

Sustainability Report 2020

Our energy
never ends



Sustainability

OX2 wants to promote the energy transition with the aim of slowing global climate change and benefiting both the planet and people. By constantly increasing access to renewable energy, OX2 is promoting the transition towards a more sustainable future.



OX2's sustainability strategy focuses on three areas: People, Planet and Profit. The company also links its operations to the 17 sustainable development goals of Agenda 2030.

People

The year's focus has been on the reporting of accidents and incidents as well as the implementation of preventive measures and an increased number of internal audits.

The company has taken extensive measures at all of its workplaces to reduce the spread of Covid-19. It has also focused on the psycho-social health of its employees, with OX2 offering digital yoga classes, digital mindfulness and encouraging exercise and good ergonomics as many work from home.

Local support is key to ensuring a successful project and due to the current pandemic, consultations and meetings with local residents have been held online.

Planet

The greatest environmental impact occurs during the construction phase as this requires materials, manufacturing, transport and – frequently – the felling of trees; each of these elements has its own carbon footprint. Intrusion can be minimised by optimising the design of projects on the basis of the specific criteria for each site. A great deal of importance is also placed on the regulation and follow-up of sensitive work such as tree felling. Early in a project, OX2 makes it a priority to find local quarries in order to reduce transport and to identify measures for restoring and promoting biodiversity.

Profit

The company works continuously to influence opinions and participates in the social debate in order to pave the way for renewable energy. This includes reducing obstacles to the realisation of projects, such as unpredictable permit processes for wind power and power grids.

OX2 develops and designs projects cost-effectively without sacrificing measures to reduce the carbon footprint. It is also of vital importance that the company maintains outstanding business ethics in its operations.

UN Global Compact and Agenda 2030

In order to provide a clear manifestation of the importance of working towards collective global sustainability goals, OX2 has now committed itself to the ten principles of the UN Global Compact which are divided into Human Rights, Labour Rights, Environment and Anti-corruption.



OX2's work to achieve the global goals

Goal	Relevance	Impact
 Goal 1. No poverty		By promoting decent and meaningful work in the supply chain and helping to bring about positive change in the local community, OX2 can make a contribution towards social protection and financial resources for men, women and children (SDG 1.2).
 Goal 2. No hunger		By replacing fossil fuels with renewable energy, global climate change will be slowed, which will help to maintain ecosystems and the quality of agricultural land for food production (SDG 2.4).
 Goal 3. Good health and well-being		OX2 is using preventive efforts such as mindfulness training and wellness allowances to promote physical and mental health and well-being for its employees (SDG 3.4).
 Goal 4. Good education for all		OX2 is safeguarding the supply of skills in the industry by means of involvement in the Swedish "Become a wind power technician" initiative, in order to ensure that relevant skills and professional expertise are available in a growing market (SDG 4.4).
 Goal 5. Gender equality		As OX2 is an expanding company that appoints personnel regularly, the company has a major opportunity to get involved in issues relating to gender equality. Making the workplace as equal and inclusive as possible presents both a challenge and an opportunity for OX2. This also includes giving equal opportunities for leadership, irrespective of gender (SDG 5.1, 5.5).
 Goal 6. Clean water and sanitation for all		Provision of both air and water is being reduced as fossil fuels are being replaced with renewable energy. Taking a great deal of care with regard to operations in and near to water and handling chemicals responsibly during construction work is allowing OX2 to minimise its impact on waterways in areas in which renewable energy plants are established (SDG 6.3).
 Goal 7. Sustainable energy for all		OX2 is making a significant contribution to increasing the percentage of renewable energy on the markets in which the company is active, and it is also creating conditions on other markets by driving development and cost reductions (SDG 7.2).
 Goal 8. Decent working conditions and economic growth		OX2 is helping to bring about economic growth and productive employment. The company has an important role to play in setting clear requirements for decent working conditions throughout the entire value chain (SDG 8.5).
 Goal 9. Sustainable industry, innovation and infrastructure		The expansion of renewable energy is leading to reinforcement of regional and local power grids and roads, which is helping to enhance human well-being and local economic development and provide jobs (SDG 9.1).
 Goal 10. Reduced inequality		As the company grows – both in size and in geographical terms – there are opportunities to even out gender distribution mismatches and promote diversity in order to reinforce our workforce and ensure social inclusion (SDG 10.2).
 Goal 11. Sustainable towns and communities		Extensive inventories of the project site are performed before establishing wind power. Both natural and cultural aspects are documented and highlighted so as to ensure that these areas are protected during ongoing design, engineering and construction. Assets that were previously unknown in areas have been identified on many occasions (SDG 11.4).
 Goal 12. Sustainable consumption and production		Wind is an infinite natural resource that produces no emissions, and it is used for large-scale energy production. After 6–8 months, a wind turbine generates the amount of energy that was required for its production and construction. OX2 has good opportunities to define requirements for its suppliers and encourage suppliers to introduce sustainable methods to the production process (SDG 12.2, 12.6).
 Goal 13. Climate action		Large-scale wind power is a significant, cost-effective climate action and OX2 is one of the leading stakeholders in northern Europe. OX2 is working actively to create conditions to allow climate action to be integrated in policies, energy strategies and community planning (SDG 13.2).
 Goal 14. Sea and marine resources		Both onshore and offshore pollution will be reduced by replacing fossil fuels with renewable energy. Taking a great deal of care and maintaining a cautious approach during construction and operation is allowing OX2 to prevent marine pollution caused by its operations (SDG 14.1).
 Goal 15. Ecosystems and biodiversity		Extensive inventories are performed as part of every project in order to identify protected species, and a great deal of care is taken when felling trees in order to protect natural habitats. There is a great deal of potential in taking action to promote biodiversity in connection with construction work, even though the climate benefit provided by renewable energy and the contributions this energy makes to combating climate change provide the biggest benefit for the continued survival of many species (SDG 15.5).
 Goal 16. Peaceful and inclusive communities		Being responsive and inclusive when making decisions on wind power is a prerequisite and crucial to local acceptance. Democratic support for recipients of community funds is of major importance (SDG 16.7).
 Goal 17. Implementation and partnership		OX2 works with many different partners, all of which share a single goal: to expand renewable energy. Switching energy systems requires a systematic approach and involves everything from state and private landowners and utility companies to contractors, suppliers and investors (SDG 17.17).

People

2030 goal	Follow-up on 2020	Priorities in 2021
<p>Relations with the local community</p> <p>Creating positive local involvement in projects</p>	<p>During the 2020 pandemic, a large number of local meetings were organised online. Visits to a school near a wind farm in southern Sweden were organised to raise awareness of renewable energy and the energy system among high school students. In connection with this, materials were produced for children explaining how wind power works. A number of open houses were also organised for local residents to describe and demonstrate the construction of a wind farm.</p>	<ul style="list-style-type: none"> • To ensure local involvement and presence in projects by inviting people to information meetings, school visits and open days. • To ensure that contractors and suppliers engaged demonstrate social responsibility and show consideration for the local area; ensuring feedback is given in the event of a complaint. • To increase the number of local jobs.
<p>Health & safety</p> <p>No serious accidents or injuries</p>	<p>In order to achieve the goal of vision zero for serious accidents and injuries, the focus has been on increased reporting and follow-up. The number of internal audits has also increased. In 2020, seven (zero) serious accidents, 50 accidents and nine lost time accidents (one) were reported by OX2's subcontractors during construction projects and operations. The health index for 2020 shows a high level of work attendance at 98.44% (99.2) 65% of the wellness allowance was used.</p>	<ul style="list-style-type: none"> • Increased awareness of occupational health and safety in the company due to training and key personnel conducting audits at construction sites. • High levels of work attendance and little long-term sick leave through increased use of wellness allowances, provision of mindfulness training and yoga. • To implement ISO 45001 certification.
<p>Diversity & gender equality</p> <p>Fair representation of under-represented groups in recruitment for and staffing of senior positions</p>	<p>In addition to the management team, a Leader Forum has been established; one of its aims is to develop self-leadership for managers, i.e. making them better equipped to manage themselves. The focus is also to actively work with OX2's values. The rate of recruitment has remained high, with the company increasing from 139 to 182 employees during the year. At the end of the period, 40% were women (35). Of the six members of the management team, one is a woman. Of the six members of the Board of Directors, one is a woman.</p>	<ul style="list-style-type: none"> • To implement projects to increase knowledge, awareness and commitment of diversity and inclusion among the management team and managers, ensuring fair representation of under-represented groups.
<p>Non-discriminatory culture</p> <p>Zero tolerance against discrimination and harassment</p>	<p>In order to simplify the reporting of harassment and offensive treatment of employees and suppliers' personnel working on projects, a reporting structure has been established for each project. During the year, one case of offensive treatment was reported at one of the projects; it was immediately dealt with and followed up by the project manager. Another instance of victimisation was reported and investigated by an external party, but there was no evidence for further investigation. One case of harassment was reported during the year and was dealt with by the management team.</p>	<ul style="list-style-type: none"> • To continue to work on OX2's values and culture to ensure that discrimination or harassment does not happen. • To increase the level of knowledge within the organisation regarding different types of harassment and victimisation in order to identify and deal with them at an early stage. • To work systematically to manage risks.

Data in brackets refers to 2019



2030 goal	Follow-up on 2020	Priorities in 2021
<p>Renewable energy generation</p> <p>To increase the amount of renewable energy and create profitability with minimal environmental impact.</p>	<ul style="list-style-type: none"> • Funding was secured for six wind farms, equivalent to 329 MW, in 2020. • Seven wind farms of approximately 518 MW (119) were completed and handed over to the purchasers on schedule. • The wind farms for which OX2 has management contracts produce 4.09 TWh (2.1) annually. 	<ul style="list-style-type: none"> • To implement projects, optimised on the basis of the specific criteria for each project, in order to create maximum benefits in relation to the impact required.
<p>Environmental law</p> <p>Integrated environmental management system for all OX2 operations</p>	<p>In 2020, the Swedish company renewed its ISO 14001 certification. A forum for environmental coordinators was created to share experiences and lessons learned between projects.</p>	<ul style="list-style-type: none"> • To begin the expansion of ISO 14001 to include all of OX2's operations in other countries.
<p>Carbon footprint</p> <p>Striving for a net zero carbon footprint</p>	<p>In 2020, a feasibility study was conducted on how to calculate the carbon footprint. At eleven wind power projects, the felling of trees was examined to gain a picture of the impact and variation between projects. The focus on the carbon footprint of tree felling has resulted in clearer manuals, reviews with suppliers and follow-up. All Swedish projects have used quarries within the project area to reduce emissions from transport.</p>	<ul style="list-style-type: none"> • To create a better understanding of our impact on biodiversity and to implement a strategy and vision for OX2's work on climate benefits and biodiversity. • To optimise logistics and materials handling by securing the use of quarries in or near the projects. • To measure OX2's greenhouse gas emissions in scope 1, 2 and 3 according to the GHG Protocol.
<p>Onshore and offshore emissions</p> <p>To minimise waste and virgin material</p>	<p>No serious environmental emissions or oil spills occurred within the projects. There were 33 (9) minor environmental accidents reported during the year in construction projects and operations. One example of a minor environmental accident is an oil spill which does not have a lasting environmental impact. During the year, 52 incidents were reported, such as cases of non-compliance with project procedures. The minor spills that occurred were managed and cleared up in an environmentally sound manner. Self-monitoring and preventive work have worked well during both construction and operation. The deviations noted have been remedied.</p>	<ul style="list-style-type: none"> • To measure the use of virgin materials and production of hazardous waste in the projects in order to set targets for reduced use in the following year.



2030 goal	Follow-up on 2020	Priorities in 2021
<p>Long-term profitability</p> <p>Increasing the amount of renewable energy on the market by evaluating new technologies and new markets as well as expanding the existing market</p>	<ul style="list-style-type: none"> • Net sales totalled SEK 5,201 million (4,906) • Operating profit was SEK 416 million (371) • Increased renewable energy on the market by commissioning 518 MW (109) of new wind power. 	<ul style="list-style-type: none"> • To increase the amount of renewable energy in existing and new markets by expanding the project portfolio.
<p>Influencing opinion</p> <p>Being a knowledge leader in the field of sustainability in the renewable energy sector</p>	<p>OX2 gets involved in social debate, trade associations, partnerships and conferences in order to pave the way for renewable energy. The company is active in several trade associations for solar and wind power, as well as Vindkraftens Klimatnyttta (Wind Power Climate Benefit Network) in Sweden.</p>	<ul style="list-style-type: none"> • To enter into cooperation with the Swedish Society for Nature Conservation. • To explore the possibility of cooperation with WWF. • To actively participate in the Wind-Europe group for sustainability and to work with the sector to create the prerequisites for a sustainable renewable energy system.
<p>Anti-corruption</p> <p>To maintain outstanding business ethics</p>	<p>By encouraging self-leadership, mindfulness and the establishment of an open and transparent culture, the company ensures that employees will signal concerns in grey areas, thereby preventing behaviour escalating into a risk or problem. No issues regarding inadequate business ethics or whistleblower cases were reported in 2020.</p>	<ul style="list-style-type: none"> • To continuously work towards an open and transparent culture. • Following up to ensure that the beneficiary of the community grant from a wind power plant is a well-organised, democratic association. • To implement ISO 9001, quality management.
<p>Sustainable supply chain</p> <p>To actively manage all suppliers through self-evaluation and audits</p>	<p>At the end of the year, OX2 and a number of major operators in wind power jointly launched a pilot project to develop a self-assessment framework for wind power suppliers. The aim is to develop a method and tool for auditing the supply chain which is anchored in the common principles promoted by the trade association. The work began in December and will be completed in the spring of 2021.</p>	<ul style="list-style-type: none"> • To implement self-evaluation procedures in the supply chain. • To review procedures to increase the proportion of local labour in projects.

Data in brackets refers to 2019

Risks

The renewable energy industry is dependent on the general global economic and political situation. Access to capital, financing conditions and the willingness to invest may affect OX2's ability to sell projects. Risk management is an integral part of decision-making at all levels within OX2. Project management, monitoring and follow-up procedures are designed to reduce business risks and implementation risks. The company conducts a comprehensive risk analysis annually; this is also discussed with the Board of Directors.

Risk description	Impact	Management
STRATEGIC & MARKET RISKS		
Changing macroeconomic environment		
The renewable energy sector is dependent on the political and economic situation in the world and is therefore affected by factors such as the business cycle, interest rates, electricity prices and exchange rates. A macroeconomic change may affect the willingness to invest in infrastructure projects and renewable energy. Reduced access to capital may make it more difficult to sell projects. An increase in interest rates would make customer financing more expensive.	<ul style="list-style-type: none"> ● Reduced demand for investment in infrastructure and renewable energy 	<p>OX2's size in existing markets, strong market presence and continuous compilation of expertise creates in-depth understanding of the industry's ecosystem, thereby giving it the ability to adapt to different market conditions, as history has shown.</p> <p>OX2's strategy includes conscious diversification in terms of both technology and geography, resulting in a deliberate diversification of risk.</p>
Increased competition		
New entrants to the market or the movement of existing players in the value chain can change the competitive environment. An increased consolidation of turbine suppliers may also affect OX2.	<ul style="list-style-type: none"> ● Increased competition ● Higher costs during the construction process 	OX2 has long worked extensively with a local presence and support for its projects, requiring both time and specialist skills. In turn, this creates strong barriers to entry for new entrants. OX2 is actively working to develop its strategic purchasing efforts, including strengthening supplier relationships and bringing together multiple farms in major procurements.
Reduced availability or increased prices of project rights		
Reduced availability of project rights on the market may result in increasing prices for the purchase of projects under development.	<ul style="list-style-type: none"> ● Acquisition of fewer projects ● More expensive to acquire projects under development 	<p>OX2 maintains a continuous dialogue with developers regarding project rights.</p> <p>Exposure to risk is reduced with a strong position in the value chain, increased geographic expansion and increased investment in the company's own development.</p>
More rigorous permit process		
Laws and ordinances regulate the permit process for establishing wind and solar farms. A more rigorous process affects the timing of projects, the likelihood of obtaining permits and the need for expertise in the permit application process.	<ul style="list-style-type: none"> ● Longer planning period ● More projects not granted permits ● Increased skills requirements ● Greater project costs 	<p>OX2 is lobbying to raise awareness among the authorities and legislators of the impact caused by the increased complexity of the permit process.</p> <p>Ongoing skills development.</p>
More limited power grid access		
Slow development of the power grid impacts the ability to connect wind or solar farms to the power grid. This may make it impossible to establish the farm until the power grid is in place, even if other permits are obtained.	<ul style="list-style-type: none"> ● Realisation of fewer projects 	All projects which the company develops have a plan to connect the farm to the power grid. The authorities and grid owners are being lobbied to speed up the expansion and reinforcement of the electricity grid.

Risk description	Impact	Management
OPERATIONAL RISKS Delays in construction processes		
<p>The construction process for the wind power infrastructure is not entirely predictable and a number of factors can affect scheduling and execution.</p>	<ul style="list-style-type: none"> ● Delays in the construction process ● Higher project costs 	<p>In all construction projects, OX2 puts a project organisation in place to follow up on the work. Suppliers are well known and reputable, experienced in their respective areas of responsibility. A very high proportion of the work conducted is contracted prior to the start of construction. The schedules for completion have margins of time built in. Established contracts ensure an acceptable level of risk for OX2.</p>
Accidents at work		
<p>OX2's employees and contractors may be affected by accidents during projects, with the worst-case scenario being death or injury, including chronic illness which reduces the quality of life or length of life.</p>	<ul style="list-style-type: none"> ● Loss of expertise 	<p>OX2 works to ensure a high degree of awareness regarding occupational health and safety within the company as well as among stakeholders across the value chain. Reported deviations are analysed in order to improve efforts to prevent injury, focusing on the creation of a culture where safety is key. Requirements for contractors' work environment and safety work are regulated in the contracts.</p>
Impact on individuals and species in nature		
<p>Projects may have an adverse effect on the occurrence of species and individuals in nature.</p>	<ul style="list-style-type: none"> ● Reduced acceptance of wind or solar projects by society in general 	<p>OX2 shows great respect for the environment and nature during project construction, taking every effort to minimise its impact on biodiversity.</p>
Expansion-related impact on culture, leadership and skills requirements		
<p>Rapid expansion into new markets and with new technology may make it difficult to sustain the company-wide culture and leadership philosophy. Expansion into new markets and with new technology also creates a need for new expertise and leadership skills.</p>	<ul style="list-style-type: none"> ● Ambiguity in culture and leadership ● Lack of appropriate expertise 	<p>OX2 strives to achieve a culture based on a common set of values and leadership philosophy. Key to this leadership philosophy are self-leadership and the capacity to strengthen global digital collaboration. During expansion, the focus is on the integration of culture and leadership. OX2 is working continuously to follow up on skills requirements and development of the strategy for skills development. With increased opportunities for digital work, OX2 also has greater opportunities for recruitment on the global skills market.</p>

The auditor's report concerning the mandatory sustainability report

To the Annual General Meeting of OX2 Group AB, corp. reg. no. 556675-7497

Task and division of responsibility

The Board of Directors is responsible for the sustainability report for 2020 and for ensuring that it is compiled in accordance with the Swedish Annual Accounts Act.

The scope and approach of the audit

Our audit has been conducted in accordance with FAR's recommendation RevR 12 Auditors report on the mandatory sustainability report. This means that our audit of the sustainability report has a different approach and a significantly smaller scope than the approach and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We consider that this audit gives us a sufficient basis for our statement.

Statement

A sustainability report has been drawn up.

Stockholm, 21 April 2021
Deloitte AB

Jonas Ståhlberg
Authorised Public Accountant



Ponsivuori wind farm in Kurikka, South Ostrobothnia, Finland. Commissioned and handed over to IKEA Finland.

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