and divisions analyse the reliability of the business system. External and internal audits are planned in three-year cycles to ensure that all businesses and locations are covered in a reasonable manner. These plans are updated annually.

We are certified to and base our management system on the ISO 9001:2015 standard.

Operations and employees

We practise what we preach. We understand the value in taking a long-term approach to working with sustainability in our business and are constantly seeking ways to improve. Our internal sustainability work supports the business strategy to have the best workplace and to underpin business optimisation and strengthen our corporate culture.

5 Environment and carbon emissions

Our environmental impact from business activities includes our carbon footprint and energy and resource consumption. Environmental management is governed through our sustainability policy, office policy, and our travel and vehicle policy. As part of our business plan efforts, each division has established an action plan that includes activities to reduce CO₂ emissions from business-related travel.

We have chosen to relate our environmental management measures to Sweden's environmental quality targets, in which we prioritise; a limited carbon footprint, a toxin-free environment, a good built environment and rich flora and fauna. We measure direct and indirect CO₂ emissions, Scope 1 + 2, and greenhouse gas emissions intensity (see Sustainability Targets and Outcomes).

We are certified to and base our environmental management system on the ISO 14001:2015 standard.

7 Equality

How we work with gender equality, diversity and create equal opportunities for everyone. This is described in our code of conduct and is managed through our gender equality and diversity policy and our policy against discriminatory treatment. The focus of our development work is mainly on gender equality. We measure this by such means as gender balance on the Board, in management and among other employees (see Sustainability Targets and Outcomes). As part of our business plan efforts, each division has established an action plan that includes activities to improve gender balance.

Equality-related measures are an important component of our corporate culture efforts, involving the contribution of all PE employees and managers. This work spans from Board level, where our diversity policy is applied, to individual employees.

6 Employee wellbeing

Material topic

This topic relates to how we ensure a good work environment, health and professional development for our employees. This includes security, safety, professional development opportunities, benefits and work environment. It is overseen by line managers and the work is part of the employee process, supported by HR. As part of our business plan measures, each division has established an action plan that includes activities to structurally reduce sickness absence.

Issues regarding social factors and personnel are managed through our work environment policy, work environment and personnel handbook and our systematic fire safety measures. We track the outcome by measuring sickness absence, occupational injuries and the number of cases of discrimination and action taken, as well as reporting the percentage of employees covered by collective agreements (see Sustainability Targets and Outcomes).

In 2019 we introduced a heart rate monitoring tool to track employee welfare on a weekly basis. The tool is used by managers and employees to jointly consider issues concerning employee wellbeing. The tool also enables employees to anonymously report any harassment and discriminatory treatment. Find out more about this on page 8.

8 Business ethics

Our code of conduct contains guidelines on how we should operate our business in an ethical and socially correct way. The code contains guidelines on; corporate culture, business ethics, principles and employee rights, ethics and morals, unauthorised influence, corruption, reporting of irregularities, health and safety, communication and privacy, gender equality, diversity and discrimination, as well as relationships in society. We measure communication on and training in our code of conduct (see Sustainability Targets and Outcomes).

We have an external whistleblower function available, allowing employees to make an anonymous report if they suspect serious irregularities or anomalies in the company. The function is available to everyone and is described on our intranet.

9 Stable finances

Material topic

Our financial stability and financial earnings create long-term value in the form of pay for our employees, returns for our shareholders, payments to our suppliers, tax for the government and interest to lenders. We report the precise distribution under economic value generated and distributed (see Sustainability Targets and Outcomes).

Our heads of division are responsible for the earnings of their respective division. Monitoring of earnings performance takes place on a monthly basis under the management of the Chief Financial Officer. The President and CEO and is ultimately responsible for ensuring we achieve the Group's overall financial targets; growth of 15 percent a year over a business cycle, and an EBITA margin of 8 percent over time.

11 Responsible supply chain

How we take responsibility for our supply chain, including through supplier reviews, purchasing and life cycle-based monitoring. This is regulated in our office policy, which manages the type of purchases we make, and in our supplier code of conduct policy, which we aim for all our critical suppliers to approve. We track the percentage of suppliers that have received and accepted the policy (see Sustainability Targets and Outcomes).

PE's life cycle

PE's life cycle starts with our suppliers' production of the goods and services that we purchase. Suppliers in turn purchase raw materials for their production that have been extracted in various ways. It is consequently important that PE review suppliers and that these suppliers comply with our supplier code of conduct, which specifies guidelines for environmental and health and safety considerations.

PE then manages purchasing, transportation and installation of goods and services. We can choose which goods and services we purchase and whether we want to purchase local products and how these should be installed and used. These choices are made in line with our office policy.

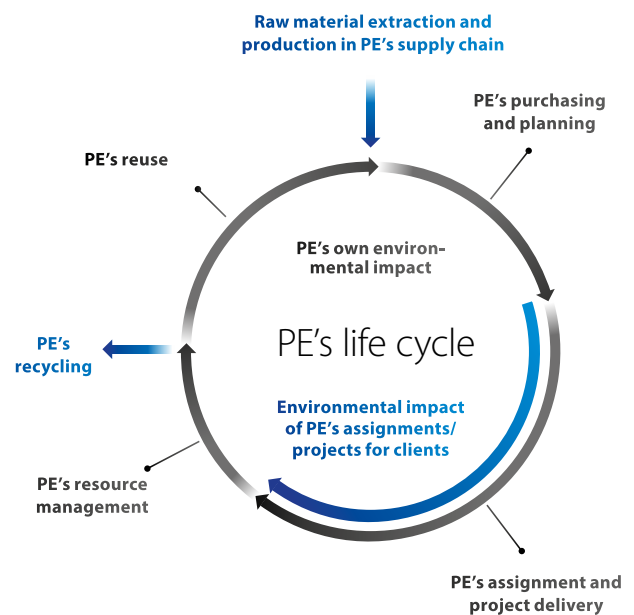
This is followed by the usage phase, in which PE uses electricity, heating, cooling, transport, furnishings, computers and telecoms, consumables, food and drink, and other services. The largest negative environmental impact of PE's activities in this phase is our business travel. However, this phase also contains our largest positive environmental impact, our contribution to our clients' environmental performance.

In the next phase, PE manages used-up resources, which largely consist of cardboard, paper and household waste from

10 Safety and preparedness

How we work proactively with issues of safety and preparedness in our business to ensure continuity. This includes data security-related measures. This work is led by our safety manager and each division has a contingency plan in place.

the office kitchen. Computers and screens are leased and are therefore managed as resources to be reused. PE sorts its waste, which helps ensure it can be recycled in the final phase of the life cycle. We ensure compliance with the Waste Regulation by means of legislation compliance checks.



Collaboration in society

We can and want to contribute to building a sustainable society. In cooperation with our stakeholders, we take responsibility for the future through innovative and sustainable solutions and also make a direct link to our strategic platform.

12 Social advocacy and analysis

This topic covers our interaction with actors in society, such as universities, trade associations and the KVIST network, founded by PE in 2015.

Another aspect relates to how we conduct social advocacy and share insights. One example of this is the Society Barometer, in which we annually ask, compile and highlight how Sweden's population perceives societal development.

Our work on social advocacy and analysis enables us to contribute to positive societal development, in addition to our day-to-day business. This work is also important for our own business intelligence, our organisational learning and in creating credibility together with other parties that share our aims.

External initiatives supported and contributed to by PE:

- KVIST, is a network for female engineers and architects that aims to inspire students and professional women to share their experiences and make new business contacts. The long-term goal is to encourage more women to apply to work in the industry.

- PE's consultants contribute as guest lecturers and supervisors at institutions including KTH Royal Institute of Technology, Chalmers University of Technology, Campus Nyköping, Newton, Hermods, Plushögskolan and INSU (previously known as IUC).
- Several initiatives as part of our membership of EIT Climate-KIC.
- Initiative for a Swedish agenda for resource-efficient plastics management through IVA, The Royal Swedish Academy of Engineering Sciences

Membership of industry organisations

- Sweden Green Building Council, SGBC
- EIT Climate-KIC
- IQ Samhällsbyggnad, IQS
- 100Gruppen
- Federation of Swedish Innovation Companies
- UN Global Compact
- LFM30



13 Transparency and stakeholder engagement

This topic involves us communicating with our stakeholders methodically and transparently. This enables everyone from investors and clients to prospective employees and cooperation partners to assess and consider if they wish to enter into an agreement with us. We have two main tools for this: Ongoing stakeholder engagement and analysis, and an annual sustainability report.

Stakeholder engagement and analysis

Our stakeholders are people and groups on whom we depend to be able to achieve our goals. That's why we engage continually with them. This is an important tool for ensuring that we are relevant to our stakeholders and helps us understand what priorities we should make going forward. Once a year we document and compile our insights in a stakeholder analysis. PE has identified eight stakeholder groups. These are the same as last year and are described in the list below.

- **Owners:** Our shareholders, represented in the form of PE's Board of Directors
- **Employees:** Our consultants and employees
- **Clients:** Purchase our services and implement our solutions
- **Society:** Citizens in the community in which we are helping to build facilities
- **Financiers & Banks:** Finance investments
- **Cooperation Partners:** Organisations, networks, academic institutions and other actors with which we cooperate
- **Media & Stakeholder Organisations:** Shape opinion and influence other stakeholders
- **State & Government Agencies:** Set the rules and conditions for our business activities

In 2019, for the first time, we have conducted structured stakeholder engagement with our key stakeholder groups (clients, employees and shareholders). This has provided us with a deeper understanding of the expectations we have to relate to compared with previous years, when we conducted an internal interpretation of various elements. These structured stakeholder dialogues have consisted of interviews arranged with one or

more representatives from the stakeholder group. We also used a standardised template to document these conversations and ensure consensus after the interview. Below is a summary of the methods used to identify stakeholders' expectations.

For the Client stakeholder group, we undertook structured stakeholder engagement with representatives from four of our largest clients. We also conducted an analysis of requirements/expectations from clients in tender request documentation. Dialogue is maintained continually in our assignments.

Employee expectations have been identified through a voluntary questionnaire for employees to express views about PE's sustainability work (response rate of 41 percent) and an understanding of employee expectations compiled by the management of each division.

Owners' expectations have been identified through an interview with PE's chairman.

For the stakeholder group Society, an interpretation based on the Society Barometer, a study carried out annually by PE together with Kantar SIFO, in which people living in Sweden give their views about their towns and cities from a citizen's point of view.

We have based the expectations of Financiers & Banks, Cooperation Partners and State & Government Agencies on internal analysis.

We have based the expectations of the Media & Stakeholder Organisations on business intelligence and external studies.

OPE's sustainability report

We have chosen to produce our sustainability report based on GRI (Global Reporting Initiative) guidelines, which require us to ensure reliable and comprehensive reporting and the highlighting of material topics. For us, it is in the projects we undertake that, together with our clients, we develop solutions designed to last for the long term.

Another key principle of our reporting is balance. We should be proud of what we have achieved, but we should also highlight what we have not succeeded in. We still have important work to do to achieve our goals and contribute to sustainable development.

Find out more about the principles for our sustainability report on page 35.



Remediation of contaminated soil

At the request of Mora municipality, PE has carried out an environmental inspection and remedial action within the former Ströms sawmill area, which has been heavily contaminated. The site is in central Mora, right next to the picturesque lake Siljan. The work we have carried out has been extremely important to minimise the risk that the contamination poses in the area. The remediation work has been made possible through grants from the Swedish Environmental Protection Agency.

The former Ströms sawmill area has been assigned risk classification 1 following soil environment inspections that were previously undertaken. This is based on methodology for inventory and risk classification of contaminated sites, indicating very significant risk of impact on the environment and health. In 2018 the site was third on Dalarna's list of priority contaminated sites.

The sawmill area was demolished and Mora municipality has built a number of homes there since the 1990s. There is a local development plan for the site as residential land and parkland over an area of approximately 50,000 square metres. The area is

mainly contaminated with dioxins as a result of previous sawmill operations. The dioxins pose a threat to those living in the area and to the soil environment, and represent significant risk of dispersal to Saxivken.

How PE has minimised contamination risks

PE has now carried out remediation of the contaminated soil, minimising the risks that the contaminants pose to those living in the area, and this has made it possible to continue building homes there. We have contributed most of the expertise in this highly challenging project. We provided an environmental verifier and deputy project manager, and have helped in; producing tender request documentation, establishing the implementation description for how remediation will be carried out, acted as an adviser on environmental issues and been in contact with Dalarna County Administrative Board and the Environment Unit in Mora/Orsa municipality. The remediation measures for the former sawmill area have been divided into stages, with the third stage due to be carried out in 2021.



”

I ensure that contaminated soil and water don't harm wildlife, the natural environment or people.

Interview with environmental engineer Sophie Andersson

Sophie Andersson works as an environmental engineer at PE and is an authorised environmental sampler for soil and groundwater. Her task is to ensure that contaminated land and polluted water do not harm people, wildlife or the natural environment. She is one of the team working on the remediation of an area of contaminated land in Mora.

How did you first become interested in working with the environment?

I've always taken an interest in the environment and studied natural sciences with a focus on the environment at school, and then did a degree in urban planning at KTH Royal Institute of Technology, specialising in soil and water engineering. After graduating I first worked as a tailings engineer, modelling increases in the storage of mine tailings. I did that for a short while and was then inspired by a friend who was working as an environmental engineer, so I changed direction. I've been working as an environmental engineer since 2013.

What's the most important aspect of your job?

Ensuring that contaminated land and water don't harm wildlife, the natural environment or people. As an environmental sampler I'm out in the field a lot of the time, conducting soil environment inspections of properties, either before construction or for current or disused industrial production. At the moment my work includes assessing groundwater, soil, surface water, pore gas and sediment within or around the property. This is in order to assess the contamination situation, which could affect the environment.

What are you doing in the project involving the old sawmill area in Mora?

The area is heavily contaminated with dioxins and the site is in central Mora, right next to lake Siljan. The work the team is doing at the moment is really important for minimising the risks of this contamination for people and the environment. My main duty is as client support for the municipality on environmental issues and I'm coordinating the remediation together with the municipality's project managers. Along with three other colleagues I've also been an environmental verifier over the course of the project.



Name of project: Remediation of former Ströms sawmill site

Client: Mora municipality

Project timetable: 2018–ongoing

Capabilities: Environmental inspection, environmental consulting, project management

Primary Sustainable Development Goals:



(targets 14.1, 14.2, 15.1, 15.3, 15.5)

Management of sustainability work

Sustainability is a cornerstone of PE's Group strategy. The President and CEO has ultimate responsibility, and overall work is managed and coordinated through the Sustainability Council. Each head of division produces a plan of action to achieve established sustainability targets together with employees.

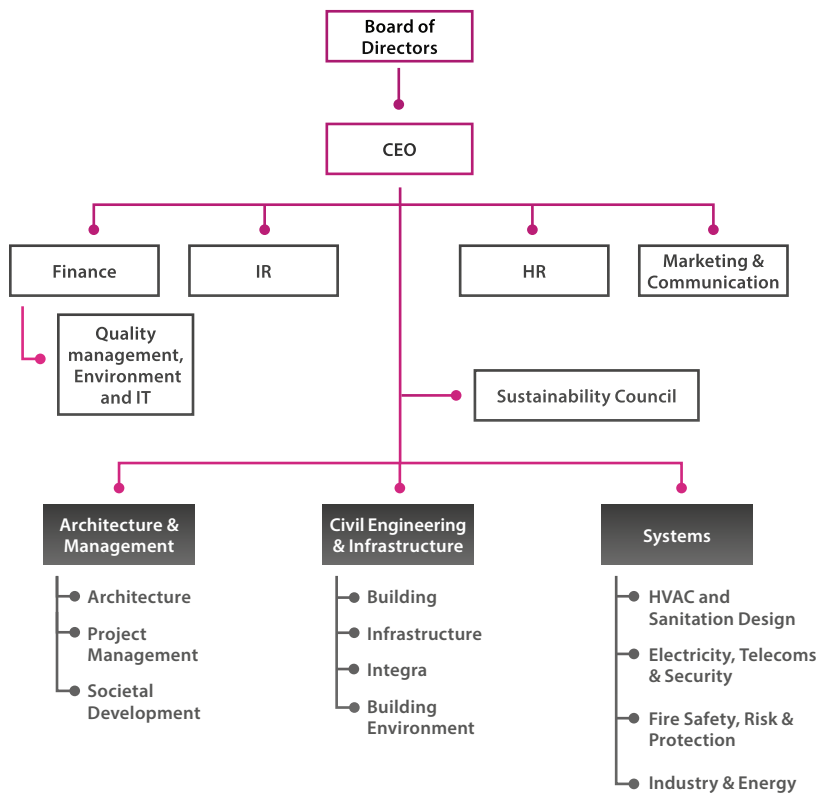
PE's overall goal is to generate long-term value for our stakeholders. Effective corporate governance is a prerequisite for this, and it is characterised by an efficient organisational structure, internal control and risk management systems and transparency.

The Group's corporate governance is based on Swedish legislation and the Articles of Association, as well as other relevant laws and regulations. Governance is exercised via the AGM, the Board of Directors and Chief Executive Officer in accordance with the Companies Act, the Articles of Association and the Swedish Corporate Governance Code.

PE's policies are guided by the procedure set out in our policy hierarchy. The policies are reviewed at least annually in conjunction with the constitutive Board meeting or as required.

The business and its processes are described in the business system, in which governing documents and guidance are linked to each subprocess to make it easier for employees to access the relevant information.

In the annual business planning and budget process, targets and plans are established which are then adopted by PE's Board of Directors.



Key organisational changes during the year

In 2019 PE implemented a number of significant changes with the aim of creating a cohesive, efficient and profitable company.

The biggest change involves the consolidation of former operating businesses into the Group, becoming a single operating company, PE Teknik & Arkitektur AB, which is wholly owned by Projektengagemang Sweden AB. In conjunction with this, around 20 brands from previous acquisitions were also consolidated into a single brand.

During the year Integra Engineering AB, with around 200 employees across 10 different locations, was integrated into the Group. The acquisition, PE's largest ever, was made in December 2018. Mats & Arne Arkitektkontor AB, with just over 20 employees at two locations, was also acquired and integrated.

The Group is also undertaking a large project to bring offices in the same locations under one roof. In 2019 this initiative saw the consolidation of offices in locations including Örebro, Uppsala och Malmö, reducing the number of offices from just over 70 to around 40.

Three new business areas were created during the year: Fire Safety, Risk & Protection under the Systems division, Societal Development under the Architecture & Management division and Building Environment under Civil Engineering & Infrastructure. Industry & Energy has gone from being a separate division to being a business area under the Systems division.

The Group functions Strategy & Business Development, Marketing, Communication, Business Development and Acquisitions & Integration were grouped together as Business Support, which at the end of the year was disbanded with only the Marketing & Communication function remaining.

Assessment of sustainability management

We continually measure the outcome of this work in order to assess and adjust its management. For each sustainability topic there are indicators and targets that we continually monitor (quantitative measurement). Stakeholder engagement is an important additional tool that provides us with a more qualitative picture.

The role of the Sustainability Council is to take overall strategic responsibility for all aspects of sustainability and to coordinate the relevant work. Ultimate responsibility rests with the President and CEO. The Sustainability Council has now been in place for over a year, and in that time it has transformed the

way in which sustainability is managed within the Group. We believe the creation of the Sustainability Council was a positive move, and that sustainability has become a more integral aspect of our business strategy, corporate governance, operations and our client offering.

In 2019 we took further steps towards integrating sustainability management into key processes and corporate governance. We have devoted significant efforts to digitalising and harmonising our business system, which facilitates compliance, keeps content relevant and encourages usage. In the framework of business planning work, action plans linked to quality, environment and sustainability have been drawn up based on the Group's shared and prioritised sustainability targets.

Binding requirements

Our business is guided by a number of requirements from our stakeholders that we have to meet. This may involve legal requirements, but also aspects that we must ensure to continue operating our business. We have a firm basis from which to meet these requirements in a purposeful way via our business system, entirely consistent with ISO 9001:2015 and 14001:2015. Every year we undergo an external audit. We view this as a good way of verifying our work in this field.

Binding environmental requirements are handled within the environmental management process, under which we commit to undertake an energy audit, legislation compliance review for waste management, and a supplier assessment of our critical suppliers.

Binding requirements related to social factors and personnel concern gender equality, employee work environment including health and safety, and training opportunities, which are subject to work environment legislation. As an employer we also have a responsibility regarding work adaptation and rehabilitation issues. These requirements are managed within the framework of the employee process.

Our code of conduct requires us to comply with the code of ethics established by FIDIC* to respect basic human rights and operate in line with the UN Declaration on Human Rights, ILO's** core conventions and the UN Convention on the Rights of the Child.

Efforts to combat corruption and irregularities are regulated by our code of conduct.

*International Federation of Consulting Engineers

**International Labour Organisation

PE's contribution to the UN Sustainable Development Goals

The urban planning sector has a significant impact on the environmental, social and economic aspects of our society. For instance, the construction industry accounts for almost 40 percent of energy-related carbon dioxide emissions. As a consultant and knowledge partner in the early stages of projects, we have significant opportunities to contribute to more sustainable societal development through our assignments.

The UN's 2030 Agenda for Sustainable Development has been increasingly established as a central framework for sustainability in the public and private sectors in line with the Sustainable Development Goals. Together we now have 10 years to meet these goals, which Sweden has adopted along with the rest of the world's nations. It is therefore important that decisions taken today are analysed based on these goals and how they can be met.

In light of this, PE has an important role in providing consulting and we use these goals as the basis for our sustainability work. We do this to contribute towards individual goals within various services,

but also in overall strategic sustainability services with system analyses that cover all the goals at the same time. The latter point is important in identifying and managing the synergies and competing objectives that inevitably occur in various urban planning aims. We try wherever possible to identify opportunities to make positive contributions to the goals and not just minimise our negative impact.

Below we provide more details of our contributions to both overall goals and their targets. This is not comprehensive but provides some examples of how we actually contribute to the Sustainable Development Goals through our business.



PE's contribution to SDG 3

Good Health and Wellbeing

Good health is a basic requirement for people's ability to achieve their full potential and contribute to the development of society. Investment in health, for example through healthcare systems, is a reinvestment in the general development of society. In addition, the best possible health, including necessary health care, food, water, clean air, sanitation, hygiene and medication, are basic rights.



PE contributes to **target 3.9** "By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination".

We achieve this in part through the advice we provide which reduces the use of hazardous chemicals and increases the use of electricity from renewable sources, requires approved materials and products, as well as our work to improve the interior environment of buildings in our assignments.

Example project: Electrical project planning and HVAC and sanitation design for a new healthcare building at Danderyd Hospital, Stockholm County, Locum



PE's contribution to SDG 5

Gender Equality

Gender equality is a goal in itself and essential for sustainable and peaceful development. Gender equality is achieved when women, men, girls and boys have equal rights, conditions, opportunities and power to shape their own lives and contribute to the development of society. This involves fair distribution of power, influence and resources in society.



PE contributes to **target 5.1** "End all forms of discrimination against all women and girls everywhere" and **target 5.5** "Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life".

We do this both through our own values and how we work with them within the company and in projects.

Our policy on diversity and gender equality ensures that all employees understand PE's approach. We also work with gender equality through external networks and in construction projects. You can find out more about this work under sustainability topic Equality.

Example project: PE's involvement in KVIST (kvist.se)



PE's contribution to SDG 6

Clean Water and Sanitation

Water is essential for all life on Earth and is therefore essential for sustainable development. Water is also vital for global food production and energy generation.



The target to which we make the greatest contribution in this regard is **6.3** "By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally" and **target 6.4** "By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity."

Our positive contributions mainly take place through our assignments in landscaping, 'Blue Green' nature-based solutions, water purification, analysis of soil contamination, geotechnical surveys and HVAC and sanitation design. By using natural infiltration on property land we can significantly increase the reuse of surface water locally and stimulate local ecosystems, which relieve surface water networks. This requires fewer chemicals and less energy to purify water in water treatment plants.

Example project: Feasibility study of how property owners can work with water-efficient properties. Blue House: water-efficient properties, Climate-KIC



PE's contribution to SDG 7

Affordable and Clean Energy

Economic development today is very strongly linked to energy needs and increased greenhouse gas emissions. Although this link needs to be broken, Sweden has a large percentage of energy-intensive primary industry and is a sparsely populated country with significant transport needs.



Through our assignments we contribute to **target 7.1** "Ensure universal access to affordable, reliable and modern energy services", **target 7.2** "Increase substantially the share of renewable energy in the global energy mix" and **target 7.3** "Double the global rate of improvement in energy efficiency".

This contribution is made through a number of our services. For example, in the development of renewable energy technology and facilities and energy efficiency improvements, property development and certification assignments, as well as charging infrastructure for electric vehicles.

Example project: Lead designer for the pioneering Viva housing project in Gothenburg using Riksbyggen's Positive Footprint Housing innovation platform



PE's contribution to SDG 9

Industry, Innovation and Infrastructure

Sustainable industrial development is hugely important now that the Earth's planetary limits have been exceeded in four areas and we have to meet or social needs such as income, work, housing, food and health. In addition, effective and sustainable infrastructure generates multiple positive effects and supports our social networks, accessibility to cultural facilities and sport, as well as opportunities to travel and transport goods sustainably. To manage this type of development we need access to economically feasible, reliable, sustainable and modern energy services and sustainable transport systems.



The targets to which PE can contribute include **target 9.1** "Develop quality, reliable, sustainable and resilient infrastructure" and **target 9.4** "By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes".

We are involved in expanding reliable, sustainable and resilient infrastructure and adapting industry to make it more resource-efficient through the introduction of clean environmentally sustainable technologies and industrial processes. As part of this work, PE is a member of organisations such as the PaperProvince innovation cluster that focuses on sustainable solutions for the Swedish forest products industry.

Example project: Project design of ERTMS (European Rail Traffic Management System) in the Polcirkeln and Stockaryd control areas for the Swedish Transport Administration



PE's contribution to SDG 10

Reduced Inequalities

Exclusion of various groups in society through the lack of equality undermines trust and participation in the development of society and the use of social functions. This can happen as a result of factors such as ignorance, preconceived or extreme views. In a sustainable society we need to share influence and resources evenly and grant everyone equal rights and opportunities irrespective of gender, religion, disability, age, ethnicity or other factors.



Our assignments allow us to support **target 10.2** "Empower and promote the social, economic and political inclusion".

We can generate these contributions in our projects on urban and area development, property development, tenant customisation and in our work and development of our organisation.

Example project: Operational development for social impact and long-term sustainability, August No Stress Surf Café



PE's contribution to SDG 11

Sustainable Cities and Communities

Urbanisation is continuing both in Sweden and internationally, with an extensive impact on demand for technological development and resource intensity. Over half of the world's population now live in urban areas. By 2050 this is expected to have risen to 70 percent. Towns and cities often spearhead developments and act as a hub for innovation and new ideas. This rapid and significant migration to cities is giving rise to new requirements that need to be met in an ecologically, economically and socially sustainable way. Growing towns and cities can create new opportunities for economic growth, but can also add to greater social inequalities and pressures on ecosystems. Sustainable urban development comprises sustainable construction and planning, including housing, public spaces such as parks and squares, transportation, food and cultivation, recycling and safer handling of chemicals, which requires institutional capacity and new technology.



The targets to which our projects contribute include **target 11.6** "By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management", and **target 11.7** "By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities".

Our guidelines and tools allow us to create functional, secure and attractive environments for people. We undertake projects within property and area development across all development phases over a property's life cycle, from improvements to undeveloped land and new-build construction to the refurbishment and modernisation of existing buildings and property development. For cities and communities to become sustainable, we try to link different issues so that buildings and the space between buildings, transportation, retail, schools and other functions function as a whole. Sometimes this results in it not being possible to optimise a particular issue but in a greater overall benefit to society.

Example project: Lead designer and developer of the construction frame for Citygate, the Nordic region's tallest office, with extensive social responsibility, Gothenburg, Skanska



PE's contribution to SDG 12

Responsible Production and Consumption

The transition to more sustainable consumption and production of goods and services is essential to reduce the negative impact on the climate and environment, as well as on human health. More sustainable consumption and production results in efficient use of resources, consideration of ecosystem services that are essential to the provision of resources from our ecosystems and reduced impact from hazardous chemicals. This not only results in environmental advantages but it can also provide social and economic advantages such as greater competitiveness, global development of business, increased employment and health improvements. Sustainable patterns of consumption and production are therefore also essential to transition to a green economy and for sustainable development.



The targets that PE contributes to include **target 12.4** "By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment", and **target 12.5** "By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse".

PE contributes through our assignments in product development and production-related services. We work for the efficient use of resources, consideration of ecosystem services and reduced impact from hazardous chemicals through the use of environmental databases such as BvB, Basta and Sundahus. We aim to oversee consumption and waste management in our own business processes using our office policy.

Example project: Smart recycling of solar energy and water, Citypassagen, Castellum, Örebro



PE's contribution to SDG 13

Climate Action

Climate change is a threat affecting all development of society. In addition to reducing greenhouse gas emissions, which is a global issue, we also need to manage local issues relating to climate change adaptation. Expected climate change will result in threats to property in low-lying locations and there are risks of changes in precipitation and our food supply.



Our assignments enable us to contribute to **target 13.1** "Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters" and **target 13.2** "Integrate climate change measures into national policies, strategies and planning".

We do this through climate change adaptation projects both as part of urban planning and landscaping, and together with our clients by supporting renewable energy, energy efficiency improvements and resource efficiency. In addition, we also contribute to strategic development within politics and business through our policy experts in resource and climate policy.

Example project: 'Blue Green' solutions to reduce flooding and drought, Västra Götaland region, EIT Climate-KIC



PE's contribution to SDG 15

Life on Land

Biological diversity is vital for the Earth's systems for supporting life and our current and future wellbeing is dependent on this, as set out in the convention on biological diversity. Long-term sustainable use of natural resources and ecosystem services is an important factor as many of the world's ecosystems are degraded. Biological diversity contributes to greater resilience of ecosystems. Supplying humanity's need for food, energy, water, minerals, medications and renewable raw materials, without undermining biological diversity by sustainably using and supporting ecosystem services while reducing greenhouse gas emissions are therefore significant challenges.



The targets that PE contributes to **are target 15.2** "By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally" and **target 15.5** "Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species".

We can require FSC-certified timber from sustainable forestry and in our landscaping assignments we can stimulate ecosystems and biological diversity, for example by offering urban and landscape analysis, utilisation reviews, project design (including 3D), natural infiltration of surface water, plant plans with local hardy and non-invasive species and land descriptions, green space factor calculation, care and maintenance plans. In other words, we are also trying to the greatest extent possible to generate positive contributions to the wellbeing of ecosystems in our assignments, including by strengthening urban ecosystem services and nature-based solutions in urban development.

Example project: Landscape architect and water/wastewater project planning for Viksjö surface water area, in which we are helping to increase treatment and retention of surface water before it runs into the Bällsta river, Järfälla municipality

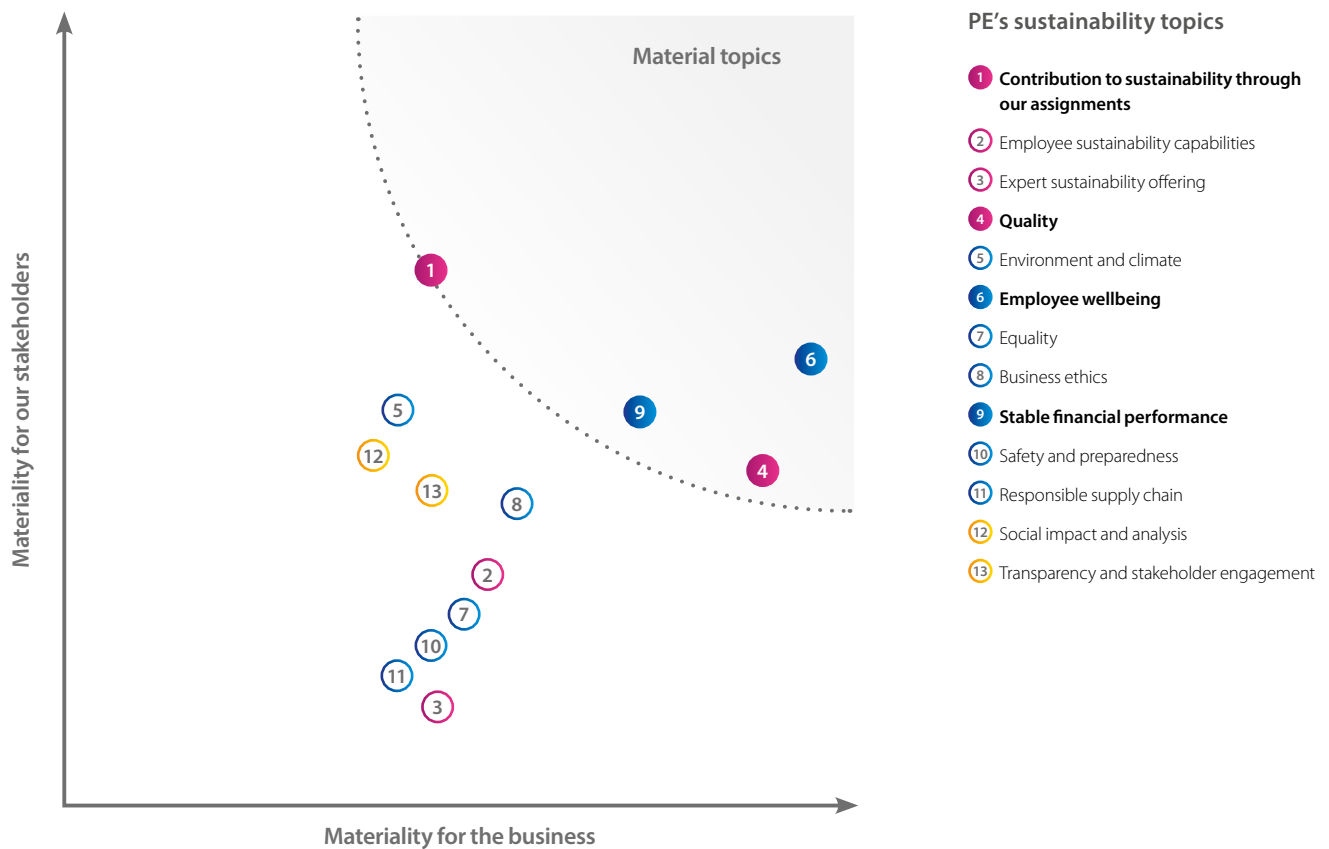
Priorities

We use the materiality analysis as the basis for prioritising our sustainability work. This takes account of both our stakeholders' expectations of us and materiality for our business.

For us, sustainability is a long-term, holistic issue. We endeavour to improve on all aspects of sustainability, and continually measure outcomes to ensure that we are moving in the right direction. Prioritisation in the materiality analysis helps us see whether our sustainability work has the right aims and focus. The materi-

ality analysis applies a weighting to our sustainability topics, with our material topics being those aspects that are most important for both stakeholders and the business. The materiality analysis forms the basis for how we prioritise our development work.

PE 2019 materiality analysis



Material topics

Materiality analyses are based on a stakeholder analysis and an analysis of sustainability from a business perspective.

The stakeholder analysis is based on documented stakeholder engagement with representatives from our key stakeholder groups. For other stakeholder groups, we have conducted an in-house analysis based on our business intelligence and surveys. Find out more about the method used for stakeholder engagement and analysis on page 19. Compilation of the results includes a weighting of stakeholder groups, with expectations from employees, clients, shareholders, the state and government agencies, financiers and the society stakeholder group factored in.

Our senior business leaders applied the business analysis to assess each sustainability topic based on the possibility of reducing risk, increasing our relevance, reducing costs or increasing

revenue as a way of quantifying the significance of the economic, environmental and social impact. The analysis was conducted by each division's management team in connection with the business planning process.

The 2019 materiality analysis identified four topics of sustainability as being material; employee wellbeing, quality, stable financial performance and sustainability contribution through our assignments. A number of large development projects have focused on this over the year. You can find out about some of these in the 2019 highlights on pages 8–9 and about each topic on pages 14–19.

Material risks

	Material risks	Opportunities
Employee wellbeing	<ul style="list-style-type: none"> • Risk of high employee turnover • Risk of difficulty recruiting the right skills • Risk of lower utilisation rate due to illness • Risk of deficient quality in our services due to carelessness and lack of commitment 	<ul style="list-style-type: none"> • Ability to increase quality in our services • Ability to attract and retain employees
Stable financial performance	<ul style="list-style-type: none"> • Risk of not meeting our stakeholders' expectations regarding the economic value we create and benefits in the form of wages for employees, returns for shareholders, tax for the state and government agencies, etc. 	<ul style="list-style-type: none"> • Ability to invest in the business and employees • Ability to grow and create more jobs • Ability to manage innovation and cooperation
Quality	<ul style="list-style-type: none"> • Risk of us not delivering the quality our clients expect and needing to make writedowns. 	<ul style="list-style-type: none"> • Exceeding our clients' expectations and building trust and relevance
Contribution to sustainability through our assignments	<ul style="list-style-type: none"> • Of us not taking the long-term responsibility that our stakeholders expect • Of not contributing to sustainable development 	<ul style="list-style-type: none"> • Greater relevance for our clients • Contributing to greater credibility as an urban planner

We take active measures to reduce the negative impact and support the positive impact of our material sustainability risks.. Find out more about each sustainability topic on pages 14–19.

We take active steps in our day-to-day business to support employee wellbeing. For instance, in 2019 we focused on leadership development and introduced a group-wide training programme for all our managers. We also rolled out a heart rate monitoring tool to track employee welfare on a weekly basis. The tool also helps identify cases of discriminatory treatment towards employees.

We managed risks relating to stable financial performance in 2019 by continually reviewing and streamlining our organisation. As part of this, we undertook an extensive consolidation of the business in the spring. This included reducing the number of operating companies, scaling down the number of offices and going from 20 brands to a single brand. The fourth quarter also saw the launch of an extensive cost saving programme in order

to reduce our cost base prior to 2020. In total, the efficiency measures we introduced involving personnel reductions and cost savings in 2019 will reduce our cost base by approximately SEK 70 million for the full year 2020 compared with 2019.

We implemented significant measures to mitigate quality-related risks in 2019. Extensive measures were implemented in connection with the consolidation of companies to harmonise and digitalise our business systems. We also introduced a digital contract management system to strengthen our quality management.

During the year we took further steps to integrate sustainability targets and management into the line organisation in order to increase the contribution we make to sustainability through our assignments. Under this sustainability topic, each division has developed action plans to further bolster the contribution we make.



Digitalisation of Stockholm's schools

Together with SISAB, Assa Abloy and Great Security PE has developed a solution for a digital decentralised key management system for Stockholm's schools. The new solution not only saves time and money, but also cuts carbon dioxide emissions by around 30 tonnes a year.

SKOL (Sisab Keys OnLine) is a digital decentralised key management system for SISAB's operating spaces. Instead of travelling back and forth to SISAB's headquarters to sign for and return keys, keys are managed digitally. The project covers the installation of electronic key cabinets and an electronic locking system at almost 600 properties comprising 3,000 buildings in total.

From assessment to finished system

PE's assignment has included all stages, from assessment, procurement and the construction stage to the final system. We have contributed expertise in project design of the security system, design of the key cabinet and the electronic locking system, as well as technical project management for contracting and contract inspection.

Calculation of reduction in carbon emissions

The solution has drastically reduced car journeys in Stockholm. Since the project started two years ago, 54,000 key handovers have taken place directly on site, without having to go via SISAB's headquarters. The innovative solution saves time, money and, above all, reduces the environmental impact of car journeys in the city. Approximately 30 tonnes of carbon dioxide a year have been cut as a result of less driving by contractors.



It's great knowing you've helped cut carbon emissions by 30 tonnes a year

Interview with Section Manager Kenneth Nilsson

Someone who has been involved in the project from the outset is PE's Kenneth Nilsson. He works as Section Manager for the Electrical, Telecommunications & Security business area in Stockholm.

What's the best thing about working as Section Manager?

There's a lot of good things about it. What I like is being able to be involved and having the opportunity to have a real influence. I enjoy leading a team and finding ways to support the professional development of employees and help the business continually progress.

You've been involved in the 'SKOL' project since it started; are you able to also work on projects despite being a manager?

Absolutely, I'm also involved in leading projects as an assignment manager, mainly in telecommunications, which I specialise in. It can be difficult to find the time for both aspects, but as a manager I'm able to manage my own time, which helps. As section manager I work in a team with the group managers and set out strategies and ideas for sales and bids for tenders. We help one another and they're a nice bunch who really look out for each other and for our clients.

The project has been up and running for quite a while; what has been the best thing about it?

Yes, it's been running for almost three years and digitalisation projects are always interesting.

I really enjoy the process of working towards the goal, but it's also a nice feeling to see what the project has achieved. It's great knowing you've helped cut carbon emissions by 30 tonnes a year!



Name of project: SKOL – digitalisation of schools

Client: SISAB

Project timetable: 2016–2020

Capabilities: Electrical, Telecommunications & Security

Primary Sustainable Development Goals:



(targets 4.6, 13.2)

Sustainability targets and outcomes

We work using long-term sustainability targets, which we measure and analyse annually. We then plan and implement improvements.

Financial performance and anti-corruption

Economic value	2018 outcome	2019 outcome	2020 target
Net revenue, SEKm	1,224	1,348	–
Distributed value, SEKm			
Employees	786	945	–
Shareholders	57	0	–
Suppliers	347	322	–
State & government agencies	11	3	–
Lenders	6	12	–

Anti-corruption	2018 outcome	2019 outcome	2020 target
Communication and training on code of conduct	20%	20%	100%

Analysis and measures: In conjunction with the IPO, management and key personnel received training in anti-corruption measures, and policies communicated to the organisation were also updated in connection with this. The target is for 100% of them to have undertaken anti-corruption training by 2020.

Environment

Direct CO₂ emissions (Scope 1)	2018 outcome	2019 outcome	2020 target
Travel by road vehicle (tonnes of CO₂ equiv.)	392	302	
Travel by plane (tonnes of CO₂ equiv.)	124	179	
Travel by train (tonnes of CO₂ equiv.)	3	3	
Total	519	484	340

Analysis and measures: We adhere to a policy of reduced use of road vehicles and increased train travel. However, flights are still increasing, but the total footprint is decreasing and we expect to achieve the 2020 target.

Indirect CO₂ emissions (Scope 2)	2018 outcome	2019 outcome	2020 target
Electricity for office-based operations (tonnes of CO₂ equiv.)	18	45	–

Analysis and measures: Following the integration of businesses we had a larger number of offices, which contributed to increased electricity consumption. In 2019 we started the PE Offices project, under which we are bringing divisions in the same regions under the same roof in fewer offices, which will have a positive effect on consumption in 2020.

GHG emissions intensity	2018 outcome	2019 outcome	2020 target
Emissions per employee	510	460	310
Carbon dioxide emissions per person, Sweden	530	450	–

(Source: Swedish Environmental Protection Agency)

Analysis and measures: Our previous target is based on an annual reduction of 10%. Given current global emissions data, we would need to reduce our emissions by 15% a year. We intend to take account of this in our forthcoming review of targets.

Supplier review	2018 outcome	2019 outcome	2020 target
Percentage of suppliers that have received and accepted PE's supplier code of conduct	1%	41%	100%

Analysis and measures: By introducing a group-wide agreement system we now have the ability to view the entire supply chain for our critical suppliers.

Social factors and personnel

Health and safety	2018 outcome	2019 outcome	2020 target
Number of accidents per 1,000 employees	0	0	0
Industry average, occupational injuries per 1,000 employees for Architectural and Technical Consulting Businesses	0.3	0.25	–

(Source: Swedish Work Environment Authority)

Analysis and measures: To be valid, an occupational injury report must be confirmed by the employer. We suspect there are significant unrecorded figures for reports of psychosocial ill health. We take measures to prevent the occurrence of psychosocial ill health, including through manager and leadership development, continual employee reviews and regular employee surveys.

Sickness absence	2018 outcome	2019 outcome	2020 target
Sickness absence	3.9%	3.7%	Lower sickness absence than the average for Sweden
Average for Sweden, absence due to sickness	4.1%	3.9%	–

(Source Sweden: Confederation of Swedish Enterprise & Ekonomifakta)

Analysis and measures: Sickness absence has decreased slightly compared with last year. Our aim is to continue this positive trend by carefully tracking and endeavouring to improve employee wellbeing.

Discrimination	2018 outcome	2019 outcome	2020 target
Number of reported cases of discrimination	0	0	0
Number of reported cases of discrimination, Sweden	2,475	2,661	–

(Source: reports to DO)

Analysis and measures: We have not received any reported cases of discrimination, in line with our target. Based on the weekly employee survey, there are indications of discriminatory treatment being experienced.

Collective agreements	2018 outcome	2019 outcome	2020 target
Percentage of employees covered by collective bargaining agreements	75%	100%	100%
Sweden, private sector, percentage of salaried workers covered by collective agreements	84%	87%	–

(Source: Swedish National Mediation Office)

Analysis and measures: The consolidation into a single company in 2019 means all employees are now covered by collective agreements.

Gender balance (Women men)	2018 outcome	2019 outcome	2020 target
Board of Directors	29% 71%	33% 67%	The gender balance should be 40/60 percent or more even
Management	39% 61%	42% 58%	
All employees	29% 71%	30% 70%	
Gender balance among professional architects and engineers:			
Executive positions	27% 73%	27% 73%	–
All	35% 65%	35% 65%	

Analysis and measures: We continually endeavour to support a more even gender balance among our employees and in our management groups, based on our diversity and gender equality policy.

About this report

Report information

This report covers Projektengagemang Sweden AB's business operations from 1 January 2019 to 31 December 2019 and complies with the guidelines of international organisation Global Reporting Initiative (GRI). The report has been prepared in accordance with GRI Standards at the application level of Core and GRI Standard's 10 reporting principles:

1. Stakeholder Inclusiveness

Sustainability topic **Transparency and stakeholder engagement** we describe what measures we take to include our stakeholders. Under **binding requirements** and **priorities** we highlight expectations from our stakeholders and how we relate to and meet these.

2. Sustainability Context

The section **Sustainability Targets and Outcomes** includes relevant comparative figures to put our outcomes in context. We also show how our work contributes to Sustainable Development Goals targets.

3. Materiality

The **Priorities section** reports the significance of our sustainability topics for our stakeholders and the impact on our business compiled in the materiality analysis.

4. Completeness

Our 13 **sustainability topics** define all of our sustainability work, which we set out in this report.

5. Accuracy

The information in this report is accurate. We have endeavoured to have a consistently even and sufficient level of detail so our stakeholders can assess our performance.

6. Balance

The **Sustainability Targets and Outcomes** section refers to both positive and negative aspects of our outcomes.

7. Clarity

Our ambition has been to systematically include the information required for our stakeholders to gain a good overview without having to refer to too many other sources.

8. Comparability

Where we have historical data we have purposely chosen common standard indicators to provide comparability between years.

9. Reliability

This report has been reviewed by the company's auditors in conjunction with the annual accounts. The targets and metrics that we report are included in our business systems and are compiled centrally each year.

10. Timeline

Our last sustainability report was published in April 2019. We produce our sustainability report annually in conjunction with our annual accounts.

Unless stated otherwise, the information in this report covers all PE's wholly owned companies in Sweden, including acquisitions completed before 1 January 2020. The acquired companies included in the report for the first time are Integra Engineering AB and Mats & Arne Arkitektkontor AB.

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General standard disclosures

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Disclosure 102-4	Location of operations	p. 5	
Disclosure 102-5	Ownership and legal form	p. 22	
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Disclosure 102-7	Scale of the organisation	p. 5	
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Disclosure 102-11	Precautionary principle or approach	–	PE does not manufacture products
Disclosure 102-12	External initiatives	p. 18	
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Disclosure 102-48	Restatements of information	p. 34	We provided the incorrect figure for direct CO ₂ emissions in 2017
Disclosure 102-49	Changes in reporting	–	No changes in reporting
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PE is one of Sweden's leading engineering and architecture consulting firms. As urban planners, we create innovative and sustainable solutions shaping the development of cities, infrastructure and industry. We are represented throughout Sweden, and in 2019 we generated revenue of just over SEK 1.3 billion. PE was founded in 2006 and is listed on Nasdaq Stockholm. Find out more at [pe.se](https://www.pe.se).

