



# Annual and sustainability report 2024

# We improve everyday life where it's lived

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Formal annual accounts and consolidated accounts which have been audited by the company auditors, pages 108-206.

The statutory Sustainability Report is defined on pages 134-135 and sustainability information is presented on pages 36-106.

Peab AB is a public company, Company ID 556061-4330. Domicile Båstad, Sweden.

All values are expressed in Swedish krona. Krona is abbreviated to SEK, thousands of kronor to TSEK and millions of kronor to MSEK. Numbers presented in parentheses refer to 2023 unless otherwise specified.

Data regarding markets and the competition are Peab's own assessments, unless another source is specified. These assessments are based on the best and latest available facts from, among others, previously published material.

Cover picture: Johan Marklund

Photographers: Peter Steen, Samuel Unéus, Semren Månsson, Fredrik Rege, Bert Leandersson, Mats Taugard Bakken, Bård Gudim, Progress Media Lab och Cecilia Hedström.

## Four strategic target areas

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### Most satisfied customers

We are close to our customers and meet their needs with sustainable offers. Quality permeates our work methods and end results. The right expertise in the right place is key to success.

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### Best workplace

We are a safe, secure and inclusive workplace rooted in a strong company culture. Leadership takes responsibility and is close to operations. Employees have value-creating and developing work assignments that they complete together.

p. 26

### Most profitable company

We take on the right projects and have the right business mix. Employees work according to quality-ensured work methods that are efficient in every aspect. Through our own resources and internal collaboration we maintain a high degree of value creation. We take advantage of our size and experience.

p. 30

### Leader in social responsibility

As the Nordic Community Builder we drive developments in our industry in matters concerning the climate and environment, ethics, and equal opportunity and inclusion. We work well together with stakeholders in the world around us and stride every day towards a sustainable value chain. With our extensive local presence we are also an important actor in the local community.

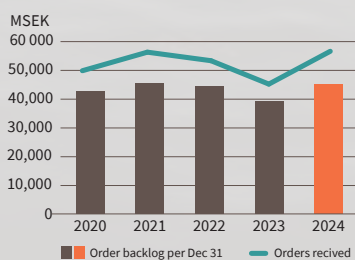
## Financial summary

The Group has different accounting principles in segment reporting compared to reporting according to IFRS for our own housing development projects and for IFRS 16 (previously operational leasing contracts). For more information on the new accounting principles and the differences between segment reporting and reporting according to IFRS, see the Board of Directors' Report and note 3 and note 4.

MSEK	Segment reporting		Reporting according to IFRS	
	2024	2023	2024	2023
Net sales	58,697	58,821	61,283	61,600
Operating profit	2,763	1,853	3,163	2,586
Operating margin, %	4.7	3.2	5.2	4.2
Pre-tax profit	2,425	1,895	2,780	2,586
Profit for the year	2,080	1,414	2,388	1,988
Earnings per share, SEK	7.25	4.92	8.32	6.92
Return on equity, %	13.3	9.5	15.7	14.1
Equity/assets ratio, %	37.1	34.0	34.6	29.4
Net debt	9,118	8,676	11,253	14,537
Net debt/equity ratio, multiple <sup>1)</sup>	0.5	0.6	0.7	1.0
Cash flow before financing	2,601	-1,317	6,744	2,655
Dividend per share, SEK <sup>2)</sup>	2.75	1.50	2.75	1.50
Average number of employees	12,899	13,808	12,899	13,808

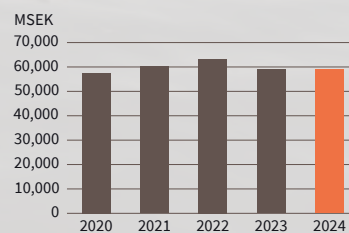
<sup>1)</sup> Net debt in relation to equity. <sup>2)</sup> For 2024, the Board's proposal to the AGM.

### Orders received and order backlog\*

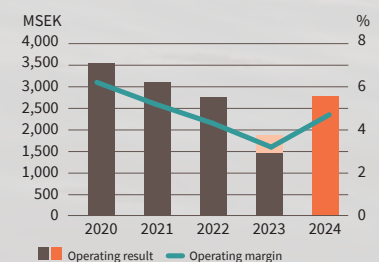


\*\*Refers to segment reporting

### Net sales\*



### Operating profit and operating margin\*



24

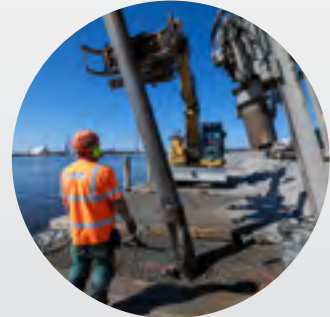
New business plan period for 2024-2026



Peab reiterates its nine external targets during its Capital Market Day



SCA Expansion Obbola wins Construction of the Year



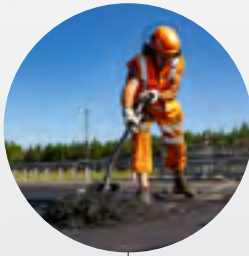
Climate improved concrete becomes standard in Peab's Swedish operations

Peab commissioned to develop New Bodø Airport

Port of Skellefteå first to pile with recycled fossil free steel without carbon emissions



Hit by a landslide, Highway E6 opens for traffic again

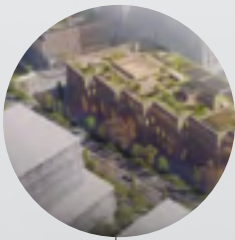


High paving activity on Finnish roads

Peab acquires properties and development rights in Malmö and divests partly owned investment properties

Peab issues new green bonds

Peab and LKAB strengthen strategic partnership regarding industrial investments in the north



Peab commissioned to extend the new station building in Gothenburg

New concept for construction sites launched: ECO-Construction Sites

The Construction Year and trainee program begin





# Our strength lies in our broad business model

During last year Peab continued to build both our own business and our local Nordic communities. At the same time activity varied among our different markets. While demand for new homes was weak, the level of investments in civil engineering, paving and public building construction was high. For 2024 we are reporting improved profit, a strong cash flow and a higher level of orders received, which shows the strength of Peab's broad business model.

The wide variety of contracts and project sizes, the geographic span and in particular the spread between public and private customers contributes to the stability in Peab's business. All in all Group net sales were unchanged for the year, after the business once again began to grow during the second half of 2024.

## **Business development**

Business area Construction could not fully compensate for the weak housing market with other projects, even though the projects where we built everything from schools and sports facilities to hospitals and care homes are many. We have also seen an upswing in security-classed buildings as a

result of the troubled world around us. Business area Civil Engineering benefitted from the many public investments in infrastructure and continued to be highly active in 2024. The business area received a number of major projects like developing the New Bodø Airport, building a new dock in Skellefteå and building a partial stage of the West Link in Gothenburg. In Construction and Civil Engineering construction contract projects we increasingly participate in dialogues early on with customers and can therefore produce even more efficient and sustainable projects.

Profit and the operating margin rose substantially in business area Industry as a result of high activity in paving

**SEK 59 billion**

The Group's net sales were unchanged for 2024 at SEK 59 billion. After a decline in net sales during the first half of the year Peab began to grow again in the second half.

**SEK 2.8 billion**

Operating profit increased to close to SEK 2.8 billion compared to SEK 1.9 billion in 2023.

**4.7 percent**

The operating margin improved to 4.7 percent (3.2)

operations, primarily in Finland where the government released extra funds for road maintenance in 2024. At the same time concrete and rental operations were impacted negatively by the weak housing market.

Sales in our own developed homes continued to be low during the year even though the homes have sold at an even pace. Towards the end of the year we started up several housing projects, a number of which were converted from rental apartment projects on our own balance sheet to tenant-owner apartments. This illustrates that sales opportunities increase as the project approaches completion. For this reason we are further working, keeping our financial targets in mind, under the strategy of starting projects on our own balance sheet to then convert them into tenant-owner apartments. This entails more tied-up capital and deferred effects on profits compared with our traditional method of advance sales before production starts. In business area Project Development two major transactions among our joint venture companies contributed to large capital gains. These are not transactions that reoccur annually but they exhibit our ability to build value over time in Property Development.

During 2024 the level of orders received increased by 25 percent due to two record quarters during the first half-year and despite the weak housing market. This displays once again the possibilities that come with Peab's broad business model.

### New business plan period

2024 was the first year in our new business plan period 2024-2026. Coming into the year we reiterated our nine external targets. Summarizing target outcome we can conclude we did well with important progress made in several areas, primarily sustainability. We're particularly pleased with the notably contracting trend in serious workplace accidents that we will continue to work on to maintain. Our climate and equality targets have continued to move in the right direction as well, and for 2025 we are raising our target regarding recruiting women as skilled workers. Regarding our target for carbon dioxide intensity we are well on our way to converting the production we ourselves have control over but the greater challenge is when we are dependent on other parties for a reduction in our carbon footprint. Both customers and employees alike are pleased with Peab and the outcomes of both CSI och eNPS surpass our targets.

Regarding Peab's financial targets, the operating margin increased significantly to 4.7 percent (3.2) for 2024 compared to the target of 6 percent. The net debt/equity ratio also moved in the right direction and at the end of the year was 0.5, which is in the middle of the target interval of 0.3-0.7. Taking into consideration earnings in 2024, our financial position and future capital needs, the Board of Directors proposes that Peab's Annual General Meeting decide on a dividend of SEK 2.75 (1.50) per share divided into two payments. This corresponds to 38 percent of profit for the year to be compared with our target of more than 50 percent of profit for the year.

### Sustainability as a driving force

Sustainability is and will continue to be a key part of our strategy. During the year we worked on preparing for the new legislation regulating the company's sustainability reporting that has been in force since July 1, 2024. This has included reviewing and updating our material sustainability topics and the structure in this year's Sustainability Report. Our work continues to be based on the UN Global Compact, which we support, and the 17 global goals for sustainable development as well as Peab's Code of Conduct, core values, business concept, mission and our four strategic targets. As a leading Nordic community builder we have a big impact – and thereby a big responsibility. We take this responsibility in our own operations and by making demands in our value chains and in the entire industry. During the year we also made important sustainability strides in our operations. For example, we launched new ECO-offers, continued work on fossil free manufactured steel together with SSAB and started up the second round of The Construction Year which is a trainee program for young women in construction and civil engineering production. We also strive to make our industry safe and sound, regarding both working conditions and competition as well as control in our value chains.

### A future full of opportunities

Prospects for the Nordic construction markets point to an expected improvement in the housing markets during 2025 as lower interest rates take effect, although from a low level. Development in other building construction is expected to be somewhat more diversified even if investments in general are stable. In 2025 civil engineering investments are expected to remain stable on a high level.

I feel confident about the future. As the Nordic Community Builder with deeply rooted values Peab has a strong foundation to stand on. With our own resources and local partners we will continue to develop, do the groundwork and build everyday life where people live their lives. Our four business areas and local roots serve us very well, as the past year has proven.

I want to thank all our employees for their commitment and hard work during the year. Their efforts are essential to Peab's success. I also want to thank our customers and other partners for their confidence in us and their collaboration. Together we will build tomorrow's sustainable communities.

Förslöv in March 2025



**Jesper Göransson**  
President and CEO

# Macro outlook and the market

As inflation leveled out during 2024 the conditions for construction investments in the Nordic region began to brighten. Nonetheless, recovery was weak and splintered between different sectors and in most countries housing construction continued to decline. All the Nordic economies are expected to grow somewhat in 2025 and investments in both building construction and civil engineering are expected to increase.

## Uncertainty about new trade policies

Growth in the global economy is estimated to have been just over three percent in 2024 and the forecast shows similar growth for 2025. This is a clear decline compared to the growth figures from before the pandemic when global GNP growth was around 3.7 percent annually. However, economic growth differs significantly from one country to another. The USA, which in recent years has driven the global economy, is expected to slow down substantially and therefore other economies will have to make up the difference. On the other hand the economy may get a further boost by President Donald Trump's "America first" politics or the trade tariffs may initially create a commotion before the conditions become clear. If policy contributes to extended trade war and an increasing inflation, growth can be affected negatively. China's growth looks like it is losing steam as well, impacted by both the real estate crisis and restrained consumption by households. The forecast for the Eurozone is modest in both 2024 and 2025 compared to global growth and the USA and China. Europe's recovery from weak growth in recent years is challenged by geopolitical uncertainty. The risk of trade tariffs can have a negative effect on exports as well as investments and employment in the region.

## Focus on climate transition

Climate transition and energy efficiency are focal points in the construction and real estate sector. We need to reduce climate

impact in what is being built and make existing structures more energy efficient. Developments are being driven by the industry's competence and initiative together with technological advancements and national implementation of EU legislation. The purpose of the directive is to achieve a fully decarbonised building stock by 2050 at the latest. The social adjustment will be profound. Structures, business models and mindsets will be challenged. The construction process may be affected in many aspects, for example, to a greater degree and in a sustainable way preserving, maintaining and converting existing buildings. This also includes optimizing material consumption, reusing and making extraction and production processes more energy efficient in order to reduce emissions throughout the entire process and on construction sites.

## Investment are still needed despite the cost levels

In addition to the impact of climate change, developments in the construction and civil engineering industry are affected by external circumstances such as innovations, tech developments, laws, changes in attitudes and behavior as well as developments on the market and financial circumstances. Over the past two or three years costs have shot up due to inflation, rising financing expenses and higher material prices. This in combination with a weaker demand has put financial pressure on companies, general contractors, municipalities and property owners. As a result projects have been postponed, including green transition projects. The challenging financial situation has primarily impacted housing construction, but private and public premises projects have been affected as well. Similarly, civil engineering construction has been impacted, but here recovery already began in 2023. Despite these challenges activity in the civil engineering sector has been high during the past year. According to The Swedish Construction Federation, the private sector with investments in energy supply, waterworks and waste management is the driving force behind this growth in 2024. There is an intense need for new production facilities and higher transmission capacity and investments plans are extensive. The need to reinvest in water and pipelines is also vast.



## Receding inflation aided Swedish construction

Declining interest rates and receding inflation had a slight positive effect on the Swedish construction sector during 2024 even though the economy in general continued to be in recession. On the whole the combined building construction volume in Sweden remained more or less the same last year compared to the year before. The most dramatic development was in single homes which continued to diminish considerably from already low levels. Development in other housing construction was basically horizontal. Industrial building construction volumes and investments in private and public premises grew somewhat. In 2025 a broad recovery is expected, with the exception of private premises. Civil engineering investments appear to have increased in 2024 due to a relatively broad upturn in the market with the exception of railroads and post and telecommunication. The forecast for 2025 indicates continued growth.



### The Swedish economy

Economic growth is calculated to have landed at a modest 0.5 percent in 2024 despite the falling repo rate and braking inflation. The Swedish Riksbank lowered interest rates five times during the year, from 4.0 to 2.5 at the end of the year. Despite these positive factors household consumption did not increase, which may be due to dwindling disposable income the past two years and a tangible increase in unemployment in 2024. Gross investments contracted, especially in construction. In all probability the Swedish economy hit rock bottom last year and rapidly receding inflation and a more expansive financial policy create conditions for better growth this year. The forecast for GNP in 2025 indicates an increase of more than 2.0 percent driven initially by household consumption.



### The Norwegian economy

Norway's mainland economy developed weakly in 2024 due to continued high interest rates, high prices and low international demand. All in all economic growth is calculated to have landed at 0.7 percent. Gross investments are believed to have declined but household consumption appears to have grown by more than one percent due to receding inflation and a moderate increase in unemployment. Many signs point to an improvement in the Norwegian economy. The forecast for GPN in 2025 indicates an increase of slightly under two percent. Investments are expected to grow somewhat and household consumption recover, although the effect will be weakened by continued rising unemployment.

## Splintered construction market in Norway

Total building construction investments declined in Norway during 2024. Only public sector premise construction resisted while housing construction, industrial building construction and private premises contracted. Growth is expected in total building construction volumes as the Norwegian economy begins to recover in 2025. The upturn looks like it will be broad and affect both housing construction and other building construction like industrial, private and public premises. It appears civil engineering construction, which is calculated to have increased somewhat in 2024, will also have a positive development in 2025. Last year there was some recovery in roads and railroads, which represents most of investments in civil engineering. The level is still very low, which is why it is reasonable to expect continued recovery in 2025.





## Declining economy affected Finnish construction

The total volume of started-up building construction investments in Finland remained more or less the same in 2024. Developments was splintered among the sectors. Housing construction contracted somewhat due to less apartment building construction. In other building construction industrial and public building construction grew while private premises declined. Recovery is expected on the construction market as the economy once again begins to grow in 2025 and unemployment and interest levels fall. The exception is industrial building construction investments which appear to take a negative turn. Civil engineering is expected to have contracted in 2024 and predicted to turn up slightly in 2025. Road construction developed positively in 2024 and the positive trend will most likely continue in 2025. Railroad investments are believed to have dropped in 2024 and a weak recovery in 2025 is predicted.

### The Finnish economy

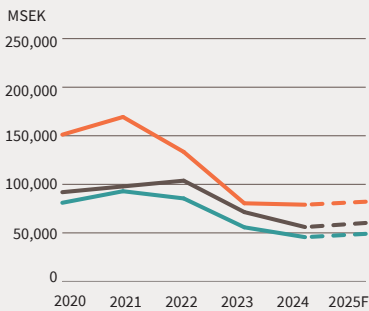
Finland's GNP is calculated to have contracted marginally by 0.5 percent in 2024. Diminishing gross investments was the primary factor behind the contracting economy. For the second year in a row household consumption is believed to have only increased slightly, hampered by rising unemployment and higher interest rates. However, inflation receded during last year which should lead to lower interest rates in 2025. This has a substantial impact on household consumption since a majority of loans in Finland are tied to floating interest rates. The forecast for Finnish GNP in 2025 indicates an increase of slightly more than 1.5 percent. In addition to increased consumption, investments look like they are on the rise.

## Investments 2020-2025F

— Sweden — Norway — Finland \*F=Forecast

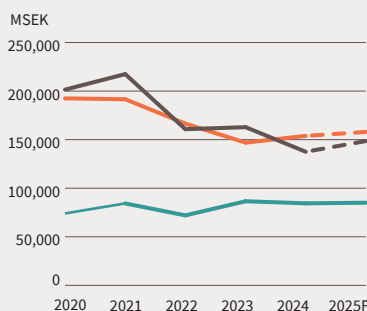
### Housing investments

Initiated construction projects



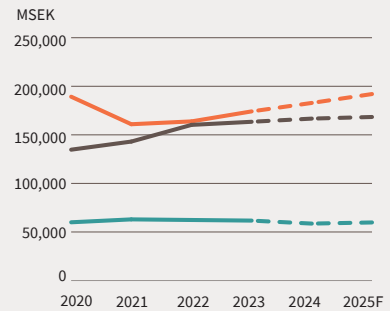
### Other building construction investments

Initiated construction projects



### Civil engineering investments

Ongoing investments



### Danish paving market grows

In 2024 the Danish paving market was on the same level as in 2023. The Danish government will increase paving maintenance by around 25 percent in 2025 compared to 2024. The infrastructure plan IP35 is now in full force and further civil engineering projects will commence in 2025. Over the past two years municipalities have had the same level of investments but due to higher prices the executed volumes have equaled a reduction of 20 to 25 percent. These levels are expected to remain the same in 2025 since municipalities have not reserved more money for paving. The private construction market is expected to grow somewhat in 2025 after a slight downturn in the past years. All in all the Danish paving market is expected to increase by 10-15 percent in 2025.

### Other major players

Although the Nordic construction market consists mainly of a large number of small companies operating under intense competition on local markets there are a few very large, national players in addition to Peab. Several of them also operate more or less on the entire Nordic market.

Source of content and graphics: Navet Analytics AB

# We improve everyday life where it's lived

Peab is a community builder throughout the Nordic region. We create value for our customers and stakeholders as well as the local community by using our strategic strengths and strive for sustainable and profitable growth. This is the foundation of our offer to customers and what makes us attractive to employees.

Our business is founded on four business areas. Each of them is independent with its own customer base but the core of our business model is collaboration on the local market between the business areas. This collaboration provides us with unique opportunities to meet customers' needs and external expectations with our strategic assets, own resources and good control over the entire value chain. This allows us to utilize local resources in the form of our own input goods, our own skilled and engaged employees and local subcontractors. This includes our sustainable offer in the form of our ECO-products, recycling and reuse as well as local social responsibility in the communities we operate in. With our four business areas we can offer customers a wide range and reliability while we increase our productivity and can take advantage of financial and operational synergies. This is how we create long-lasting and sustainable values. This is what we mean by locally produced community building.

**Mission:**

We improve everyday life where it's lived.

**Business concept:**

Peab is the Nordic community builder with a local presence. Focusing on our own resources and local partners we develop, do the groundwork and build everyday life where it's lived.

**Positions:**

Locally produced community building and the Nordic community builder.

**Core values:**

Down-to-earth, Developing, Personal and Reliable are Peab's fundamental values that our operations are built on.



# Peab's collaborating business areas

Peab's business model is made up of four collaborating and specialized business areas structured according to the conditions on each of their markets and organized according to geography and product segments. For developments and results in 2024 please see The Board of Directors' Report.

## BUSINESS AREA CONSTRUCTION

### Builds locally close to customers

With local roots close to customers business area Construction does contract work for both external and internal customers. Construction projects include everything from new production of housing, public and commercial premises to renovations, extensions and rebuilding as well as construction maintenance. The business area's operations are run through some 150 local offices all over the Nordic region, organized in eleven regions in Sweden, three in Norway and two in Finland. There are specialized entities in housing production in Stockholm, Gothenburg and the Öresund region.

#### Trends and driving forces

- Better conditions for new housing production as interest rates drop but recovery will take time.
- Continued considerable need for public sector construction.
- Participating in large portion of partnering projects in earlier stages.
- Focus on the environment and climate-adapted construction projects, reuse and energy efficient buildings.
- Increasingly digitalized process from the drawing board to production.

#### Peab's position

One of the largest actors in construction in Sweden. Peab has considerable operations in Norway and Finland.

Net sales

SEK **23.8** billion

Operating margin

**1.7 %**

Number of employees

**4,681**

Read more

**pp. 113–115**

## BUSINESS AREA CIVIL ENGINEERING

### Ties people and communities together

Business area Civil Engineering builds and maintains infrastructure such as roads, railroads, bridges, ports as well as pedestrian and bicycle paths. Focused on the local market, operations do landscaping and pipelining, foundation work and diverse construction. Operation and maintenance handles national and municipal highways and street networks as well as tends parks and outdoor property. The business area is organized in geographic regions and specialized product areas.

#### Trends and driving forces

- Continued major investments in public infrastructure.
- Participation in larger portion of partnering projects in earlier stages.
- Strong and continually growing focus on climate and environmental measures.
- Significant investments in water and wastewater plants.
- Several industrial projects that are important for the green transition.
- Continual need for operation and maintenance of roads and streets.
- Larger portion of the market consists of big and complex projects.

#### Peab's position

Leading civil engineering actor in Sweden and among the larger actors in Norway.

Net sales

SEK **16.5** billion

Operating margin

**3.0 %**

Number of employees

**3,365**

Read more

**pp. 116–118**

**BUSINESS AREA INDUSTRY**

## Offers products and services with lower climate impact

Business area Industry delivers products and services for a more sustainable and cost-efficient production of construction and civil engineering projects on the Nordic market. Its offer includes industrial construction, strategically placed quarries, asphalt and concrete, recycling of surpluses from the construction and civil engineering industry, prefabricated concrete elements as well as rental of construction equipment and cranes. Industry is organized in product areas and consists of a number of brands such as Swerock, Peab Asphalt, Lambertsson, Smidmek and Byggelement with trademarked products like ECO-Asfalt, ECO-Betong (ECO-Concrete) ECO-Ballast (ECO-Mineral Aggregates) and ECO-Prefab.

**Trends and driving forces**

- Market development is driven by the economy in general and public investments.
- Greater demand for climate-improved services and products in construction and civil engineering projects.
- Growing portion of electric vehicles and equipment as well as more energy efficient establishment of construction barracks.

**Peab's position**

One of the leading actors in all segments in Sweden. Strong position in Finland and operations in Denmark and Norway.

Net sales	Operating margin
SEK <b>21.5</b> billion	<b>6.6 %</b>
Number of employees	Read more
<b>4,581</b>	<b>pp. 119–121</b>

**BUSINESS AREA PROJECT DEVELOPMENT**

## Develops sustainable urban environments, homes and commercial properties

Business area Project Development is responsible for the Group's acquisition, development and divestment of housing, commercial property, community buildings and entire city districts. Project development takes place in wholly owned projects or with other partners in joint ventures. Housing Development develops homes for private homebuyers and investors while Property Development develops commercial property.

**Trends and driving forces**

- High inflation and interest rates in recent years continue to have a detrimental effect on demand for newly produced housing.
- The underlying need for housing has been substantial and constant over time but predicted lower population growth will likely reduce the need somewhat.
- The need for community buildings continues to significant but investments are affected by the public sector's financial state.
- The market for offices continues to be tentative but there is a certain demand for modern, flexible and environmentally-adapted offices in good locations.
- Development is characterized by sustainable urban development, sustainable construction and environmentally certified buildings.

**Peab's position**

One of the largest housing developers in Sweden with significant operations in both Norway and Finland. Peab is a growing actor in commercial property development in Sweden, Norway and Finland.

Net sales	Operating margin
SEK <b>4.3</b> billion	<b>17.0 %</b>
Number of employees	Read more
<b>145</b>	<b>pp. 122–127</b>

## Advantages of Peab's business model

Collaboration between business areas in the processing chain and local presence are two of the cornerstones in our business model. They generate synergies in our operations and give us the tools to reduce our negative environmental and climate impact and promote positive social development. We achieve our targets across the board by having a highly processed collaborating business. Here is a list of the advantages of Peab's business model.

- Higher degree of processing
- Revenue and risk diversification
- Investment opportunities and financing strength
- Local production through local resources (input goods and employees)
- Innovation and product development capabilities
- Experience exchanges
- Scale advantages and economies of scale
- Jobs and local development
- Ability to steer towards sustainability
  - Good work environment and safety
  - Lower environmental and climate impact
  - Ethical business
  - Greater equal opportunity and diversity

### Our suppliers

Number, approximate figures

# 41,500

#### Suppliers 2024

- of which 3,400 framework and call-off contracts
- 3,000 suppliers represent 80 percent of the Group's purchasing volume

# 260

#### Purchase categories

- of which 6 are strategic input goods

#### Geographic allocation:

- Swedish: 60 %
- Norwegian: 13 %
- Finnish: 24 %
- Other countries: 3 %

## Highly processed business in collaboration

Our own products, expertise, input goods and services throughout the processing chain



### Our business areas



Construction



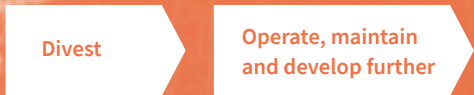
Civil Engineering



Industry



Project Development



**Our employees**  
Number

**13,000**

**Our customers**

Number, approximate figures

**18,000**

Customers 2024

- of which public sector: 2,000
  - of which private sector: 16,000
- Does not include private persons*

**1,400**

Projects 2024

- Refers to construction and civil engineering contracts as well as housing and property development projects
- Includes started-up, completed and projects ongoing throughout 2024.

Geographic allocation:

- Swedish: 68 %
- Norwegian: 9 %
- Finnish: 19 %
- Danish: 4 %

**Our targets**



Most satisfied customers



Best workplace



Most profitable company

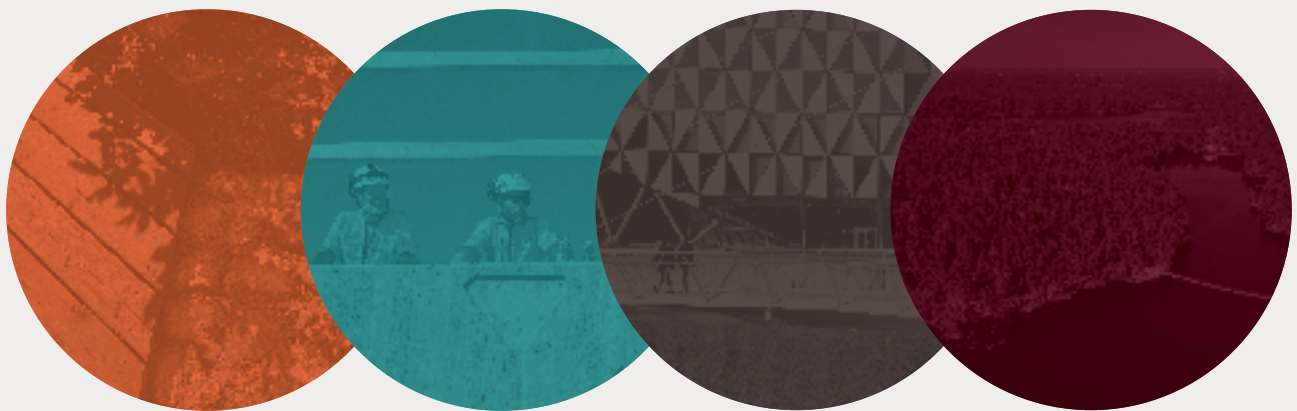


Leader in social responsibility

# Working together to meet targets

The opportunities for us to achieve our targets grow when our four business areas collaborate with each other and when we as a Group work together with customers, suppliers and other prioritized stakeholder groups.

Peab reports the performance of our business by monitoring nine external targets, of which three are financial, and are based on segment reporting, and six are non-financial. The non-financial targets comprise our sustainable targets. We particularly want to highlight the external targets and they are subset of all our targets and action plans. Both the external and internal financial and non-financial targets are categorized under the strategic targets; most satisfied customers, most profitable company, best workplace and leader in social responsibility. All the targets are measured in comparison to the construction and civil engineering industry.



## Most satisfied customers

We are close to our customers and meet their needs with sustainable offers. Quality permeates our work methods and end results. The right expertise in the right place is key to success.

## Best workplace

We are a safe, secure and inclusive workplace rooted in a strong company culture. Leadership takes responsibility and is close to operations. Employees have value-creating and developing work assignments that they complete together.

## Most profitable company

We take on the right projects and have the right business mix. Employees work according to quality-ensured work methods that are efficient in every aspect. Through our own resources and internal collaboration we maintain a high degree of value creation. We take advantage of our size and experience.

## Leader in social responsibility

As the Nordic community builder we drive developments in our industry in matters concerning the climate and environment, ethics, and equal opportunity and inclusion. We work well together with stakeholders in the world around us and stride every day towards a sustainable value chain. With our extensive local presence we are also an important actor in the local community.



# How we achieve our targets

Our employees are fundamental to our ability to achieve our targets. It's their work and efforts that create value for our customers, other stakeholders and society. Together we focus on a number of Group strategic areas to develop our business and achieve the targets we have set.

For Peab 2024 has entailed continued development of the collaboration between business areas, geographic cooperation and transitioning operations to becoming environmentally and socially more sustainable. The continued challenging market situation in some areas has meant that we have both worked to increase the efficiency of our operations and to position ourselves to be even better prepared to seize opportunities when they arise. We have made significant progress in all four of our strategic targets during the period, even if not all targets have been met. Target fulfillment for 2024 displays several important advances in sustainability, despite the challenging market conditions that characterized the year. Particularly gratifying is the clearly declining trend regarding serious workplace accidents. For the full year 2024, these continued to decrease and amounted to 33 (48). We will continue to work to ensure that this declining trend persists. Our climate and gender equality targets have also continued to develop in the right direction, and for 2025 we are raising the target regarding recruiting women as skilled workers. Regarding our target for carbon dioxide intensity we are well on our way to converting the production we ourselves have control over but the greater challenge is when we are dependent on other parties for a reduction in our carbon footprint. Both customers and employees alike are pleased with Peab and the outcomes of both CSI och eNPS surpass our targets.

Regarding Peab's financial targets, the operating margin increased significantly to 4.7 percent (3.2) for 2024 compared to the target of

six percent. The net debt/equity ratio at the end of the year was 0.5, which is in the middle of the target interval of 0.3-0.7. Taking into consideration earnings in 2024, our financial position and future capital needs, the Board of Directors proposes that Peab's Annual General Meeting decide on a dividend of SEK 2.75 (1.50) per share divided into two payments. This corresponds to 38 percent of profit for the year to be compared with our target of more than 50 percent of profit for the year.

We still have a ways to go to reach our set targets. Nonetheless we are convinced that our business model and strategy are spot on. When the market is normalized in our segments we have good prerequisites to achieve our nine external targets.

## New business plan period

Our current business plan is for the period 2024-2026 and our primary areas are customer focus, sustainability and sustainable offers and efficiency. Collaboration amongst our business areas is key to success in all these areas. We have also established two Group-wise development programs that aid these advances. The first is "Climate Road Map and strategic input goods" which, by breaking down our climate targets into practical action plans and measures, is aimed at ensuring we reach our climate targets and at safeguarding access to critical input goods. The other program is "Quality-ensured and traceable value chain", which both supports the first program and contributes to our structured work and Peab's responsibility in our value chains.

Target areas	Target	2024	2023	2022
<b>Most satisfied customers</b>	CSI >75	78	80	80
<b>Best workplace</b>	Contracting trend, serious accidents <48	33	48	49
	eNPS >benchmark	28	26	29
<b>Most profitable company</b> <sup>1)</sup>	Operating margin >6%	4.7%	3.2%	4.3%
	Net debt/equity ratio 0.3-0.7	0.5	0.6	0.5
	Dividends >50% of profit for the year	38% <sup>2)</sup>	30% <sup>2)</sup>	56%
<b>Leader in social responsibility</b>	Carbon dioxide intensity for our own production -60% (cf. base year 2015)	-50%	-49%	-43%
	Carbon dioxide intensity for input goods and purchased services -50% (cf. base year 2015)	-12%	-9%	-2%
	Equal opportunity >5,0% share of women (SW)	10.6%	14.2%	7.9%
	Equal opportunity >30,0% share of women (WCW)	39.1%	18.8%	45.3%

<sup>1)</sup> Based on segment reporting. <sup>2)</sup> Calculated on the number of outstanding shares.

MOST SATISFIED CUSTOMERS

# Quality in every aspect

Our customers can be found throughout the Nordic region – from a small village in the north to a coastal town in west to a big city in the south. Each customer project aims to improve everyday life where it’s lived. At the same time every project is unique, since customer needs and demands are different. Our job is to make sure quality always comes first, in both project execution and the final result.

Peab has a diversified customer base that stretches over four business areas. Sometimes all four business areas deliver to a customer, sometimes only one business area has a relationship with the customer. The total number of customers is around 18,000.

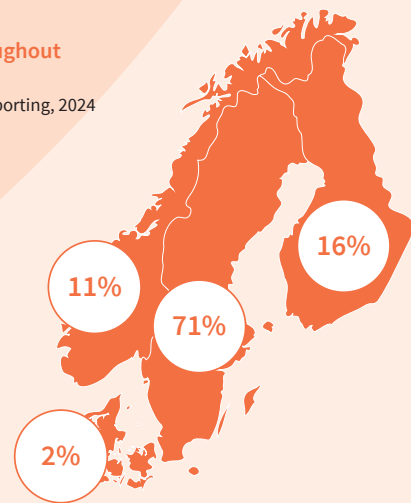
Business areas Construction and Civil Engineering mainly conduct their operations in the form of construction contract work for both private and public customers. Business area Industry has both construction contract work and sells its products and services to the Nordic construction and civil engineering companies. The Project Development business area sells housing to private individuals and commercial properties and community properties to public and private clients.

How the Peab Group’s revenue is allotted among the Nordic countries gives an idea of where our customers are. The corresponding division of public and private customers is presented in the adjacent pie chart.

From Peab’s perspective collaboration throughout the entire project is essential to our approach to our customers, particularly in the early stages. We see a growing degree of planning contracts, so-called phase 1 contracts, in business areas Construction and Civil Engineering. The planning contracts entail that Peab, together with the customer, maps out an optimized product with the right quality as well as handles risks and uncertainties. The intention is that under the planning contract period a final construction contract will be signed. At the end of 2024 the potential value of the final construction contracts stemming from planning contracts was around SEK 13 billion over the next two years.

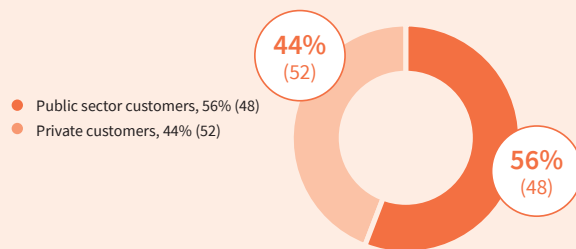
Well spread throughout the Nordic region

Net sales segment reporting, 2024



Increasing share of public sector customers

Net sales segment reporting, 2024



### From housing to park maintenance

The character of our work varies greatly. Peab is a complete community builder that offers its customers comprehensive solutions, or partial solutions if they prefer. We build everything from housing in various ownership forms and public buildings to maintaining parks and delivering concrete and other input goods to our customers. Our construction contract work during 2024 included construction of hospitals and nursing homes, schools, prisons and swimming pool facilities, different kinds of infrastructure projects, operation contracts for road maintenance and ground-work for both new housing tracts and treatment plants. The year 2024 was characterized by the many prison construction projects and other security classed building commissions we received. This is obviously a segment that is growing in the countries where we operate due to security threats and criminality. During the year we received a number of major commissions such as developing the New Bodø Airport and building roads and a railroad in Boden as well as a new dock in Skellefteå to support the industrial transition in Norrland. In western Sweden we are building part of the West Link's stage Haga-Rosenlund in Gothenburg, Gothenburg's new station building as well as a new swimming pool block in Partille Municipality. Regarding road maintenance we received five operation contracts from the Swedish Transport Administration for a total of over 6,000 km federal roads. Other commissions include building homes in a number of projects in Helsinki, a water and wastewater project in Norwegian Bærum and in Nittedal building a completely new sewage pipeline and upgrading the mainline as part of an ongoing infrastructure project in the region.

### Local roots close to customers

It is imperative for a long-term, sustainable relationship that Peab delivers on its obligations to customers. A satisfied customer is a customer that comes back. When we, for example, build homes, schools, hospitals, roads and other infrastructure we do it based on the needs of the local community. A prerequisite for this is our expert and engaged employees, along with good channels to a local supply of input goods, employees and local subcontractors.

Customers are making higher and higher demands on the projects they order. They want the process from planning to production to become more digitalized and that the construction project is permeated by focus on the climate and environment. The latter entails everything from demands for climate calculations and certifications to practical requirements for reduced emissions and material choices. Above all we see a greater emphasis on how we work to achieve project and sustainability targets and often success requires close collaboration with our customer at an early stage. This is also what guarantees satisfied customers.

**We are close to our customers and meet their needs with sustainable offers.**

**Quality permeates our work methods and end results. The right expertise in the right place is key to success.**

Naturally our engaged employees are key as is well-defined processes. For instance, we have a function in business area Construction that is responsible for partnering and collaboration. Its purpose is to sell in Peab's expertise right from the start of a project and create the prerequisites for structured partnership forms where the general contractor, consultants, subcontractors and other key actors ensure the project's success together. Collaboration is often the catalyst to new solutions and innovation in construction and civil engineering operations and promote climate and environmental work.

Before we begin working with a customer we do meticulous studies and investigations into all their requirements and our ability to meet them both in material and staffing as well as process all the relevant sustainable aspects. We have a Procurement Council that is tasked with producing a correct offer that has been thoroughly vetted, which reduces the level of risk for Peab and our customer.



OPERATIONS 2024

## Critical highway quickly rebuilt

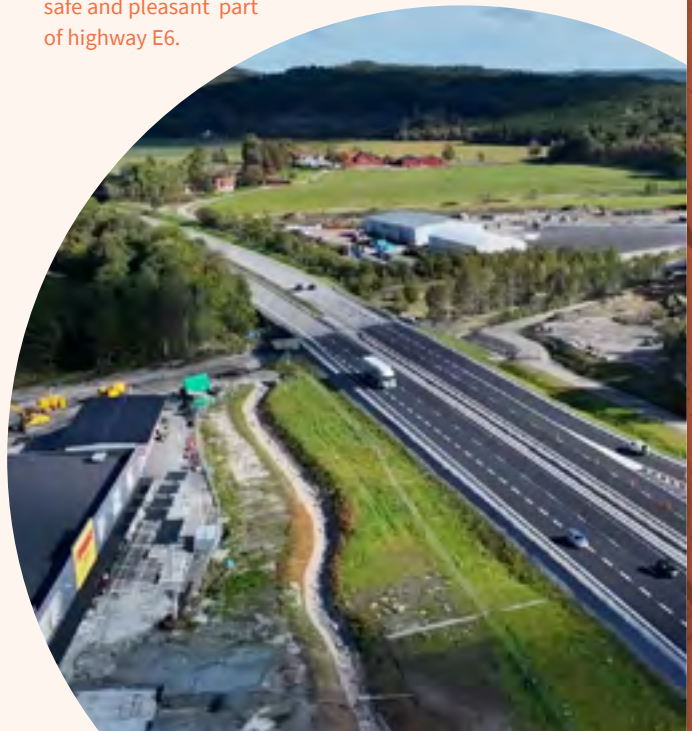
In the autumn of 2023 a landslide suddenly hit highway E6 at Stenungsund and caused significant damage to the infrastructure and environment in the area. A mere nine months after Peab received the commission to rebuild the damaged highway it was reopened, just in time for vacation traffic. The successful project was a result of the close collaboration with the Swedish Transport Administration, technical consultant COWI and Stenungsund Municipality.

Peab's job included landside protection, groundwork, excavation, ground reinforcement and finally rebuilding 400 meters of roadway. A number of geotechnical investigations and continuous checks on soil movements were executed to achieve a safe and sustainable infrastructure. In order to ensure the stability of the road it was reinforced with a quarter of a million meters of lime-cement piles and foam glass.

"West Sweden stood still after the landslide hit E6 in Stenungsund. In order to solve this we had to start rebuilding immediately. With a clear common goal and focused on close collaboration, the Swedish Transport Administration together with Peab and Cowi were able to rebuild the road in record time," says Daniel Svensson, Project Manager at the Swedish Transport Administration and continues,

"This is a project where everyone involved should be proud of their participation and I'm sure that we will remember this for a long time. Engagement, and focus on the goal – opening E6 was our top priority."

After the summer 2024 the work continued to return the area around the road to its previous state, including waterways affected by the landslide. Peab was also commissioned by Stenungsund Municipality to restore the municipal sections. Today the restored area is a safe and pleasant part of highway E6.



# Target: Most satisfied customers

## Highly rated among customers

In order to monitor our work and customers' perception of us we carry out annual customer surveys that also indicate improvement potential. We also monitor a variety of checkpoints such as guarantee and complaint costs.

As of 2024 we are using a different measurement in the Customer Satisfaction Index (CSI) where each business area corresponds to 25 percent of the rating for the Group's compiled CSI result. In 2024 CSI amounted to 78, which continues to be a good result and bit over our target of 75. New in 2024 is also that we report our CSI rating from businesses (B2B) and private customers (B2C) separately. Our CSI rating from B2B customers was 80 and from B2C customers 71.

CSI is a weighted assessment of three questions about 1) expectations, 2) total satisfaction and 3) ideal. The answers are ranged on a ten degree scale which is calculated into an index between 0 and 100, where ratings between 65 and 75 entail average customer satisfaction.

Ratings under 65 percent entail insufficient customer satisfaction and ratings over 75 entail very good customer satisfaction.

In connection with our annual CSI survey we also ask customers how they perceive Peab through a number of different factors. In terms of what our B2B customers appreciate most, their highest rating continues to go to Peab's employees while reliability increased the most. Private customers also appreciate our employees the most, closely followed by communication and reliability.

Going forward we will continue to work together with our customers – and strive for early and close dialogues – to achieve the highest possible value for customers and highest level of satisfaction with Peab.

Almost 2,400 customers participated in the autumn survey.

# Outcome 2024

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### CSI

Stands for Customer Satisfaction Index and measures how satisfied Peab's customers are.

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**Target: >75**

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**Outcome 2024: 78**

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BEST WORKPLACE

# We build communities together

Peab is located in large and small places throughout the Nordic region. At Peab our some 13,000 employees have the opportunity to make a difference by building the local community in the places where they live and work. Every employee has a big personal responsibility and should be met with good working conditions and opportunities to develop as well as safe and inclusive workplaces.

Our employees, with their know-how and engagement, build Peab. Our foundation is our deeply rooted core values – down-to-earth, developing, personal and reliable which help us to form our culture and what we call the Peab Spirit.

Our broad range of operations entails a plethora of professional roles at Peab. At the latest count the number of professions amounted to 228, covering everything from geotechnicians and asphalt pavement layers to construction engineers, skilled workers in civil engineering and drivers. Our local focus and strategy for locally produced community building means that

Peab has a large share of our own employees, especially compared to other companies in the construction and civil engineering industry. At the end of 2024 the proportion of skilled workers was 53 (53) percent, while the proportion of white-collar workers was 47 (47) percent. The proportion between women and men in the Peab Group is a challenge in our industry and something we work with actively. Read more about equal opportunity recruitment on page 30.

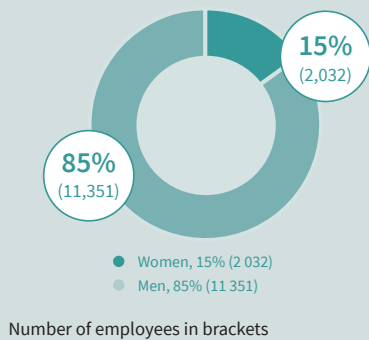
### A down-to-earth spirit

Peab has a flat and decentralized organization. Team spirit is strong and at the same time every employee is important and can have an effect on both their workday and how Peab functions as a company. Our size and extensive operations in the Nordic region means we can offer a lot of opportunities regardless of whether someone wants to grow in their existing role, try on new roles and tasks or develop their leadership skills or specialist expertise. Someone might even want to develop their career in some other place. In other words, development can take many different forms, depending on individual needs. To display all these opportunities we have produced a career map that employees can access, for example in annual developmental discussions.

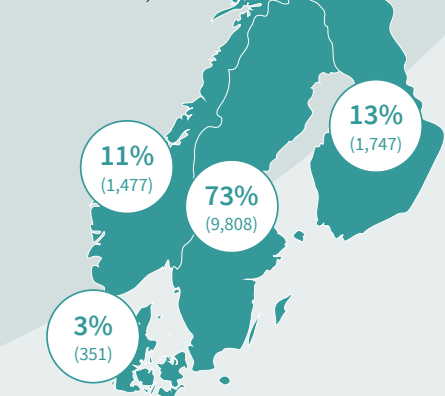
Number of employees – business area  
Per December 31, 2024

Business area	2024	2023
Construction	4 681	5 207
Civil engineering	3 365	3 422
Industry	4 581	4 573
Project Development	145	211
Group functions	611	694
<b>Total number</b>	<b>13 383</b>	<b>14 107</b>

Number of employees – per gender  
Per December 31, 2024



Number of employees – per country  
Per December 31, 2024





By providing good working conditions and benefits we want all our employees to be healthy and happy. Peab offers market level salaries and terms that promote a sustainable work/life balance. At Peab the nature, performance and skills level of an employee's job decide their pay level.

### **Inclusion is a cornerstone**

It is a given that our employees are treated with respect for their differences and essential that we as employers take advantage of each employee's unique skills and perspective. Everyone has the right to a safe and inclusive work environment hence our efforts in this field includes everyone at our workplaces. We can never accept any form of social exclusion at our workplaces. Inclusion is high on Peab's agenda and we measure these issues in our personnel survey. We explore, for instance, the level of experienced inclusion, psychological security and how strong our civil courage is. The results are encouraging, although there is still room for improvement.

Peab has an equal opportunity plan, with an action plan to counteract victimization and discrimination. We work actively with education and support for managers and co-workers to ensure no one is discriminated or victimized at our workplaces. We also have an Ethics Council which ensures that reports of victimization and discrimination are investigated by impartial expertise.

### **Leadership is the foundation of our success**

Secure and appreciated leaders are vital for our ability to achieve the targets we set and for our employees to flourish in their professions. Continually developing our management through various leadership programs is therefore a constant priority.

### **Focus on tomorrow's talent**

Our target of being an attractive employer is also vital for our ability to continually ensure future talent recruitment and keep the employees we already have. Because of the significant underlying demand for our services in different sections of society we

**We are a safe, secure and inclusive workplace rooted in a strong company culture. Leadership takes responsibility and is close to operations. Employees have value-creating and developing work assignments that they complete together.**

need to continually recruit new employees with different skills that help us prepare our organization for the future. During the year we also updated the Group's recruitment strategy and worked with a number of local recruitment programs, particularly in northern Sweden where the need for talent in the future is substantial. Our recruitment strategy is built on six main principles, among them that competence requirements and resource needs are based on customer needs and market prospects, that recruitment is clearly founded on the different geographies in our operations and that we work actively for a continuous inflow of young trainees and recently graduated engineers.

As part of this work we prioritize collaboration with many different parts of the educational systems in the countries we operate in. This collaboration ranges from internships and research projects to lectures, mentorship and tutorial help with master theses. Since 2006 we also run independent high schools through the Peab School. Read more about the Peab School in the section "Leader in social responsibility".

The second round of the trainee program for women, The Construction Year, began in 2024 with 19 new trainees. In addition, 48 college and civil engineers began Peab's trainee program 2024-2025. The trainees, who are located all over Sweden, will learn more about supervising, participate in a comprehensive leadership course and receive practical experience at various workplaces in the Group.

## Everything starts with a safe work environment

The construction and civil engineering industry suffers from injuries but we can never accept people are injured or get sick because of their job. Therefore a safe work environment is crucial to our business. Everyone at our workplaces should be able to work under safe and secure conditions, despite the fact there are risks involved in the work we do. All our employees, hired staff and anyone at our workplaces have the explicit right to refuse to do a job if it cannot be done safely.

### Preventative measures

Accident prevention measures are the core of our work on the work environment because every remedied risk is one less potential accident. To prevent accidents and incidents at our workplaces Peab continually develops quality-ensured and systematic work methods along with educating employees and partners. We hold regular safety inspections at construction sites and remedy identified shortcomings afterwards. We also put great emphasis

on educational work environment reports intended to make it easier for workplaces to do the right thing. We also developed a work method so that our employees produce work preparations together before they begin a job. Risk elimination, in other words identifying risks and measures, is emphasized in work preparations to increase the safety of our workplaces and reduce accidents and incidents. Working with safety is also very important at sites affected by passing traffic.

Employees and partners report risk observations which we remedy as far as possible and we learn from these, as we do from actual incidents and accidents.

If an accident nonetheless does occur, Peab has had a crisis organization for many years that consists of around 100 employees. Its purpose is, in the case of an accident or crisis, to step in and provide professional management to minimize unnecessary suffering and injury of the victims, both employees and third parties.

### OPERATIONS 2024

## Investment garnered work environment award



Peab company Byggelement's plants in Ucklum outside Stenungsund and in Hallstahammar have recently made a technical leap by replacing a manual production process with a high degree of robotization. The investment of around half a billion Swedish crowns has doubled production capacity of walls and beams while reducing climate impact since they have been produced with concrete where at least 50 percent of the cement has been replaced by an alternative binder.

Above all the automated production has revolutionized the work environment, especially regarding lifting. As a result Byggelement won Betongvärlden's (The World of Concrete's) award Work Environment Prize of the Year.

Robots are now handling 95 percent of the traditionally heavy, repetitive jobs. Work stations have also been adapted for the specific work done there and the ambition

is to minimize situations where employees get in the way of each other. Staff is encouraged to rotate between jobs in order to reduce the risk of repetitive strain injury.

Even the level of noise has dropped drastically and the new facilities are light, airy and modern.

"Absolutely everything is better. We don't have to handle heavy lifts anymore and our work environment is much calmer and quieter. Now having muscles is not the only thing that counts. Smart thinking and using the technical aids available is what matters. I hope this development will also attract more women to construction," says Tanja Jovic Stijak, team leader at Byggelement's plant in Hallstahammar.





# Target: Best workplace

## Satisfied employees despite tougher market

Within the strategic target Best workplace one of our goals is to be able to offer our employees the best workplace in the industry. We measure this through the eNPS (recommend Peab) value which should be above the benchmark for industry and manufacturing. In the autumn survey the eNPS value for the Group continued to be far above the benchmark. We increased by a point to 28 (27 in the spring survey) even though last year was full of external challenges. At the same time the benchmark fell by three points to 17 (20 in the spring survey). The eNPS value rose particularly for female skilled workers, increasing by all of nine points compared to the spring survey. In the survey employees rated collaboration with co-workers, community and Peab's core values as some of the company's greatest strengths. The negative trend was strain.

Participation in the autumn survey was the highest in Peab's history with 90.2 (89.9 in the spring survey) percent in the Group, accompanied by around 10,000 comments, displaying the great interest our employees have in developing their teams and our business.

## Sharp focus on workplace accidents

Zero vision for fatal and serious accidents and our target of a contracting trend in serious accidents comprises all our own employees and everyone else at our workplaces.

In 2024 there were 33 (48) serious accidents. Of these, 20 referred to our own employees and 13 referred to subcontractors. We are pleased that the trend is developing in the right direction. At the same time we continue to focus determinedly on these issues so that the trend will continue to contract. Our preventive work on the work environment and measures to prevent accidents from reoccurring as well as continuous information are key to reducing workplace accidents.

# Outcome 2024

### eNPS

Stands for employee Net Promoter Score and measures employee engagement.

Target: > Benchmark

Outcome 2024: 28

### Serious accidents

The target is measured as zero fatal accidents and contracting trend, rolling 12 months.

Target: <48

Outcome 2024: 33

MOST PROFITABLE COMPANY

# Sustainable profit through collaboration

With our engaged employees we ensure productivity, quality and continual improvement. Our local presence, size and mix of operations are the way to our target of becoming the most profitable company in our industry.

Peab has a robust business model. With our four business areas we control a large part of the value chain which enables us to increase the level of processing within our own operations. We use our leverage in the vertical processing chain – from acquiring land to production and operation – through good internal collaboration, our own products, technical solutions and sustainable business concepts.

### Roads to profitability

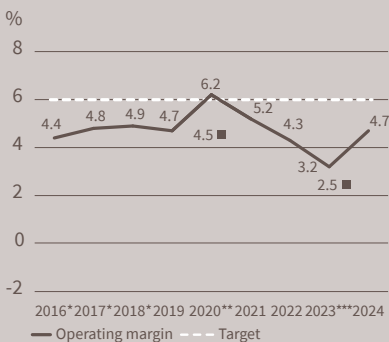
Geographic collaboration is essential to promoting internal processing, as are discussions with existing and potential

customers at an early stage. Our purchasing function and our Procurement Council are examples of functions that spur our own processing. Conditions for profitability are also improved by our ability to deliver where there is growth, adapt our mix of operations to local conditions and take advantage of our size and experience. This has particularly been evident over the past year when the housing market has been weak, Peab has been able to benefit from investments in other markets.

Meanwhile, we have to continually strive to be more efficient in every aspect of our business. This is particularly important in a market situation where high construction costs and uncertainty regarding interest rate developments have an impact on demand. This includes implementing special measures for units that do not achieve the profitability targets set. Our efforts to increase digitalization is yet another component in becoming more efficient.

### Operating margin

Target: >6% according to segment reporting



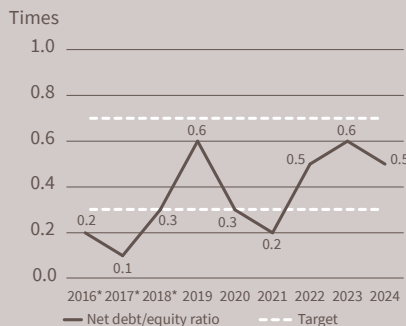
\* Years 2016-2018 not translated according to changed accounting principles for own housing development projects.

\*\* Operating margin 4.5 percent excluding the effect of the distribution of Annhem Fastigheter (SEK 952 million).

\*\*\* Operating margin 2.5 percent excluding the effect of Mall of Scandinavia (SEK 400 million).

### Net debt/equity ratio

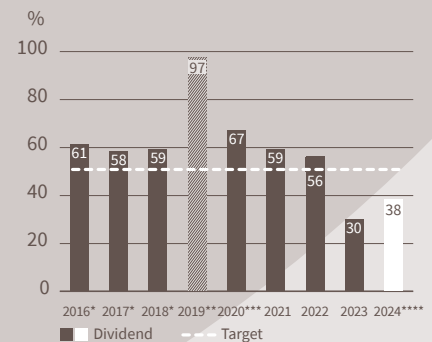
0.3-0.7 according to segment reporting



\* Years 2016-2018 not translated according to changed accounting principles for own housing development projects.

### Dividends

Target: >50% of profit for the year according to segment reporting



\* Years 2016-2018 not translated according to changed accounting principles.

\*\* For 2019, no cash dividend has been paid. The value of the distribution of Annhem Fastigheter at the time of the distribution in December 2020 amounted to 97 percent of the profit for the year 2019.

\*\*\* The proportion is calculated without the effect of SEK 952 million on profit due to the distribution of Annhem Fastigheter.

\*\*\*\* Board of Directors' proposal to the AGM.



**We take on the right projects and have the right business mix. Employees work according to quality-ensured work methods that are efficient in every aspect. Through our own resources and internal collaboration we maintain a high degree of value creation. We take advantage of our size and experience.**

### Three financial targets

Within the framework of the strategic target most profitable company, we measure our business through three financial targets that are based on segment reporting and over a normal business cycle. They are that the operating margin will exceed six percent, the net debt/equity ratio will be in the interval 0.3-0.7 and that dividends will be more than 50 percent of profit for the year.

The target for the operating margin is based on the prerequisites Peab had in 2020 after the acquisition in business area Industry of

Nordic paving and mineral aggregates operations and the distribution of the property portfolio in the form of Annehem Fastigheter as well as the successful work in the Group over several years to stabilize and strengthen the operating margin. The target also comprises various benchmarks for the operating margin per business area, with higher margin demands on the capital intensive business areas Industry and Project Development.



#### OPERATIONS 2024

## Peab cars made an appearance on summer roads in Finland

Last summer many drivers on Finnish roads could see pavement being laid by skilled workers from Peab Asphalt. In addition to the country's roads and bicycle paths, Peab paved areas around housing and public buildings, airports and recycling stations. With all the asphalt Peab manufactured during 2024, an eight meter wide road about 4,000 km long could have been paved. This corresponds to more than three times the length of Finland from one end to the other.

Asphalt works well recycled and recycling asphalt reduces the amount of raw materials and transportation needed. Therefore a significant amount of the asphalt Peab uses in Finland is reused asphalt.

"We improved roads for a lot of municipalities and stretches of the network of roads in Finland last year which benefited its inhabitants. In other words, there was a lot of activity in our Finnish asphalt operations with some of the highest production volumes so far," says Head of Peab Asphalt in Finland, Markku Lilja.

## Target: Most profitable company

### Strong finish for the year

The year 2024 was marked by varied activity on Peab's different markets. Public building construction, civil engineering and paving continued to develop well while the weak housing market affected Peab's housing construction. The last quarter of the year was strong and for the entire year 2024 we reported improved profit, strong cash flow and a higher level of orders received. During the year business area Project Development carried out two major transactions that contributed to the positive development.

The past year once again proved how well Peab's business model with its four business areas and local roots serves us, in both good and difficult times. We can see how our four collaborating business areas with their extensive local Nordic presence and our skilled employees reduce Peab's vulnerability in the current market situation. In the long run the conditions for growth in the segments and markets we operate in are good.

Regarding our financial target of an operating margin that surpasses six percent we made progress in 2024. The operating margin improved during the year to 4.7 percent (3.2).

Our second financial target, the net debt/equity ratio, was 0.5 at the end of the year, which is inside the target interval 0.3-0.7. We were intensely focused on cash flow and net debt during the year, and reported significant improvements of these towards the end of 2024.

Based on Peab's third financial target of a dividend of more than 50 percent of profit for the year according to segment reporting the Board has proposed Peab's Annual General Meeting a dividend of SEK 2.75 (1.50) per share for the financial year 2024, divided into two payments. Calculated on the number of outstanding shares this is equivalent to 38 percent of profit for the year, which is lower than our financial target of more than 50 percent of profit for the year. The dividend is considered a balanced dividend based on our order situation, earning capacity, financial position and future capital needs.

# Outcome 2024

#### Operating margin

The target is measured according to segment reporting.

**Target: >6%**

**Outcome 2024: 4.7%**

#### Net debt/equity ratio

Net debt in relation to equity. Measured according to segment reporting.

**Target: 0.3-0.7**

**Outcome 2024: 0.5**

#### Dividends

The target is more than 50 percent of profit for the year. Measured according to segment reporting.

**Target: >50%**

**Outcome 2024: 38%**

LEADER IN SOCIAL RESPONSIBILITY

# We want to drive social development forward

**As the Nordic Community Builder with extensive local presence we have a self-evident responsibility for our communities. This responsibility begins with our role as employers and business partners and stretches all the way through our production chain and out into the surrounding neighborhood. Naturally this responsibility also includes the environment and climate.**

## **Equal opportunity workplaces in focus**

The construction and civil engineering industry has a major task in taking advantage of all the competence community has to offer. The number of women in the industry and in Peab is still far too low. The greatest inequality is found in workers close to production. Only about seven to eight percent of job applicants to Peab with a relevant practical education are women. As one of largest community builders in the Nordic region we want to be at the forefront of changing this. These challenges start in the education system where there are few female students which leads to a limited recruitment base for employers. We are willing to do our part and contribute to change but we cannot do it without help from communities and schools. Peab and the industry's equality challenge requires various measures, mainly in the educational system so that the supply of more possible female managers and skilled workers increases. We do our best to bring this matter up in various industry contexts, and in meetings with politicians and the media. Last year we started up the second round of The Construction Year in Sweden with 19 trainees from Kiruna in the north to Malmö in the south. They will work for a year as skilled workers in a nearby workplace while they also receive a theoretical education. The purpose of The Construction Year is to attract more women to the construction industry, have more of our own capable skilled workers and contribute to increasing interest in the profession. The goal is to achieve greater gender equality in Peab in general, and in production specifically.

## **Ethics are fundamental to community building**

We have a significant responsibility as community builders to run a business with high ethical standards and counteract corruption. This can be a challenge in an industry of generally decentralized operations and complex value chains since these factors have been known to increase the risk for ethical violations and corruption. Peab has made it abundantly clear that we have zero tolerance for any and all forms of corruption, ethical violations are not accepted and that every infringement has consequences. The fact that our operations and next to all our employees are in the Nordic region as well as most of our partners is a positive factor in our ability to counteract all forms of ethical transgressions.

Peab works preventively through long-range and systematic measures, in particular by ensuring our employees' knowledge concerning ethics, anti-corruption and competition law. We encourage all employees and partners to report any possible illegal acts, violations of our Code of Conduct or any other kind of infringement. We encourage open reporting but this is complemented by a web-based whistleblower system that guarantees the anonymity of the reporter, whether or not the reporter is part of Peab or external. Every incident Peab is made aware of is sent to the Group's Ethics Council where it is dealt with.

## **Sustainable throughout the entire chain**

The production chain in the construction and civil engineering industry is complex and consists of many different actors. Peab alone deals with around 41,500 external suppliers every year. Striving for a sustainable supply chain where business ethics, human rights and the environment are protected and respected is a cornerstone of our business. This is steered from executive management right through to individual workplaces and by speci-



fyng demands and monitoring every aspect of the production chain. This requires clear cut procedures to assess, prevent and manage risks along with cooperation and transparency. Peab's Code of Conduct is the starting point and we also have a Supplier Code of Conduct that explicitly defines our expectations of our partners. In addition we have guidelines for the due diligence process that clearly describe how we work with our partners.

Around 3,000 suppliers make up 80 percent of the Group's total purchase volume. In other words, we are major buyers in the Nordic region which means we have a good platform for promoting secure and sustainable procurement along with supplier collaboration. This requires good purchasing governance, which Peab has prioritized for quite some time. The process begins when a supplier is first assessed and then continues via risk analysis, requirements, controlling and monitoring.

One of the Group's two development initiatives for the business plan 2024-2026 concerns further quality ensuring the work on our value chain and increasing traceability. Within the framework for the initiative we are developing work processes, measurement methods, dialogues and controls of our suppliers. This also includes issues regarding human rights, the environment and climate matters.

## Local community involvement

One of the areas our customers emphasize more and more is the importance of working together in shared social responsibility for the local community, particularly local community building to form the society of the future. For Peab, with our extensive Nordic presence, this is a positive development and a key part of our business model. Some examples of this are designing safe resi-

**As the Nordic Community Builder we drive developments in our industry in matters concerning the climate and environment, ethics, and equal opportunity and inclusion. We work well together with stakeholders in the world around us and stride every day towards a sustainable value chain. With our extensive local presence we are also an important actor in the local community.**

dential areas, promoting local clubs and the development and education of youths. It includes creating communities and contributing to planning green areas, meeting places and accessibility to service facilities. By participating in dialogues with relevant departments in municipalities where the local community contributes, Peab plays an important role in forming a sustainable, vibrant and inclusive society.

When it comes to developing youth, the Peab School is an important example of our commitment. Since 2006 we run our own vocational high schools in Malmö, Gothenburg and Solna. The concept Peab Life is another example where we make it possible for them to participate in local building projects to build away inequalities and contribute to greater diversity, inclusion and participation in local communities. We also continually visit schools to talk about Peab's operations and about community building in general.



**2030**

Year 2030 we will have phased out environmentally and health hazardous products

**2040**

Year 2040 our business will be 100 percent resource efficient

**2045**

Year 2045 we will be climate neutral

## Focus on environmental targets

The construction and civil engineering industry has a significant environmental and climate impact. Peab affects the environment and climate through our own operations and through the impact generated by suppliers and customers. At the same time conditions for our business are affected by environmental and climate changes. We work determinedly and step-by-step to reduce our environmental and climate impact, in line with our set targets. This also requires close collaboration with our partners in the value chain – both customers and suppliers.

We have three overarching environmental targets that help us implement practical measures to reduce our environmental and climate impact. These both support and strengthen each other. The most long-term target of Peab's three comprehensive environmental targets is to be climate neutral no later than 2045, which aligns with the scientifically-based 1.5 degree target in the Paris Agreement. Our sub-targets up to 2030, which are also our external targets, are to reduce carbon dioxide intensity in our own operations – Scope 1 and 2 – by at least 60 percent (cp. 2015) and for input goods and purchased services – Scope 3 – by half (cp. 2015). Peab's second environmental target is to be completely resource efficient by 2040. Here we work to optimize material use, reduce waste and promote biodiversity. Peab's third environmental target is to phase out environmentally and health hazardous products no later than 2030. We want to protect people and the environment from toxic exposure in both production and usage.

### Climate neutrality: Focus on reducing emissions

According to the Swedish National Board of Housing, Building and Planning, developers and construction companies generate more than 20 percent of Sweden's carbon emissions. This means we have to move quickly if we are going to reduce emissions at the rate required by the Paris agreement. Peab's operations primarily cause emissions of greenhouse gases by using various materials in production like concrete, steel and asphalt. Two other major sources of carbon emissions in production are energy consump-

tion and transportation. Therefore our emission reduction activities are centered on these areas. We have an advantage in that we can supply our contract construction operations and the projects we develop ourselves with input goods and raw material through our business area Industry, which enhances our ability to steer towards lower carbon emissions. We contribute to the ongoing climate transition through different kinds of investments such as electric machines and vehicles and energy efficiency in our factories. As community builders we also have a comprehensive perspective on our climate work and strive to contribute in the usage stage and to local community building in general. This can entail designing flexible constructions and building solar power plants, wind farms and railroads or by building in such a way that people can live more sustainably.

### Emissions from materials

Since material-related emissions are clearly the largest source of greenhouse gases in our operations we are laser-beam focused on reducing emissions through the material we choose, optimized material use along with recycling and reuse.

For example, since 2021 Peab is in partnership with SSAB regarding fossil free steel, which means that we have already used the fossil free manufactured steel in some projects as well as SSAB Zero, recycled steel that is manufactured and transported fossil free.

### Sustainable offer

In our work to reduce emissions from input goods our ECO-products are essential. We have continued to develop them during the year.

We manufacture the slag-based Merit, which can replace some of the cement in concrete. Cement represents 90 percent the climate impact of concrete. When we use Merit in the production of our ECO-Betong (ECO-Concrete) we reduce carbon emissions by up to 60 percent compared to traditional concrete while also reducing the extraction of virgin limestone.



In addition to Merit and ECO-Betong we offer several other ECO-products, for example:



**ECO-Asfalt:** We replace fossil fuel oil used in drying and heating the mineral aggregates with bio oil, which cuts climate impact in half without affecting the properties of the asphalt.



**ECO-Prefab:** Subsidiary Byggelement invested close to half a billion Swedish kronor in its production plants in Ucklum and Hallstahammar which doubled the production capacity of walls and joists while halving the amount of cement needed by raising the portion of alternative binder to at least 50 percent.



**ECO-Stomme (ECO-Frame):** Concrete elements are produced with alternative binder, which can reduce emissions in housing by 30 percent and commercial property by 25 percent.



**ECO-Ballast (ECO-Mineral aggregates):** Produced from 100 percent recycled raw materials and thereby replacing virgin materials.



**ECO-Byggarbetsplatsen (ECO-Construction site):** During the year we launched this concept for construction sites with the goal of reducing the environmental footprint of construction sites through solutions for energy, waste and water management as well as logistics and construction equipment.



**ECO-Pålar (ECO-Piles):** During the year we also launched piles made of climate-improved concrete for groundwork in geotechnical demanding conditions.

### From waste to circular material

Building creates waste. Peab has explicit guidelines on how to handle left-over material from the construction process at construction sites aimed at enabling greater reuse. We also have a number of initiatives for creating new ways to reuse construction material and recycle waste. Particularly important is establishing a dialogue and collaboration with material suppliers and reuse actors early on so that we can manufacture and use more products with a higher portion of reused material. We also run a R&D project on circular excavation soil management aimed at increasing the amount of soil reused in the industry. Creating circular flows is one of the areas we work most intensively on, especially considering the substantial business potential in them.



OPERATIONS 2024

# School for the future



In recent years Peab has built several schools in Northern Norway in places such as Brensholmen, Balsfjord and Sørreisa. Kautokeino School is yet another example and here sustainability and Sami culture have informed its design. The latest school on the list is Ishavsbyen High School in Tromsø which Peab began to work on in 2021.

Ishavsbyen is a forward-looking and energy efficient school building. The newly constructed section meets the requirements of a nearly Zero Energy Building and is equipped with solar panels and geothermal wells. The project comprises 8,320 m<sup>2</sup> new construction and 5,320 m<sup>2</sup> renovated space as well as demolition of existing buildings. Peab's extensive experience in building schools has been vital to the planning and execution of this project.

"We're proud to have delivered a socially beneficial project with a number of advantages for the environment and climate, in close cooperation with the general contractor Troms County. Even more important are the responses we've gotten from staff and students that say the building has undergone a significant upgrade, both as a place of work and esthetically," says Operations Manager Magnus Mevåg.

The new school currently houses 830 students and staff.

# Target: Leader in social responsibility

## Fewer recruitments reflected in outcome

Our target is to strive for the percentage of women recruited to Peab for our core skills to always be higher than the percentage of women who have graduated with, for us, relevant degrees on the education markets. We focus on core skills in production (skilled workers) and production management and production support (white-collar workers). At the end of 2024 the percentage of women in new recruitments was 10.6 percent in production and processing compared to our target of more than 6.0 percent. For 2025 we have raised the target to more than 8.0 percent. Recruitment in production management and production support increased to 39.1 percent compared to our target 30 percent. Due to the current market situation the number of recruitments was relatively few last year. In total the proportion of women in Peab is 15.2 percent (14.8).

## Emission curves pointing in the right direction

Peab should be climate neutral by 2045. Our sub-targets by 2030 are to reduce carbon dioxide intensity by at least 60 percent in our own operations (Scope 1 and 2) and for input goods and purchased services (Scope 3) by at least half (cf. 2015). The outcome after 2024 shows that developments are going in the right direction although to different degrees. Carbon dioxide intensity in our own production has gone down by 50 percent since base year 2015. Carbon dioxide intensity for input goods and purchased services has decreased by 12 percent since 2015. A higher level of ECO-products in operations has contributed to the reduction although this positive effect is diminished due to the change in Sweden in the reduction obligation. In 2024 in absolute figures (tCO<sub>2</sub>e) Scope 1 amounted to 176,000, Scope 2 (market based) was 14,500 and Scope 3 was 910,000. These figures show that we are well on the road to converting the production we ourselves have control over but the greater challenge is when we are dependent on other parties for a reduction in our carbon footprint. It is therefore vital that together with our customers we continue to make explicit and stringent demands for the climate improvement measures in order to reduce emissions. We work actively to better the quality of our metrics of greenhouse gases emissions, particularly in Scope 3 reporting, and we have also increased the scope of reported data in 2024.

# Outcome 2024

### Equal opportunity

The target is measured as: the percentage of recruited women in production among skilled workers (SW, production and processing) and white-collar workers (WCW, production management and production support) > percentage of women who have graduated with, for us, relevant degrees on the education markets.

#### Target

>6,0% (SW)

>30,0% (WCW)

#### Outcome 2024

10.6% (SW)

39.1% (WCW)

### Carbon dioxide intensity: Climate target for own production

The target refers to lower emissions of greenhouse gases Scope 1+2 (ton CO<sub>2</sub>e/MSEK).

**Target 2030: -60%**

**Outcome 2024: -50%**

### Carbon dioxide intensity for input goods and purchased services

The target refers to lower emissions of greenhouse gases Scope 3 (ton CO<sub>2</sub>e/MSEK).

**Target 2030: -50%**

**Outcome 2024: -12%**

# Sustainability report

ESRS2

# General Disclosures

BP-1

## Basis for preparation of sustainability statements

### Basis and scope

Peab has prepared this Sustainability Report on a voluntary and consolidated basis with inspiration from the EU's Corporate Sustainability Reporting Directive (CSRD) and the underlying European Sustainability Reporting Standards (ESRS), which are implemented in Swedish legislation since July 1, 2024. This means that this Sustainability Report is based on and contains information about material impacts, risks and opportunities linked to Peab's business. They have been identified in our operations and through our direct and indirect business relations in our value chains upstream and downstream after carrying out the double materiality assessment. Our goal has been to implement the basic structure of the ESRS standards during 2024 and integrate it with Peab's Annual Report otherwise in order to fully report according to the new legal requirement in the 2025 Annual and Sustainability Report. In addition to further development of the structure this also entails a third party audited CSRD report as part of Peab's Board of Directors' Report. We have been working on complete compliance of CSRD throughout 2024 and will continue in 2025 and thereafter.

The Sustainability Report has not only been prepared with reference to ESRS, it also follows the GRI standard (Global Reporting Initiative), which we have reported in accordance with since 2010. However, the GRI index is not included in this document but it can be found in our web-based Annual and Sustainability Report 2024 at peab.com.

We have undertaken this comprehensive reporting standard in the belief that it ensures balanced, transparent and consistent reporting of sustainability information and we also consider it a catalyst for the practical measures and integration of sustainability work that is part of Peab's core business. We have therefore identified a number of development areas, and for certain areas concrete plans, in order to be able to report according to CSRD.

The report covers the Peab Group's operations in Sweden, Norway, Finland and Denmark and the companies where Peab has operational control. However, associated companies, joint ventures and joint operations are not included in the consolidated sustainability reporting.

This Sustainability Report discloses information about the material value chains – upstream and downstream – that we have identified within the framework of the double materiality assessment we have conducted. We have analyzed and assessed impacts, risks and opportunities in the upstream and downstream value chains in accordance with the sustainability topics defined in the ten different ESRSs. In total we have determined eight different value chains in Peab's operations that we consider key to our business and in addition we have particularly examined certain value chains per country as well as the value chains for our most important input materials.

For more information concerning our method regarding the double materiality assessment read more on pages 49-50.

The Sustainability Report follows the financial year and comprises the period from January 1 to December 31. It is published annually and this year's Sustainability Report was published on April 1, 2025. The Sustainability Report also includes the statutory sustainability report according to the previous wording of Swedish Annual Accounts Act, Chapter 6, Section 11, which was in effect before July 1, 2024.

BP-2

### Disclosures in relation to specific circumstances

By conducting the double materiality assessment we have ensured that the report is focused on the issues where our business has the greatest impact from a sustainability perspective. We revised our material sustainability aspects when we made this assessment in the fall of 2023 and the spring and fall of 2024, which was also when we adopted a new business plan for the period 2024-2026. All ESRS sustainability topics are material for Peab, although not all subtopics or sub-subtopics are material within each thematic sustainability topic. Since 2021 Peab's reporting has been based on four strategic targets that contain nine external targets. Six of these targets are sustainability-related and constitute Peab's material sustainability aspects.

A number of disclosure requirements are reported in other sections apart from this Sustainability Report. In these cases, there are further references. In ESRS S3, Affected Communities, we have described our work with local communities more broadly than what the set sustainability topics dictate.

We have made certain assumptions, assessments and estimates when reporting several disclosure requirements such as data for Peab's Scope 3 emissions. We continuously work to improve the processes and data quality involved in reporting. We have consistently applied the same calculation methods and accounting principles during the financial year and for comparative figures. Calculation methods, including calculation factors and accounting principles, are described in connection with the reported information. Any changes in delimitations and/or accounting principles in specific disclosures for one of the reported years is noted in direct connection with the reported information. The reported metrics include upstream and/or downstream value chain reporting to the extent we consider it material and it is possible to evaluate and calculate outcomes.

ESRS2

BP

GOV

SBM

IRO

GOV-1-2

**Governance and sustainability**

Peab AB’s Board work ensures that relevant skills and the competency to oversee sustainability issues are available or developed, particularly through the work carried out in the Board’s various committees. Sustainability issues are an integral part of the decision-making processes and are addressed as both specific items and as part of other items on the Board’s agenda.

The Board committees’ specified responsibility provide and strengthen sustainability-related expertise. The Audit Committee plays a central role in overseeing and ensuring the reliability of the company’s sustainability reporting. The committee reviews the effectiveness of the company’s internal control and risk management. In addition, the committee monitors the audit of the Sustainability Report and how it affects the reliability of the reporting. The Audit Committee regularly reports about these matters to the Board ensuring that sustainability competence is always part of governance in Peab.

The Finance Committee contributes to the company’s sustainability work by overseeing financial strategies with an eye to sustainability aspects. The committee ensures that investments and financial decisions are in line with the company’s long-term sustainability targets.

The Remuneration Committee, which is responsible for preparing decisions on remuneration for senior executives, monitors and evaluates the way Peab’s sustainability targets are integrated into reward systems. This includes ensuring that incentives for senior executives are designed to promote sustainable development which requires understanding how sustainability matters affect the company’s long-term targets.

The combined sustainability expertise of the Board and its committees is directly related to Peab’s material impacts, risks and opportunities. By having committees with specific areas of responsibility related to sustainability the Board ensures that sustainability matters are integrated into the company’s overall strategy and business decisions and also minimizes risks.

In summary, the working structure of the Board is designed, through its committees, to provide and develop the sustainability-related competence required for Peab to effectively manage and report on its material sustainability risks and opportunities.

**Governance in the business**

Peab has several executive management forums that are key to Group governance. They are responsible, among other things, for overseeing and managing the risks, opportunities and impact within their respective areas connected to sustainability-related aspects. The Sustainability Council, which is led by the CSO and consists of the COO, Head of Compliance, Head of Non-Financial Reporting, Head of Investor Relations, Environmental Manager and Sustainability Controller, is a cross-functional unit that oversees, coordinates and develops sustainability work at Peab and ensures that operations comply with internal and external regulations, standards and laws. Each role in the council is responsible for overseeing and managing impacts, risks and opportunities in their designated area. The members work together to integrate due diligence into Peab’s governance, strategy and business model. The council also includes several adjunct experts in specific areas of sustainability such as HR, the work environment and



the environment. The council continuously considers if there is a need for further sustainability competence, internal or external, and if so presents proposals to executive management regarding it. Each business area is responsible for ensuring that the right sustainability competence is available in their operations and that they follow established strategies and decisions. There are four councils concerning the environment: the Climate Council, the Chemicals Council, the Biodiversity Council and the Circularity Council which put together a group-wide perspective on their respective area and work for continuous progress. All this expertise works according to the Group’s business plan where sustainability work is an integral part. Two Group programs are essential to the business plan: “Climate Road Map and strategic input goods” and “Quality-assured and traceable value chain,” which are based on the above.

**GOV-3**

**Sustainability in incentive systems**

Peab’s remuneration policy aims to contribute to the company’s strategies, long-term value creation and sustainability, and that Peab has the right competence in leading positions such as heads of function and key expertise. This is ensured through the fundamental principles of:

- offering market-based remuneration so that Peab can attract and retain competent senior officers. Remuneration levels are regularly compared with other companies operating in the same markets.
- offering long-term incentive and bonus programs focused on the above.
- annually evaluating individual performance and goal fulfillment in relation to Peab’s financial results.

In Peab’s current short-term incentive program (STI), outcomes are linked to the company’s strategy in terms of profitability, sustainability and work environment. The sustainability and the work environment targets together account for at the most 34 percent of the total bonus outcome. The first target is calculated as a weighted outcome of the business areas’ performance regarding reducing carbon emissions and this includes promoting environmentally improved products and reuse. The second target is a contracting trend in serious workplace accidents. These targets underscore our commitment to being a leader in social responsibility in the industry.

The long-term incentive program (LTI) measures the two predetermined performance measures of median profitability and carbon emission reductions during the period 2024-2026. Carbon emission reduction is weighted at ten percent of the total performance target. On recommendation of the Board and after a decision by Peab’s Annual General Meeting Peab’s intends to start new three-year programs every year.

Performance targets in the Performance Share Program are as follows:

Performance target	Formula for calculating the outcome	Weighting
Earnings per share, 2024-2026	Minimum level: SEK 13.50 kr, maximum SEK 20 , linear allocation in between	90%
Carbon dioxide emissions (CO <sub>2</sub> e)	Less than 155,000 tons CO <sub>2</sub> calculated on direct (Scope 1) and indirect emissions (Scope 2) based on calculation principles according to the GHC protocol	10%

Peab’s Remuneration Committee prepares the Board’s decisions on remuneration principles, remuneration and other terms of employment for senior officers. It monitors and evaluates ongoing, and during the year concluded, programs for variable remuneration for senior officers. The Remuneration Committee also evaluates how the Remuneration Policy, which is adopted each year by the Annual General Meeting, is applied as

well as current remuneration structures and levels in the Peab Group. Read more about the Remuneration Committee’s responsibility on page 217 in the Corporate Governance Report, about remuneration at Peab on pages 155-158 in note 9 and Peab’s remuneration report 2024 at peab.com.

**GOV-4**

**Due diligence**

Working with due diligence is crucial to becoming a sustainable business and reducing negative consequences for humans, the environment and society. By integrating due diligence into our governance, strategy and business model we not only want to live up to both internal and external expectations, we also want to create value for our stakeholders and contribute to taking responsibility throughout our value chain.

Due diligence work is complex and requires continuous development. During the year we have identified areas where we need to become even better, particularly in strengthening risk management in our supply chains and deepening cooperation with business partners. For example, we received valuable feedback last year through the audits that highlighted areas where our work can be reinforced. These kinds of insights guide us on how to continuously hone and define our processes and working methods. We are also further developing our key performance indicators to measure and monitor this work even more efficiently. The Sustainability Council is responsible for developing due diligence work and continuously improve integrating due diligence into Peab’s governance and business model.

The due diligence process is based on the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

**Structured process**

We have established a systematic process for due diligence which in summary comprises the following steps:

**Incorporating responsibility into policies and management systems:** Our governing documents form the basis for due diligence work. The Code of Conduct (due diligence is described in point 8) and the Suppliers’ Code (due diligence is described in point 6) are adopted by the Board and guidelines for the due diligence process are decided by the CEO. These guidelines are integrated into appropriate working methods throughout the Group and in our value chain through training, communication and compliance checks.

**Identifying and evaluating negative consequences and risks:** Supported by routine risk assessments and through the double materiality assessment we identify actual and potential negative consequences in the sustainability topics. These are prioritized based on severity and likelihood with a particular focus on the most material topics.

**Avoiding, mitigating and managing consequences:** We implement measures to avoid and minimize risks and mitigate consequences. When we identify impacts, for example in our supply chain, we work out action plans in close collaboration with business partners and other stakeholders.

**Monitoring and improving:** Routine monitoring is a cornerstone of our process. Internal and external audits help us ensure that our measures are efficient and that we learn from experience so we can develop our working methods.

**Reporting and being transparent:** We report openly about our due diligence work, focusing on the largest risk areas and measures taken. Transparency is an important part of our responsibility to our stakeholders.

**Remediation when needed:** We strive to provide or collaborate on providing remediation if we identify negative consequences. This includes repairing environmental damage, financial compensation or other corrective action.

For further information on Peab’s corporate governance, including sustainability-related governance, please see the “Corporate Governance Report 2024” on pages 212-224.

## GOV-5

### Risk management and internal control of sustainability reporting

Peab has an established process for managing risks and working with updating the process for identifying sustainability risks based on the CSRD framework (see the section Risks and risk management). Material risks from the double materiality assessment have been integrated into the overall risk management process to ensure systematic risk work and comprehensive risk management in the organization.

Risks are identified on different levels in the Group – from project level to business area and Group level.

Peab is working on further developing the internal control program for sustainability reporting based on new demands. It will contain controls to ensure compliance with regulatory demands and controls to ensure reported data are feasible.

The scope, main functions and components in Peab's processes and systems for risk management and internal control in relation to sustainability reporting are:

Scope: Our risk management and internal control process comprises all business areas and Group functions involved in sustainability reporting. The process is run on Group level and in our four business areas.

Main Functions: We use a method for risk management and internal control that includes risk identification, assessment, management and monitoring. See below for Peab's risk assessment method.

Components: Our fundamental components in the risk management process are our risk register, matrix for assessment and system for management and documentation of response plans.

The outcome of the risk assessments by the business areas and Group functions as well as central monitoring of response plans is consolidated at Group level before further reporting to executive management, the Board and external stakeholders. See more about reporting below.

### Risk assessment method

Our risk assessment method comprises risk identification, assessment and prioritization methodology. We strive to use both quantitative and qualitative analyses to identify and prioritize risks in Peab's value chains. The initial risk identification takes place at business area level, the risks are then assessed and thereafter consolidated at Group level. We separate sustainability risks into two overarching categories: the risk that we negatively impact humans and the environment negatively and the risk that Peab is impacted negatively. Risks related to the process for the double materiality assessment and risks related to the method for data compilation of sustainability-related data are spotlighted.

### Risks related to humans and the environment

- Risks that impact humans and the environment are assessed based on their scope (1-3), magnitude (1-3), restorability (1-3), and the likelihood of occurrence (1-5).
- Risks are assessed based on the short-term horizon (less than 1 year), medium-term horizon (2-5 years) and long-term horizon (more than 5 years).
- We calculate the figure for scope, magnitude and restorability (total 3-9) based on this assessment and multiply this figure by likelihood (1-5) to get a risk value (3-45).
- Risks assessed to have a risk value exceeding 25 are considered relevant risk and thus prioritized.

### Risks to Peab

- Risks that impact our company are assessed based on the likelihood of occurrence (1-5) and the impact on the company if they occur (1-5).
- We assess risks in the short term (less than 1 year), medium term (2-5 years) and long term (more than 5 years).
- Based on the above assessment, we calculate a product (1-25).
- Risks assessed to a product exceeding 6 are considered relevant and thus prioritized.

This is how the double materiality assessment is integrated into Group risk processing. The material risks identified and measures to manage them are described in the respective ESRs sections.

Examples of sustainability-related risks that have been identified and examples of measures to manage them are:

Material impacts, risks and opportunities related to humans and the environment:

1. Climate change, including a higher frequency of extreme weather – choice of method, material and property
2. Access to critical input material – alternative supply plans for strategic input goods
3. Workers' rights in our value chains – ensure compliance of the procurement process

Material impacts, risks and opportunities related to Peab:

1. Requirements regarding climate adaptation – follow internal and external climate targets
2. Workplace accidents – safety rounds, monitor incidents, risk observations, preventive information
3. Compliance – focus on governance documentation, internal control and regulation compliance

Integration into internal functions and reporting

We integrate the results of our risk assessment and internal control into relevant internal functions and processes by:

- Incorporating risk management practices into our strategic planning and operational routines.
- Ensuring collaboration between business areas and Group functions to manage risks comprehensively.
- Regularly updating our internal policies and procedures based on the results of risk assessments.
- Internal control of sustainability data strives to follow the same procedures as financial reporting in the long-term.
- Regularly evaluating the efficiency of our internal control to identify measures for improvement according to already established procedures.
- Regularly reporting the results to executive management, The Audit Committee and the Board.

Read more in the section "Risks and risk Management".



**SBM-1**

**Strategy, business model and value chain**

Collaboration between business areas in the value chain and local presence are the two cornerstones of our business model that generate synergies in operations and prerequisites that enable us to reduce our environmental and climate impact, promote social responsibility and positive community development and run a responsible business.

Peab’s operations aim to improve everyday life where people live it and contribute to building sustainable communities. Building everything from homes, schools, retirement homes and hospitals to constructing bridges, roads and other infrastructure in our communities is inherently closely related to sustainability and business conduct. This we do for customers throughout the Nordic region – from a small inland town in the north and a coastal city in the west to a metropolis in the south.

**Business model**

Our operations are based on four business areas: Project Development, Construction, Civil Engineering and Industry. Each one is independent and has its own customer base. Sometimes all four business areas deliver to the same customer, sometimes only one business area has the account.

Our business model is reinforced when business areas collaborate with each other in the value chain, from acquiring land to production and operation. This gives us unique opportunities, together with our strategic assets, our own resources and good control over the value chain, to meet customer needs and external expectations. In particular, it increases our ability to steer the business in a more sustainable direction and reduce negative impacts on humans and the environment. The business model allows us to utilize local resources in the form of our own input goods, skilled and engaged employees and local subcontractors. Naturally this includes our sustainability offer in the form of ECO-products, recycling and reuse, as well as local social responsibility in the places where we operate. With our four business areas we can offer customers a broad range and reliability while we increase our productivity and can take advantage of both financial and operational synergies. This way we not only reduce the negative impact of our operations but also create long lasting and sustainable values.

Peab’s highly processed business in collaboration helps us achieve broad target fulfillment. Here is a list of the advantages of Peab’s business model:

- Higher degree of processing
- Income diversification and risk spreading
- Investment opportunities and financial strength
- Locally produced through local resources (input goods and personnel)
- Innovation and product development capability

- Experience exchanges
- Advantages and effects of scale
- Job opportunities and local development
- Capable of steering towards sustainability:
  - Good work environment and safety
  - Lower environmental and climate impact
  - Ethical business practices
  - Greater equality and diversity

In practice Peab creates value mainly through six activities in the processing chain, through our four business areas: 1) acquisition, 2) development and planning, 3) procurement and production 4) civil engineering and construction, 5) divestment and 6) operation, maintenance and further development. The business areas and the operations they run have their own logistics and are structured according to the conditions of their respective markets and submarkets and are divided into product segments and geography.

Revenue in business areas Construction and Civil Engineering comes from construction contracts for both private and public customers. Business area Industry has both construction contracts and sells products and services to Nordic construction and civil engineering companies. Business area Project Development divests homes to private persons and commercial properties and community properties to public and private customers.

**Sustainability in business model and strategy**

Sustainability has been integrated into our strategy and business model since the company was founded 65 years ago. When brothers Mats and Erik Paulsson started Peab on the Bjäre Peninsula their original business idea was to take on waste collection and sanitation contracts in the municipality. The business quickly grew to include renting machines and civil engineering operations. After that they added construction work and in the 1990s they acquired the first manufacturing business, making concrete and mineral aggregates production part of the Group. Operations have always been close to our customers and with our local resources Peab offers supplementary and collaborative construction and civil engineering contract services. This minimizes costs, reduces transports and results in efficient use of local resources.

**Our positioning** → **Locally produced community building**

**Our strategic targets** → **Best workplace and leader in social responsibility**

**Our offer** → **Sustainable offers to customers**

**Our delivery** → **Local collaboration and a high degree of processing**

Today these principles are part of our strategic positioning “Locally Produced Community Building.” Producing locally means supplying our projects with local resources like input goods, material and the labor force as much as possible. In addition to the accompanying environmental benefits, we also contribute to creating local jobs. By being capable of controlling the value chain we can extend our responsibility for sustainability throughout the delivery – from the materials included and technical solutions to the labor force, the work environment as well as the safety and working conditions for everyone at our workplaces.

We also steer the business based on overall Group targets, several with a clear connection to sustainability. Our strategic targets Best workplace and Leader in social responsibility comprise Peab’s environmental, climate and work environment targets as well as the goal of promoting equality in

the industry. We also break down strategic targets into sub-targets in our business areas depending on the operations (see the table below). Our overarching target of climate neutrality is reflected in concrete operational goals such as increasing the portion of ECO-Betong (ECO-Concrete) in our construction contracts or the portion of alternative binders in our concrete and prefab production. Greater resource efficiency in practice becomes goals such as increasing the portion of recycled asphalt in our paving contracts or reducing the amount of waste and scrap in construction contracts. We have targets for so-called secure procurements in all our operations. These are purchases from framework contract suppliers that meet our requirements on business ethics, the work environment and working conditions as well as more traditional metrics such as financial position, price worthiness and quality.

Sustainability topic	Group target	Examples of sub-targets in our business areas
<b>E1 – Climate change</b>	<ul style="list-style-type: none"> <li>Climate neutrality by 2045</li> </ul>	<ul style="list-style-type: none"> <li>Increase sales of ECO-products</li> <li>Lower energy intensity in our projects</li> <li>Raise the portion of alternative binders in our concrete production</li> </ul>
<b>E2 – Pollution</b>	<ul style="list-style-type: none"> <li>Phase out environmentally and health hazardous products and substances by 2030</li> </ul>	<ul style="list-style-type: none"> <li>Increase portion of unique chemical products that meet Peab criteria</li> </ul>
<b>E3 – Water and marine resources</b>	<ul style="list-style-type: none"> <li>Peab has no Group targets</li> </ul>	
<b>E4 – Biodiversity and ecosystems</b>	<ul style="list-style-type: none"> <li>Peab has no Group targets</li> </ul>	
<b>E5 – Resource use and circular economy</b>	<ul style="list-style-type: none"> <li>100% resource efficient business by 2040</li> </ul>	<ul style="list-style-type: none"> <li>Lower waste intensity Increase sorting rate</li> <li>Raise the portion of recycled asphalt</li> <li>Increased sales of ECO-Ballast (ECO-Mineral aggregates)</li> </ul>
<b>S1 – Own workforce</b>	<ul style="list-style-type: none"> <li>Zero vision for serious accidents Recruitment of women &gt; education market</li> </ul>	<ul style="list-style-type: none"> <li>Promote safety culture through risk observations, safety rounds and safety walks</li> <li>100% risk analysis in all work preparations</li> </ul>
<b>S2 – Workers in the value chain</b>	<ul style="list-style-type: none"> <li>Zero vision for serious accidents</li> </ul>	<ul style="list-style-type: none"> <li>Promote safety culture through risk observations, safety rounds and safety walks</li> </ul>
<b>S3 – Affected communities</b>	<ul style="list-style-type: none"> <li>Peab has no Group targets</li> </ul>	<ul style="list-style-type: none"> <li>Local sponsorship in all projects in Housing Development</li> </ul>
<b>S4 – Consumers and end users</b>	<ul style="list-style-type: none"> <li>Customer Satisfaction Index &gt;75</li> </ul>	<ul style="list-style-type: none"> <li>Lower complaint costs</li> <li>Fewer guarantee errands</li> </ul>
<b>G1 – Business Conduct</b>	<ul style="list-style-type: none"> <li>Peab has no Group targets</li> </ul>	<ul style="list-style-type: none"> <li>Increase the number of secure procurements</li> <li>100% log index at our workplaces</li> </ul>

The table above shows how we govern the business based on set targets linked to sustainability. Peab has targets on both Group level and targets broken down at business area level.

Operations in all the business areas have both positive and negative impacts regarding sustainability aspects. In addition to, for example, building roads for more efficient and safer transportation many of Peab’s projects contribute to the ongoing climate transition by limiting emissions and adapting communities to climate change. Some examples are developing ports, preparing land areas and building factories that enable the green transition, or enabling wind and solar power production and dimensioning water and wastewater networks for more rainfall.

Developing sustainable customer and market offers is a cornerstone of our strategy and business model. We environmentally label our housing

projects in business area Project Development such as Swan certification. In business area Construction customers increasingly demand sustainable construction and energy efficient buildings and we offer concepts like NärBo with tangible sustainability advantages. In business area Civil Engineering there are significant investments in water and wastewater facilities and Peab is working on several industrial projects that are important for climate transition. Business area Industry provides the market with a wide range of products under our ECO-brands that contribute to lower greenhouse gas emissions compared with traditional alternatives.



**Up to 50 percent lower emissions**

- Replaces at least 30 percent of cement
- Recycled steel reinforcement
- Green electricity in manufacturing
- Railroad for long transports



**Total emission reduction of all components**

- Housing -30 percent
- Commercial properties -25 percent



**Up to 60 percent lower emissions**

- Alternative binders, e.g. Merit replaces cement
- Verified Environmental Product Declaration (EPD)



**100 percent recycled raw material**

- Made from recycled raw material
- Replaces or supplements virgin material
- CE marked, environmental and health declaration (third-party review)



**65 percent lower emissions**

- Renewables replace fossil fuels
- Recycled asphalt depending on purpose
- Verified Environmental Product Declaration (EPD)

We provide our employees with secure employment and meaningful careers with development opportunities. This includes everything from striving for safe workplaces without accidents and actively promoting gender equality and diversity in the traditionally male-dominated construction and civil engineering industry to limiting the risks of ethical violations in the complex value chains that also characterize the community building sector. Therefore our operations have a responsibility to ensure that we and our suppliers act ethically and take the environment and human rights into consideration.

**Sustainability challenges**

The main challenges we work with regarding sustainability are summarized as follows:

- Variation in customer needs and demands
- Technical and production-related challenges
- Traceability-related challenges
- Broad and complex supplier base

**Variation in customer needs and demands**

One construction project rarely resembles another. The broad range of customers and the variation in customer needs and demands mean that projects are highly customized. A residential building, an office or a bridge has a lifespan over decades which requires unique adaptations and characteristics for almost every final product. The extent of sustainability demands varies. Nonetheless, we strive to create standardized and sustainable solutions as far as possible. One step in this is our focus on input goods where we have made great strides. Input material, groundwork, foundations, prefabricated building elements and frames are examples of components regardless of what is being built. We have also developed the standardized housing concept Närbo, our apartment buildings where we have compiled and packaged years of experience and expertise from our best practice construction methods. We are further developing these housing and real estate concepts with the growing customer demand.

**Technical and production-related challenges**

Developing technical and production-related solutions for increased sustainability is an important investment. The climate neutrality target requires solutions or alternatives for 1) cement/concrete, 2) steel, 3) fuel, 4) bitumen/asphalt, 5) electricity/energy and 6) transportation. Currently existing technology can partially reduce carbon emissions but not entirely. New technology often brings new production-related challenges such as

longer curing times for concrete that contains a higher portion of alternative binders. Increasing sustainability entails continuously developing production methods.

**Traceability-related challenges**

Another challenge we work with is industry-wide: the digital traceability of sustainability-related information. A turnkey contract in construction, for example, is a composite service where the amount of input goods and products is extensive. Additionally, a turnkey contract usually consists of subcontracts where suppliers provide labor and materials to various degrees.

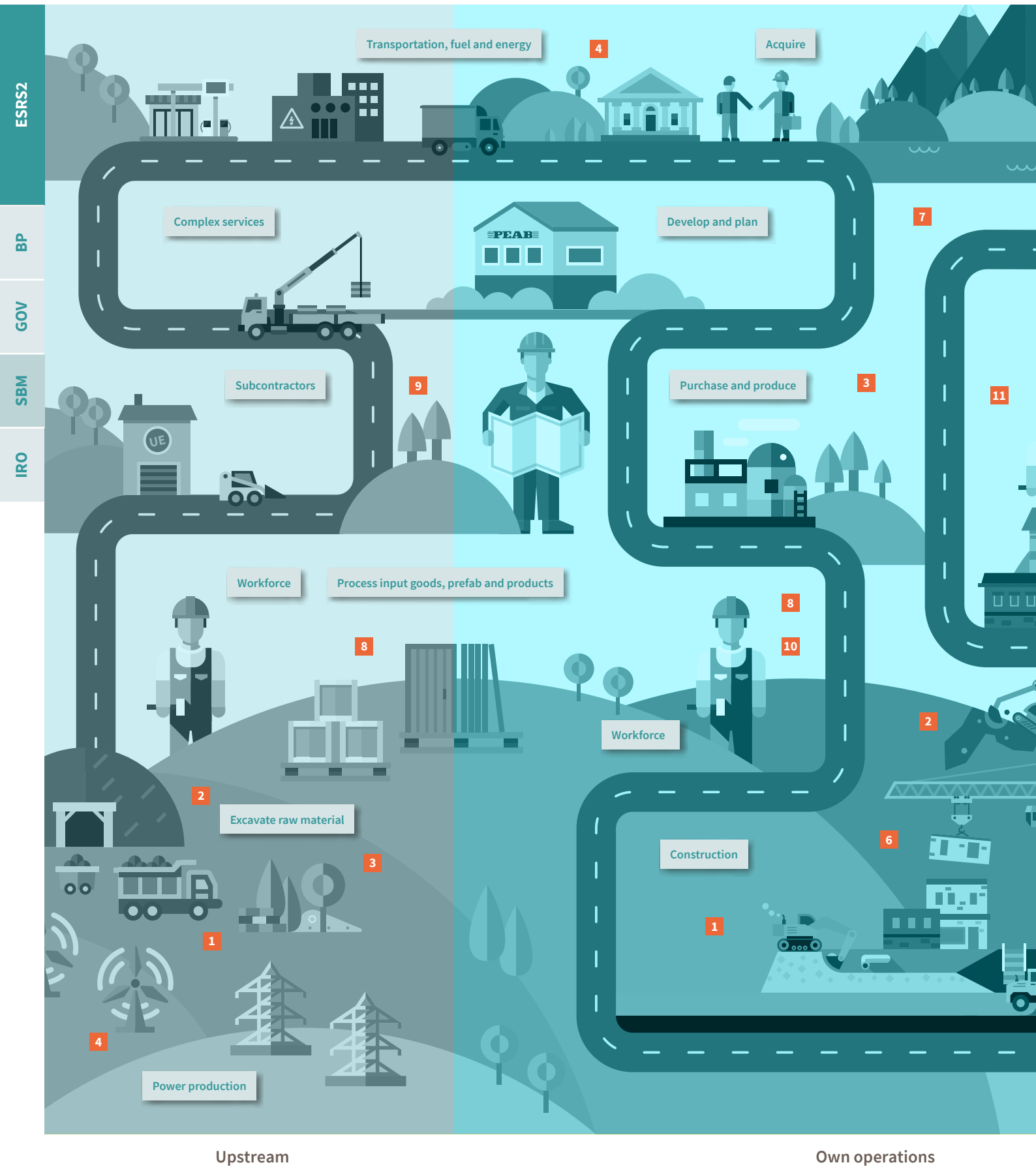
Peab has made progress in several areas. Since we have input goods, groundwork, foundations and frames in our own operations we have the ability to trace material impact through EPDs. Increasing digital traceability in material flows is a challenge we are working on and it will be crucial to enabling even more detailed management and reporting of sustainability-related data. Above all, it requires industry collaboration on issues such as selected standards and digital delivery notes.

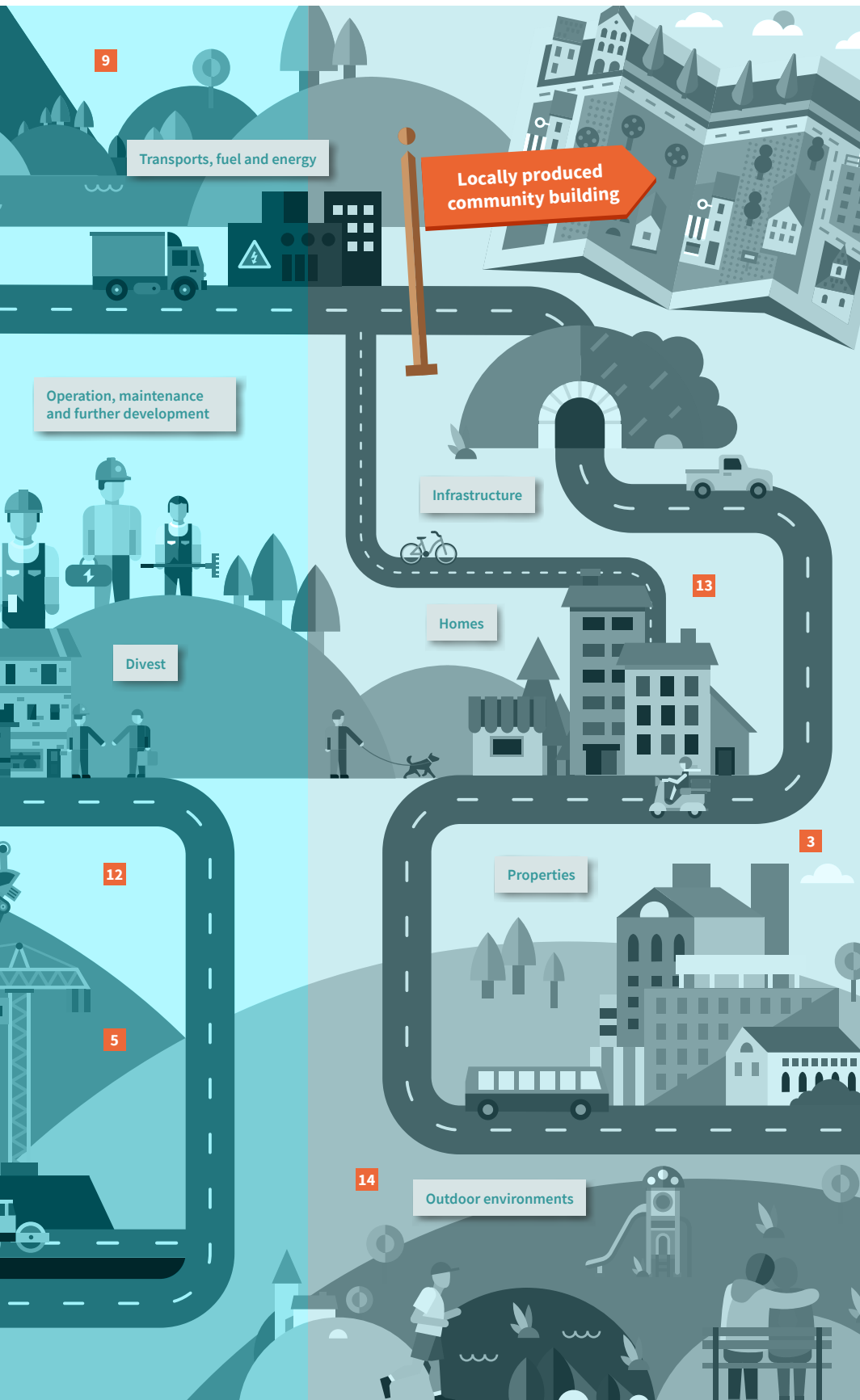
**Broad and complex supplier base**

The number and variation of suppliers and subcontractors we collaborate with in a construction project can be extensive and vary depending on where in the Nordic region it is carried out. Excavation services, for example, is an area where the market consists of a large number of small businesses that operate locally. Another aggravating factor is the kind of purchasing we do, particularly regarding procured and complex services. Installations are an example of where we procure both the installation work and the material from the installer who in turn can have different material suppliers. Increasing control and traceability over our supplier base is a massive undertaking but we are making progress. Part of the solution is in more delineated category and supplier governance as well as greater collaboration in the industry, especially in standardizing.

**The business 2024-2026**

The primary areas of the Peab Group business plan for 2024 to 2026 are customer focus, sustainability and sustainable offers and efficiency. Collaboration in our geographies is a prerequisite for success in all these areas. We have established two Group development programs that support these shifts: “Climate Roadmap and strategic input goods,” which, by breaking down our climate targets into action plans with measures, aims to ensure that we achieve our climate and environmental targets and secure access to critical input goods, and “Quality assured and traceable value chain,” which will both support the first program and contribute to our work with, and responsibility for, Peab’s value chains.





Downstream

## Overview of Peab's value chain

The illustration below provides an overview of what Peab's value chain (upstream, own operations and downstream) looks like as well as where our material sustainability-related impacts, risks and opportunities occur.

## Impacts, risks and opportunities

### Upstream

- 1 Land-use
- 2 Extraction and use of virgin resources
- 3 Greenhouse gas emissions
- 4 Use of renewable energy
- 8 Use of hazardous substances
- 9 Impacts on ecosystems

### Own operations

- 1 Land-use
- 2 Extraction and use of virgin resources
- 3 Greenhouse gas emissions
- 4 Use of renewable energy
- 5 Waste generation
- 6 Recycling and reuse
- 7 Transition and physical climate risks
- 8 Use of hazardous substances
- 9 Impacts on ecosystems
- 10 Business conduct
- 11 Responsibility for workers
- 12 Creating local jobs

### Downstream

- 3 Greenhouse gas emissions
- 13 Impacts on local communities
- 14 Designing safe and accessible communities

### Value chains

Given Peab's broad operations there are many value chains. Construction has one type of value chain while Civil Engineering has another. The value chain in business area Project Development differs yet again and there are several value chains in Industry, particularly in supplying rentals, prefab, paving and materials. In addition, there are often variations within each value chain due to the fact that production chain in the construction and civil engineering industry is complex and consists of many actors. In connection with Peab's double materiality assessment the company took a closer look at a total of eight value chains.

Peab's primary value chains are:

- Construction
- Civil Engineering
- Prefabricated construction elements
- Rentals
- Paving
- Concrete
- Raw material supplies
- Project Development

### Upstream

Peab handles around 41,500 external suppliers each year. About 3,000 suppliers account for 80 percent of the Group's total purchase volume. In other words, we are a major purchaser in the Nordic region and can therefore promote secure and sustainable procurements and supplier partnerships.

We allocate Peab's total purchasing volume into different purchasing categories. We currently have about 260 different categories, of which frames and facades, installations, civil engineering transportation and construction equipment services are the largest.

For us continuous access to a number of strategic input goods – cement, bitumen, electricity, fuel, steel and certain wood products – is a necessity for community building. Therefore we work continuously and systematically with these input goods to both secure access to them and contribute

to their transition. In this way we reinforce Peab's resilience, minimize vulnerability and accelerate the transition to future renewable products, solutions and construction methods.

Production of these materials is also what causes the largest amount of greenhouse gas emissions. To reduce material-related emissions we work intensely with material selection, optimized material use, recycling and reuse. All this requires collaboration among the various value chains with both suppliers and customers.

We are also working to develop solutions that enable substituting materials which currently have a large climate impact where possible considering technology, performance, quality and market, and that conditions for reuse are constantly improved. What are not considered strategic input goods today may become ones tomorrow.

Specifically this means, among other things, that Peab:

- has cross-functional teams that work to ensure access to strategic input goods.
- ensures steering, in consideration of stakeholder demands, aimed at planning for and achieving progress.
- strives for good control over supply chains and risks.
- works together with suppliers.
- prepares for future technological development, innovation and requirements.

### Downstream

Peab has a broad customer base that spans over our four business areas. Sometimes all four business areas deliver to a customer, sometimes only one business area has a customer account. The total number of customers is about 18,000.

The construction and civil engineering industry has historically been customer-driven where the overwhelming majority of construction projects are customized to customer needs. However, we are increasingly taking an active role in the early stages of the planning and design phase of planned projects. This increases our ability to influence projects in a more sustainable direction.

#### Strategic initiative:

## Climate road map and strategic input goods

#### Summary of purpose and targets

- Climate neutrality
- Secure supply of strategic input goods

#### Approach

- Teams that span over business areas and functions in the Peab Group
- Action plan per emission source/input good

#### Strategies

- Competence development – for employees and customers
- Product development – improve climate performance in our own products and technical solutions
- Business development – actively offer customers climate-improved alternatives
- Production development – product choice, energy efficiency and renewable energy in our own production
- Supplier development – dialogue, specifications and monitoring

#### Strategic Initiative:

## Quality assured and traceable value chain

#### Summary of purpose and targets

- Improve digital traceability of sustainability-related information
  - in our entire value chain in order to: Create the basis for sustainable customer and business offerings
  - Create the basis for Peab to steer towards our own sustainability-related targets
  - Comply with existing and upcoming reporting requirements

#### Approach

- Teams that span over business areas and functions in the Peab Group

#### Strategies

- Data capture and data sources
- Standardization
- Requirements in the supplier chain

**SBM-2**

**Stakeholders’ interests and views**

We have ongoing dialogues with representatives from our various stakeholder groups, both those who are in some way impacted or can be impacted by our operations and those who use our sustainability reporting for various purposes. The first category includes customers, suppliers and employees as well as neighbors and other actors in the local community. The second includes, for example, existing and potential owners and investors, loan givers and insurance companies as well as other users such as business partners, labor market partners, non-government organizations, government agencies and academics.

Through our ongoing dialogues with representatives from our stakeholder groups we keep updated on the expectations and demands they have on Peab and what issues are most important to them. These dialogues occur in many different parts of our organization in both informal meetings with customers, suppliers, employees and other stakeholders and in more structured contexts like supplier audits, meetings with politicians and other decision-makers, owner and investor dialogues and seminars at colleges and other educational institutions. A representative number of these stakeholder dialogues are collected and documented.

The accumulated result from these dialogues partly forms our double materiality assessment and sustainability topics we have identified as material. The outcome of the stakeholders’ various demands and desires successively crystalize into how Peab runs projects and composes offers, especially when it comes to the ongoing climate transition. An example of this is the development of the various ECO-products or the two Group programs described above. We can clearly see the connection between driving development in our operations in this direction and our increasing attraction for customers, employees, investors and other stakeholders. For more details concerning these two programs and anticipated results see the description above.

In the dialogues – independent of which stakeholder group – we inform about the progress being made in our operations, provide good examples and initiatives but also point out the challenges. In this way we can create and maintain constructive and transparent conversations and promote collaboration that leads to actual sustainable development.

The table on page 48 presents Peab’s most important stakeholders, the kind of dialogues we have with them, what their expectations of us are and the value Peab creates for our stakeholders through our business.

- ESRS2
- BP
- GOV
- SBM
- IRO



Stakeholder	Expectations of Peab	Dialogue forms	Primary Peab counterpart	Created value
<b>Existing and potential employees</b>	Responsible ethical entrepreneurship, good work environment and high degree of safety, skills development, good leadership, equal treatment, gender equality and diversity, good work and employment conditions, awareness and measures to reduce climate and environmental impact, community involvement, for example in the form of local development and responsibility throughout the value chain.	Daily dialogue, employee surveys, work environment evaluations, work environment dialogues, student surveys, workplace meetings, union collaboration, internal training, incident follow-ups, management meetings, goal and developmental discussions, external surveys concerning employer brand, collaboration with students and the education system.	<ul style="list-style-type: none"> <li>• HR functions</li> <li>• Recruiting managers</li> </ul>	<ul style="list-style-type: none"> <li>• Wages and remuneration</li> <li>• Meaningful employment as a community builder with an employer that takes sustainable responsibility</li> <li>• Opportunities for development, challenges and community initiatives for health and wellbeing</li> </ul>
<b>Customers</b>	Responsible ethical entrepreneurship, professional businessmanship, competence, resource capacity, quality, availability, experience and expertise exchanges, good work and employment conditions, certifications, ongoing risk mapping and risk management, awareness and measures to reduce climate and environmental impact, community involvement, for example in the form of local development and responsibility throughout the value chain.	Meetings in person, daily contacts, networks, partnership projects, dialogue meetings, customer meetings, fairs, customer surveys, questionnaires from customers, procurements and audits.	<ul style="list-style-type: none"> <li>• Local sales organizations</li> <li>• Various specialist expertise (e.g. technology, environmental)</li> </ul>	<ul style="list-style-type: none"> <li>• Solutions and deliveries that improve the conditions for customers' operations, increasing their productivity, reducing their costs and helping them reach their sustainability targets</li> <li>• Facilitating customers' ability to take responsibility and drive sustainable development B2C (housing customers):</li> <li>• Facilitating people's everyday life</li> <li>• Facilitating people's ability to take responsibility and live sustainably</li> </ul>
<b>Suppliers</b>	Responsible ethical entrepreneurship, professional businessmanship, ongoing risk mapping and risk management, awareness and measures to reduce climate and environmental impact (preferably with the supplier), responsibility throughout the value chain.	Procurements, supplier evaluations, meetings in person, daily contacts, supplier meetings, supplier audits, sustainability dialogues and partnership projects.	<ul style="list-style-type: none"> <li>• Central and local purchasing organizations</li> <li>• Site managers and project managers</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term relationships and business opportunities for around 41,500 suppliers</li> <li>• Jobs</li> <li>• Providing opportunities to take responsibility and drive sustainable development</li> </ul>
<b>Shareholders/ investors</b>	Responsible ethical entrepreneurship, long-term financial value development that creates annual dividends, ongoing risk mapping and risk management, awareness and measures to reduce climate and environmental impact, responsibility throughout the value chain and community involvement, for example in the form of local development.	AGM, analyst meetings, surveys from investors and owners, investor meetings and conversations, national and international ratings.	<ul style="list-style-type: none"> <li>• CEO, CFO, Head of IR</li> </ul>	<ul style="list-style-type: none"> <li>• Investments that work towards sustainable development</li> <li>• Return on equity</li> <li>• Total return (exchange rate and proposed dividend)</li> </ul>
<b>Actors in the local community</b>	Contributions to local community development, cost-efficient construction and housing in different price categories, ongoing risk mapping and risk management, awareness and measures to reduce climate and environmental impact, care for the local environment, local community involvement through, for example, integration programs and contributions to job experience for youths, sponsoring local youth activities, responsibility throughout the value chain.	Receiving study visits, partnership projects, information meetings, networks, contacts with county boards/municipalities, consultation, environmental reports, vision work, mentoring, sponsored projects, citizen and resident dialogues.	<ul style="list-style-type: none"> <li>• Local project organizations</li> <li>• Responsible for Peab's social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Local jobs</li> <li>• Taxes and social security fees</li> <li>• Contribution to long-term sustainability targets, including climate targets</li> <li>• Local purchasing and local supplying</li> <li>• Contribution to education and development of youths</li> <li>• Contribution to gender equality, diversity and equal treatment</li> <li>• Local sponsoring of civil society</li> </ul>



**SBM-3**

**Material impacts, risks and opportunities in relation to strategy and business model**

In the following we report on where in our value chains impacts, risks and opportunities occur and we describe them in more detail. We have aggregated the outcome on Group level per ESRS topic. As is apparent from the diagram below Peab has determined that all ten sustainability topics are material, although not all the subtopics or sub-subtopics.

In the following pages in the respective ESRS sections we will exemplify the sustainability-related impacts (positive and negative) as well as the risks and opportunities contained or possibly contained in each sustain-

ability topic that we have determined material for Peab. We also note whether or not the impacts and risks are in our own operations and/or in upstream or downstream activities in the value chain.

We are continually developing our work on the double materiality assessment and its consequences and successively improve the methodology along with our ability to report on the disclosures we have identified as material. This is part of developing the business to meet the “gaps” we have identified in the double materiality assessment.

**IRO-1**

**Impacts, risks and opportunities**

**How we have determined material impacts, risks and opportunities**

In preparation for CSRD legislation we conducted a double materiality assessment during 2023 and 2024 in order to update Peab’s material sustainability aspects. In accordance with the guidelines in ESRS 1 we have examined the actual and potential positive or negative impacts – including risks and opportunities – of Peab’s business on humans and the environment (impact materiality, inside-and-out) and external impacts on our business (financial materiality, outside-and-in). In this assessment we have assumed a value chain perspective, i.e. in addition to our own operations we have also taken into consideration activities upstream and downstream in the processing chain.

As previously noted Peab’s broad operations mean we have different business models that generate revenue and create value, all of them with their various relationships and dependencies. Based on this we have assessed and mapped eight primary value chains in order to determine our sustainability topics. These value chains are construction, civil engineering, prefabricated construction elements, rentals, paving, concrete, raw material supplies and project development. We have also conducted specific assessments of upstream value chains for the input goods we have identified as strategic for our business: concrete, cement, bitumen/asphalt, steel, wood products, electricity and fuel. We have made a similar analysis of household goods. We have made separate assessments regarding the value chain construction for Sweden, Finland and Norway and for value chain civil engineering there are separate assessments for Sweden and Norway.

The assessments have mainly been conducted by members from the functions environment, work environment, HR and controllers from both central and business area levels. Additionally, category managers from our purchasing organization have mapped materiality in our strategic input goods. The CSO and COO from executive management have also participated in materiality assessments all the while this work has been continually checked by Peab’s executive management and Board. The work has been led by Peab’s non-financial reporting function with support from external advisors.

Our experts from respective operations have assessed the materiality of their value chain based on the ten ESRSs in the areas environment (E1-E5), social responsibility (S1-S4) and business conduct (G1), all the way down to sub-subtopics. EFRAG and other sources have guided us in our assessments and we have made our own interpretations based on our operations. We have also built up a methodology for rating and assessing the value chains. We have taken Peab’s stakeholders into consideration by collecting documentation from relevant interactions with them and incorporated their demands and desires into our assessments. Read more about Peab’s stakeholders on pages 47-48.

Regarding impact materiality, we have assessed materiality in every sustainability topic by weighing the severity and likelihood of impacts, risks and opportunities. The degree of severity is determined by scale, scope and restorability as well as if there are risks regarding human rights. Actual impact is rated as a five on a five degree scale. In the same way, we have assessed potential impact through a scale of between one to five points. The degree of severity consists of a scale between one and three for each factor where 1=low, 2=medium and 3=high (see the figure below). We have assessed the time interval for both impact materiality and financial materiality according to the time horizons in ESRS for short-, medium- and long-term.



Environment

E1

ESRS

# Climate change

Material sustainability topics for Peab

- Climate change adaptation
- Climate change mitigation
- Energy

## Peab and climate change

The construction and civil engineering industry’s climate impact is significant. Peab impacts the climate throughout the entire value chain, first through emissions of greenhouse gases generated by the manufacture and transportation of input goods and then by the production processes in our own operations and finally by what we have delivered and built. At the same time the conditions for our business is affected by climate change and the work on climate adaptation is becoming more vital. Streamlining energy consumption is also key to supporting phasing out fossil energy. The driving forces in Peab’s climate transition are the Group’s strategic target to be a leader in social responsibility as well as to comply with legislation and to meet a market with increasingly stringent climate demands from our customers. We have also conducted overarching climate scenario analyses based on the Task Force on Climate-Related Financial Disclosures (TCFD) to identify physical risks and transition risks. In addition, we have assessed Peab’s resilience in relation to them.

The primarily cause of greenhouse gas emissions from Peab’s operations is using various materials in production like concrete, steel and asphalt. Two other major sources of greenhouse gases in production are energy consumption and transportation. So these are the areas we prioritize in our emission reduction activities. As community builders we also have a comprehensive perspective on our climate work and strive to contribute

to a sustainable society on the whole by , for example, designing flexible buildings, building solar power plants, wind turbines and railroads or by building in such a way that people can live more sustainably. In addition to specially focusing on reducing emissions in the construction process we take into consideration climate impact from a life cycle perspective. This means taking responsibility for both making and meeting demands in our value chain regarding suppliers and customers in order to step-by-step reduce our climate impact in line with set targets, and transition our communities to the changed climate.



All three sub-topics are material for Peab; climate change adaptation, climate change mitigation and energy.








Regarding Peab’s business and climate change, here are some examples of activities in the value chain that impact or can have an impact:

**Upstream:** Limestone quarries and cement production, manufacturing input goods like steel, consuming fossil fuel in material production, emissions from transportation

**Own operations:** Asphalt production, production of slag based binders, transportation and equipment, construction adapted to extreme weather and climate change

**Downstream:** Energy consumption when running properties, possibilities for people to use mass transit

 Positive impacts / opportunities  Negative impacts / risks

Part of value chain	Example of impacts, risks and opportunities	Description
<b>Climate change adaptation</b>		
<b>Upstream / Own operations</b> 	Physical risks resulting from increased frequency of extreme weather, higher temperatures and other unforeseeable consequences due to climate change	<ul style="list-style-type: none"> <li>Climate change and any climate adaptation in the supply chain risk eventually impacting resource supplies. Increased frequency of, for example, extreme weather can lead to operational disruptions in supply and transportation chains and in own production.</li> <li>More repair-like work.</li> </ul>
<b>Upstream / Own operations</b> 	Higher costs due to climate change	<ul style="list-style-type: none"> <li>Measures to adapt to climate change increase costs in the short term (operative costs and transition investments).</li> </ul>
<b>Own operations</b> 	Expertise and construction services within climate change adaptation	<ul style="list-style-type: none"> <li>Offers that contribute to climate change adaptation, like climate adapted construction or modernizing water and sewage infrastructure generate new (kinds of) work.</li> <li>Greater demand for climate-related operation and maintenance services.</li> </ul>
<b>Climate change mitigation</b>		
<b>Upstream / Own operations</b> 	Production and use of input goods	<ul style="list-style-type: none"> <li>Limestone quarrying and cement manufacture, production of input goods like steel, fossil fuel use in manufacturing material generates emissions.</li> <li>Access to and using alternative binders in input goods like concrete and asphalt reduce dependency and carbon emissions.</li> <li>Products produced fossil free or with lower carbon emissions, for example Peab’s ECO-products.</li> </ul>
<b>Own operations</b> 	Use of vehicles and machines for transportation and production	<ul style="list-style-type: none"> <li>Fossil driven vehicles and machines generate emissions.</li> <li>Shifting to electric vehicles and machines reduce emissions.</li> </ul>
<b>Energy</b>		
<b>Own operations</b> 	Fossil energy sources in manufacturing material	<ul style="list-style-type: none"> <li>Fossil energy use in manufacturing material (such as cement and asphalt) generates emissions.</li> <li>Renewable energy sources reduce climate impact.</li> </ul>
<b>Downstream</b> 	Energy use in property	<ul style="list-style-type: none"> <li>Measures for streamlining energy use reduce climate impact.</li> </ul>

The table above shows examples of material impacts, risks and opportunities that occur in Peab’s own operations as well as upstream and downstream in the value chain. It is not comprehensive.



**Climate change is linked to the UN's 7th and 13th global goals for sustainable development: Affordable and clean energy and Climate action**

**Process regarding materiality**

In order to evaluate Peab's impacts, risks and opportunities in relation to climate change in our own operations and value chains we have worked in cross-functional teams with employee representation from the entire Group. We have conducted a double materiality assessment for E1 climate change per value chain and country and thereafter consolidated the assessments to Group level. The cross-functional teams have mainly consisted of environmental and climate specialists from the four business areas, financial controllers and category purchasers. In addition a number of employees from Group functions have participated in the work. The function non-financial reporting has coordinated the process regarding materiality, which has been conducted as described in the section ESRS 2 on page 49.

**This is how we work**

Taking responsibility for our climate impact is a key part of Peab's strategy and we measure success in the strategic target "leader in social responsibility". The most long-term target of Peab's three comprehensive environmental targets is to be climate neutral no later than 2045, which aligns with the scientifically-based 1.5 degree target in the Paris Agreement. Our targets by 2030 are to reduce carbon dioxide intensity by at least 60 percent (cp. 2015) in our own operations – Scope 1 and 2 – and for input goods and purchased services – Scope 3 – by half (cp. 2015). The targets have been set by executive management and comprise metrics, measurement methods and strategic improvement areas. They are then broken down in sub-targets and concretized in the various operations based on the business areas' specific circumstances and challenges. Read more about the Group's transition plan and the program Climate Road Map and strategic input goods below.

**Responsibility and policies**

The Group's Head of Environment coordinates and drives joint environmental matters, including climate work, together with business area environmental managers and climate specialists. The Group has a so-called Climate Council to ensure a holistic perspective and efficient management of a country's and/or Group-wise matters. The Group's environmental functions support the responsible managers in making decisions about climate matters in order to turn plans into action and generate progress in our climate work.

The majority of Peab's operations work within the framework of a management system that is environmentally certified according to ISO 14001. The management system contains procedures that describe how we work with mitigating climate change, adapting to it and energy matters. The environmental management system is integrated into our business management system which, among other things, comprises Peab's Environmental Policy where we state that our goal is to achieve climate neutrality. The four business areas are responsible for implementing and complying with the management system and policies in day-to-day work.

**Work method and focus areas**

In order to reduce greenhouse gas emissions by the construction and civil engineering industry at the rate required by the Paris agreement – the Swedish National Board of Housing, Building and Planning estimates they are more than 20 percent of Sweden's total emissions – the industry has to move quickly. We strive to work systematically towards this goal and support the Swedish construction and civil engineering industry's Road map for fossil free competitiveness. We have an advantage in that we can supply our contract construction operations and the projects we develop ourselves with input goods and raw material through business area Industry, which improves our ability to lower carbon emissions. We contribute to climate transition through different kinds of investments such as

improving energy efficiency in our factories and electrification of machines and vehicles. We also work actively in applying for funding to enable transitioning at a quicker pace.

Our ability to be successful in reducing climate impact in our own business as well as upstream and downstream in the value chain is determined to a large degree by making the right decision from the start. This often requires collaboration through early dialogues with customers and other partners and clearly defined project objectives. We work actively together with suppliers and customers to find solutions that reduce greenhouse gases. In addition the development work in the Group regarding products, logistics and methods is important for Peab' success in reducing climate impact.

**Peab's transition plan**

To achieve our established climate targets we produced a Group-wise strategic transition plan during 2023 that we concretized in activities within the framework for the business plan program Climate Road Map and strategic input goods, which is one of Peab's two development plans during the business plan period 2024-2026. Both the transition plan and the program were adopted by executive management. We are currently working to change our offer and develop products and integrated solutions that contribute to lowering Peab's climate impact. The transition plan contains investments like electrical vehicles and machines on our construction sites and production facilities. An estimated ten percent of the reduction is dependent on investments while many of the other measures entail higher operative costs.

Around 90 percent of Peab's climate impact is generated in our industrial operations so we focus the Climate Road Map on areas like more efficient energy, fewer transports and influencing customers to demand renewable fuel, energy efficient equipment and electric/ renewable energy on construction sites as well as using products and material with a lower climate impact. The action plan is reviewed in the program's steering team every quarter.

Resources for the Climate Road Map identified measures come from both Group and business area levels.

**Climate transition and business potential**

Peab's focus on an offer that reduces greenhouse gas emissions strengthens our competitive power and ability to win market shares. We can see that our climate promoting actions and investments give us a competitive edge on the market. This includes fossil free construction sites, productifying excavation soil and circular management of excavation soil as well as products with a lower climate impact like ECO-Betong (ECO-Concrete) and ECO-Asfalt. More and more often we also receive projects aimed at adapting our communities to climate change, for example modernizing water and sewage infrastructure.

**Material related emissions**

Since material related emissions are the largest source of greenhouse gases in our operations we work hard to reduce these emissions by our choice of material, optimized material use and recycling and reuse. Our ECO-products are essential to this work and we continually develop them.

**Concrete**

Cement functions as a binder in concrete and represents 90 percent of concrete's climate impact. Therefore we use and develop alternative binders with lower emissions. We produce the slag-based binder Merit that, to a certain extent, replaces cement in concrete. Merit lowers carbon emissions by up to 60 percent compared to conventional concrete as well as reduces excavation of virgin limestone.

A goal of our construction and civil engineering business is to increase the portion of climate-improved concrete in projects. Business area Civil Engineering always uses climate-improved concrete where it is technically possible and accessible. As of 2024 our Swedish concrete and construction contract operations use ECO-Betong (ECO-Concrete) (stage 1) as their standard concrete which means that every project reduces carbon emissions by at least ten percent in concrete construction elements compared to concrete that only contains cement as a binder.

Environment

E1

E2

E3

E4

E5

EU taxonomy

Both business area Civil Engineering and business area Construction had a goal for 2024 that at least 50 percent of factory concrete would be climate-improved. In 2024 the portion amounted to 76.0 (48.2) percent for Civil Engineering and 72.9 (42.2) percent for Construction.

Considering that the long-term goal is to achieve completely climate neutral concrete we are also investing resources in internal R&D, particularly regarding alternative binders and in binding and storing carbon dioxide. At the same time we are working with external strategic partnerships in R&D. For example, in 2024 we did test castings using new binders from our partner that manufactures binders with considerably less climate impact compared to the current binder in concrete.

In addition to ECO-Betong (ECO-Concrete) we work with several other ECO-products based on Merit. Subsidiaries Byggelement and Smidmek offer ECO-Prefab and ECO-Stomme (ECO-Frame). During the year we completed Byggelement's expansion of its production facilities in Ucklum and Hallstahammar. The investment of close to half a billion Swedish kronor has doubled the company's production capacity in walls and joists while the portion of alternative binder should amount to at least 50 percent. Byggelement offers both double and solid walls along with half sandwich walls in ECO 60, where 60 percent of the cement is replaced by Merit. We report their climate impact in EPDs and report their environmental impact from a life cycle perspective. All Byggelement's products exceed by far the industry's toughest reference values for climate-improved products.

### Steel

Through its partnership regarding fossil free steel with the steel manufacturer SSAB, as of 2026 Peab will start using steel produced fossil free in our construction and civil engineering projects. However, already in 2023 Peab together with SSAB, Ruukki Construction and real estate company Wihlborgs presented the first building in the world with steel produced fossil free. It is a 6,000 m<sup>2</sup> industry building in Lund where parts of panels in the facade are made with steel produced fossil free. The project shows how together with customers and suppliers we are working to transition operations to constructions with reduced climate footprint.

Peab and SSAB have also expanded our partnership to include deliveries of SSAB Zero, which is steel based on recycled steel manufactured and transported fossil free.

Since 2022 we are also working together in a research project with a grant from the Swedish Construction Industry's Development Fund (SBUF) where we investigate possible climate savings in the construction and civil engineering industry through the hydrogen gas based HYBRIT technology. Among other things, calculations show steel made by SSAB with HYBRIT technology has the potential to reduce the climate impact of built-in material in this kind of building by around 30 percent. A preliminary rough analysis shows that more than 90 percent of the steel in a conventional steel frame for an office building can be replaced by fossil free steel, which means a climate reduction of about 70 percent compared to conventionally produced steel. The research project will also make a detailed study of the climate impact from the fossil free steel as well as the effect this climate savings can have on the total climate impact of construction and civil engineering projects.

### Asphalt

In recent years our paving operations have a number of times test-paved asphalt with lignin, the natural binder in wood which is made from residual products from the forest industry and can partially replace the fossil oil-based binder bitumen. During the year we tested paving asphalt with lignin on one stretch of road in Finland and three in Sweden. All in all we have test-paved lignin on twelve different stretches in the Nordic region. We are also doing other R&D to find more alternative binders for asphalt.

### Energy-related emissions

ECO-Asfalt is an example of how we can save energy and use renewable energy sources in our production to lower climate impact. Our production of ECO-Asfalt is based on replacing fossil fuel oil with biofuel when drying and heating the gravel material, which is the most energy consuming part of the manufacturing process. This halves climate impact without affecting

the end product's properties. Our subsidiary Peab Asphalt currently has around 90 asphalt plants in the Nordic area. Of them 21 can offer ECO-Asfalt in Sweden, four in Denmark, four in Finland and two in Norway.

In Sweden and Finland for the most part operations purchase electricity with a guarantee of origin, which guarantees that the electricity is renewably produced. Peab has a framework contract with Vattenfall for electricity in these countries. Operations in Norway are attempting to do the same through their framework contract with Fjordkraft.

Energy requirements for the construction and civil engineering industry are increasing and there is greater focus on energy consumption in the construction process itself. Subsidiary Lambertsson has construction barracks with an energy value that is among the best on the market and they are increasingly used in Peab's operations. During the year Peab launched the offer ECO-Construction site to reduce the climate impact of construction sites. Through the concept we provide lower energy consumption and climate impact by focusing on better solutions for the environment in the areas construction sites have the most significant climate impact.

Lambertsson also offers Lambertsson Control, which enables measuring and controlling energy and water consumption in a project. Energy consumption can be reduced 30-40 percent by using the measurements to find ways to save energy. In 2023 we started a new round of energy mapping in our business aimed at further identifying energy efficiency improvements. The final report will be presented in 2025.

As part of the ongoing project to develop management of environmental data we launched an energy application that makes it possible for our operations to follow their use of electricity and district heating on a monthly basis all the way down to per project in the form of kWh and CO<sub>2</sub>e emissions. Some operations can even analyze their fuel consumption. With this tool we can see trends in consumption and then adjust operations to reduce both climate impacts and costs.

We are in the process of exchanging fossil fuel for renewables in our fleet of vehicles and machines. We are replacing everything from excavators, dump trucks and wheel loaders to company cars and light-duty trucks. Of the company cars we ordered in 2024, 99 (97) percent were hybrid or electric, and all in all more than every third car in the Group today is either a hybrid or electric car.

### Transportation-related emissions

When it comes to transportation we first and foremost strive to use the right kind of transportation for each purpose, optimize logistics and handle excavation soil efficiently. For example, Lambertsson offers a construction logistic solution that includes logistics personnel, a digital delivery planning tool, mixed loading and intermediate storage of construction material. Planned and mixed load transportation flows generate both efficiency and environmental gains.

## Activities 2024

- Material: Swerock test-casted ECO-Betong (ECO-Concrete) in an outdoor environment with 60 percent slag. This resulted in less climate impact by raising the concrete's water to cement ratio and replacing almost 60 percent of the cement by Merit. The new formulas have been previously tested in a lab environment with excellent results and the goal is to use the concrete in actual construction projects.
- Material: Byggelement launched yet more ECO-Prefab products where 60 percent of the cement is replaced by Merit.
- Material: Peab has signed an agreement with Benders to open a new terminal in Uddevalla to store the alternative binder Merit that reduces concrete's carbon footprint.
- Material: At its factory in Malmö Swerock produced the first casting of ready-mixed concrete with almost zero carbon emissions aided by Cemvision's circular binder from residual products. The casting in Malmö was preceded by a long period of laboratory tests to find the right concrete formula that, among other things, ensures the concrete's fresh properties and durability growth over time. Peab is a co-owner of Cemvision.

- **Transportation:** Swerock took another step in electrification of its fleet of vehicles by adding two new electric trucks to its operations in Gothenburg and Skåne. This reduces noise levels and greenhouse gas emissions. The trucks will transport rental lifts and be charged at night but can also be fast charged as needed during the day.
- **Transportation:** Lambertsson Kran invested in a 50 ton mobile crane where the crane is run on electricity. It is the first of its kind in Sweden and yet another step in electrifying the company's fleet of vehicles. The motor used to move the crane runs on HVO and the hydraulic system uses bio oil.
- **Energy:** Peab launched a new concept for construction workplaces – ECO-Construction site – requiring lower energy consumption and environmental impact. The objective is to reduce the environmental

impact of construction sites through instruments and guidelines for energy, waste, water management, logistics and construction machines. ECO-Construction site is an additional service that can be inserted into all Peab's construction and civil engineering projects in the planning stage. We have calculated that in a standard project we can reduce energy consumption by around 25 percent.

### Looking ahead

Our focus moving forward is continuing to implement the activities in the action plan for the Climate Road Map in order to achieve our current and long-term climate targets.

## Targets and metrics

### Greenhouse gas intensity

Peab will be climate neutral by 2045. As of 2021 Peab has sub-targets for greenhouse gas intensity by 2030 measured as greenhouse gas emissions (CO<sub>2</sub>e) in relation to the company's turnover. The targets for carbon dioxide emissions are divided into Scope 1+2 (fuel and energy consumption in our own production) and Scope 3 (input goods and purchased services).

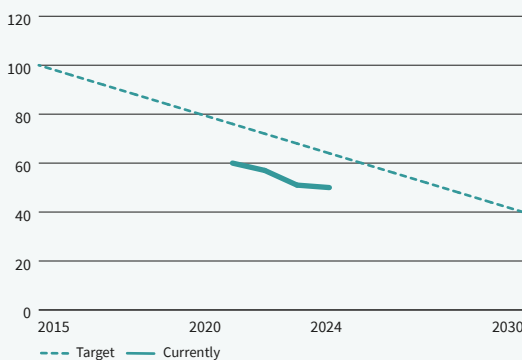
The target for Scope 1+2 is to reduce carbon dioxide intensity by 60 percent by 2030 compared to base year 2015. The outcome for 2024 was a reduction of 50 percent.

The target for Scope 3 is to reduce carbon dioxide intensity by 50 percent by 2030 compared to 2015. The outcome for 2024 was a reduction of 12 percent.

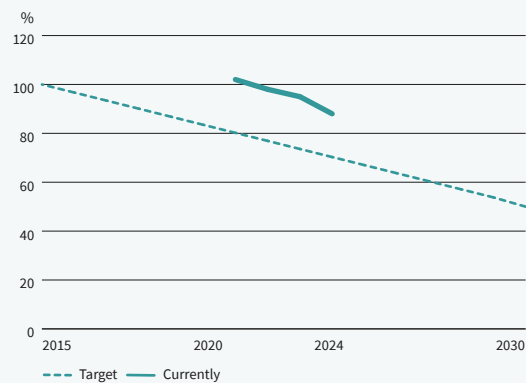
The outcome after 2024 revealed that developments are going in the right direction although to different degrees. We are well on our way to converting the production we ourselves have control over but the greater challenge is when we are dependent on other parties for a reduction in our carbon footprint. It is therefore vital that we continue to make explicit and stringent demands on our suppliers and subcontractors and that we inform about climate improvement choices in order to reduce emissions. Using more ECO-products in operations contributed to the reduction although this positive effect is diminished due to the change in Sweden as of 2024 of the reduction obligation. There might also be a certain delay in revision of emission factors as a result of the changed reduction obligation on our fuel-related products.

We work actively to better the quality of our metrics of greenhouse gases emissions, particularly in Scope 3 reporting, and we have also increased the scope of reported data in 2024.

Carbon dioxide intensity, own production (Scope 1 + 2)



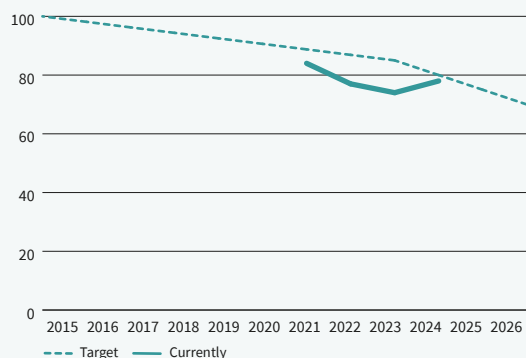
Carbon dioxide intensity, input goods and purchased service (Scope 3)



### Energy intensity

As of 2021, Peab has an energy intensity target measured as total energy consumption (all types of energy) in relation to company turnover (kWh/MSEK). The target for 2021-2023 was to reduce energy intensity by 15 percent by 2023 compared to the base year 2015. We sharpened the target for the business plan period 2024-2026 to a reduction of 30 percent by 2026 compared to the base year 2015. The outcome for 2024 was a reduction of 22 percent.

### Energy intensity



We are working to create systematic and digitalized management of the Peab Group's climate data. The project comprises system support and processes to compile and analyze the data linked to input goods and services. The purpose is to increase the accessibility, transparency and quality of data in order to meet the ever increasing reporting requirements from authorities, customers and financiers. In addition to adopting Peab's transition plan we call the Climate Road Map in 2023, executive management also adopted the other development program, Quality-ensured and traceable value chain, that comprises the work on digitalizing environmental data.

### Greenhouse gas emissions

In order to ensure that our targets for reducing emissions are scientifically based Peab reports the methods and scenarios used to set these targets. We also assess future developments like changes in sales volumes, customer preferences and new technologies as well as how these factors can impact both emissions and the reduction of them.

To measure progress we have established a representative base line metric that includes all the relevant activities and captures the company's greenhouse gas emissions and energy consumption. The construction and civil engineering industry's Road map for fossil free competitiveness is based on the reference year 2015, which Peab also uses. As data quality improves and a larger part of the business is included, the base line calculation will be updated so that the relationship to current monitoring continues to remain the same.

Peab's continued collaboration with suppliers and subcontractors enables a robust base line value, effective progress tracking and informed decision-making in order to achieve the targets set for greenhouse gas emissions.

Peab has drawn up instructions regarding the energy and emission factors to be used in the Group so that energy consumption and greenhouse gas emissions calculations are uniform. The factors are selected according to the prioritization principle which entails primarily using actual factors from suppliers and as the last choice standard factors, which are presented together with source references in a separate document.

To calculate our carbon footprint we use ED apps (Environment Data) and analyze detailed climate information on invoices in Scope 1 and 2. Data not included in ED is produced manually through compilation by suppliers.

For Scope 3 we use estimated amounts that are account-based or manual compilations by suppliers. The data are compiled on the platform Sustainability Manager.

Peab works with digital development where we see the potential to include more in, for example, ED from future electronic despatch advice messages via our invoice system E-handla.

During 2024 Peab has continued to refine the compilation process of data. Changes in energy consumption, which is one of the basic metrics for calculating greenhouse gas emissions are described in the section "Energy consumption". Supplier specific information has primarily been used to calculate greenhouse gas emissions (CO<sub>2</sub>e). If supplier-specific data are not available standard emission factors have been applied.

### Scope 1 (fuel consumption):

Greenhouse gas emissions from fuel consumption have been calculated with emission factors from Peab's fuel suppliers, national statistics or data from the energy trade associations. Calculations of greenhouse gas emissions reflect the actual emissions for the composition of the fuels Peab has purchased, not the average of the reduction obligation fuel volume. Standard emission factors used are reviewed annually. The greenhouse

gas emissions in Scope 1 for 2024 have increased by 1.5 percent compared to 2023 due to the change in the reduction obligation for fuel in Sweden. There might also be a certain delay in revision of emission factors as a result of the changed reduction obligation on our fuel-related products.

### Scope 2 (other energy consumption):

Greenhouse gas emissions according to the Location-based method have been calculated with emission factors from AIB – Production mix (2023), national statistics or data from the energy trade associations. Greenhouse gas emissions for 2024 according to the Location-based method have decreased by 30 percent compared to 2023. This is primarily due to changed emission factors for electricity.

Greenhouse gas emissions according to the Market-based method have primarily been calculated with emission factors from suppliers. In cases where emission factors from suppliers have not been available, factors from AIB – Residual mix (2023) have been used for electricity and national statistics or data from the energy trade associations have been used for district heating and district cooling. Greenhouse gas emissions for 2024 according to the Market-based method have decreased by 2.4 percent compared to 2023.

### Scope 3 (input goods and purchased services):

The scope of the data measured and reported in Scope 3 has increased as of 2021. The delimitation of Scope 3 reporting is based on an assessment of both the extent of the environmental impact and the pre-conditions for measuring it. Out of the 15 Greenhouse Gas (GHG) Protocol's emission categories Peab reports on the following categories with certain limitations that are specified below.

1. Purchased goods and services
4. Upstream transportation and distribution
5. Waste management services
6. Business travel

Purchased goods and services refers to material Peab has purchased for its operations and material delivered via sub-contractors, as well as purchased construction equipment services. Upstream transportation and distribution includes transportation services Peab has purchased from a third party. The greenhouse gas emissions generated by purchased goods and services and upstream transportation and distribution have been calculated based on estimated quantities. Emission factors are collected from suppliers and in cases where this information has not been available, emission factors have been based on standards from the Swedish Transport Agency, The Swedish Environmental Protection Agency and DEFRA. The portion of ECO-products has grown but at the same time the reduction has diminished due to the changed reduction obligation for fuel in Sweden. Greenhouse gas emissions from generated waste have been calculated with a tool developed by the waste industry that takes into consideration the climate footprint of waste transportation. Greenhouse gas emissions from generated waste decreased by 29 percent in 2024 compared to 2023. Changes and variations in generated waste amounts from year to year are largely due to variations in the number of Peab's ongoing projects as well as their size and design the year the report concerns.

Greenhouse gas emissions from business travel include the trips by train and flights booked through Peab's travel agents and CO<sub>2</sub>e data are collected directly from the suppliers. Emissions from flights were 1,444 tons CO<sub>2</sub>e while emissions from train trips were only 0.3 tons CO<sub>2</sub>e for 2024. Greenhouse gas emissions from business travel have increased compared to 2023. The number of business trips by plane increased while train trips decreased in 2024.



Ton CO <sub>2</sub> e	2024	2023	2022
<b>Scope 1</b>	<b>176,000</b>	<b>173,000</b>	<b>216,000</b>
Emissions	176,000	173,000	216,000
<b>Scope 2 (Market based)</b>	<b>14,500</b>	<b>15,000</b>	<b>16,000</b>
Location based	4,500	6,000	7,000
Market based	14,500	15,000	16,000
<b>Scope 3</b>	<b>910,000</b>	<b>936,000</b>	<b>1,100,000</b>
Business travel (flights & train)	1,444	1,005	1,236
Waste management incl. waste transportation (excl. excavated soil)	63,000	88,000	68,000
Input goods and purchased services	845,500	847,000	1,000,000
<b>Total amount of emissions of greenhouse gases (Market based)</b>	<b>1,117,000</b>	<b>1,120,000</b>	<b>1,332,000</b>

Note that the values in the table Ton CO<sub>2</sub>e have been rounded-off and therefore totals can deviate.

### Energy consumption

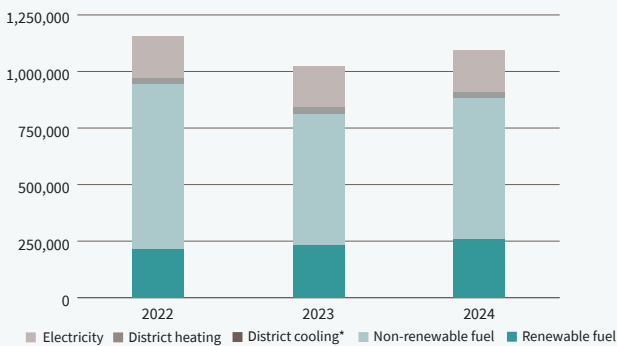
During 2024 Peab has continued to refine the process of compiling energy data. The reported data cover all the major suppliers that together represent more than 90 percent of the purchased volumes of electricity, district heating and district cooling. Peab has not used steam in 2024. Data from all fuel suppliers are included. Most of the statistics collected are based on electronic invoices. For suppliers that do not provide electronic invoices statistics have been collected directly from them.

Supplier specific information on the products has primarily been used to calculate the energy from fuel. Conversion factors for fuel have been updated and adjusted to reflect the reduction obligation. If supplier-

specific data are not available, standard conversion factors based on national statistics are applied. Standard factors used for making estimates are reviewed annually.

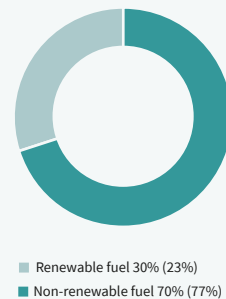
The use of liquid fuel and gas increased by eight percent in 2024 compared to 2023 and the use of renewables increased by seven percent in 2024. The use of electricity, district heating and district cooling was on approximately the same level in 2024 as in 2023. The change in total energy consumption between years is primarily due to changes in the design of projects.

Total energy consumption 1,091,000 (1,022,000) MWh

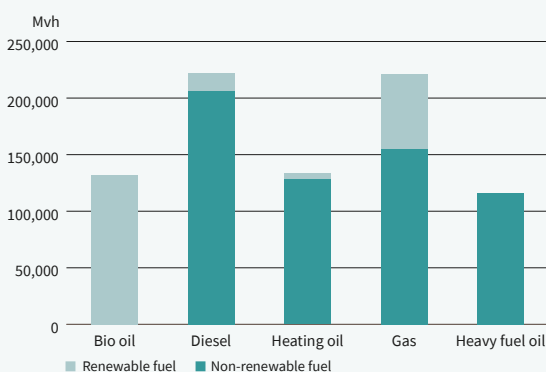


\* Consumption of district cooling was a small portion of total energy consumption.

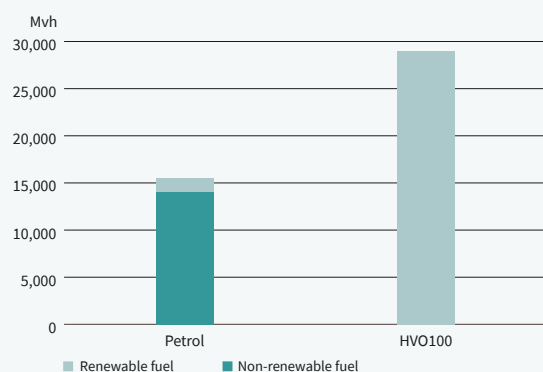
Percent renewable fuel of total fuel consumption, 2024



Primary fuel types 2024, MWh



Other fuel types, 2024, MWh



## Environmental certification of buildings

The table shows the number of received certificates allocated per certification type. In the case of Miljöbyggnad and BREEAM the preliminary certification could be shown. The statistics include both our own developed projects where Peab is responsible for the certification and projects Peab has built for customers.

The total number of certificates was 41 (56) in 2024.

Certifications	2024	2023	2022
<b>The Nordic Swan Ecolabel</b>	<b>25</b>	<b>27</b>	<b>15</b>
<b>Miljöbyggnad</b>	<b>10</b>	<b>18</b>	<b>13</b>
Gold	0	2	1
Silver	10	16	11
Bronze	0	0	1
<b>Leed</b>	<b>0</b>	<b>3</b>	<b>2</b>
Platinum	0	2	1
Gold	0	1	1
Silver	0	0	0
<b>BREEAM</b>	<b>4</b>	<b>4</b>	<b>5</b>
Outstanding	0	0	0
Excellent	3	1	1
Very good	1	3	2
Good	0	0	2
<b>Well Building Standard</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>NoIICO<sub>2</sub></b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>BREEAM Infrastructure (former CEEQUAL)</b>	<b>0</b>	<b>2</b>	<b>0</b>



Environment

E2

ESRS

# Pollution

Material sustainability topics for Peab

- Air pollution
- Water pollution
- Soil pollution
- Living organisms and food resources
- Substances of concern
- Substances of very high concern
- Micro plastics

## Peab and pollution

Activities like Peab's operations and their value chains generate pollution in various life cycle phases. Pollution can damage human health and the environment, cause damages to material property or, for example, make it harder to take advantage of nature's ecosystem services.

In assessing impact and financial materiality we have determined two kinds of substances as material: *substances of concern* and *substances of very high concern*.

Peab uses in production substances of concern and substances of very high concern separately, in mixtures or in goods. These can be chemicals or material that can pose health and/or environmental risks. They are substances that are carcinogenic, mutagenic and reprotoxic (CMR), or have persistent, bioaccumulative and toxic (PBT) properties. Substances of concern, including substances of very high concern, are regulated by the European REACH and CLP Regulations aimed at protecting human health and the environment. REACH requires the registration, evaluation, authorization and restriction of chemicals while CLP standardizes classification, labelling and packaging chemicals.

Regarding Peab's operations and substances of concern and substances of very high concern, here below are some examples of substances along the value chain that might be included:


**Upstream:** Chemicals in production processes, such as paving material to protect surfaces


**Own operations:** Chemical products like cleaning fluid, glue or paint in construction

**Downstream:** PVC and other plastic when recycling construction material, emissions from paint in buildings

### Process regarding materiality

In order to evaluate Peab's impacts, risks and opportunities in relation to pollution in our own operations and value chains we have worked in cross-functional teams with employee representation from the entire Group. We have conducted a double materiality assessment for E2 pollution per value chain and country and thereafter consolidated the assessments to Group level. The cross-functional teams have mainly consisted of pollution and chemical specialists from the four business areas, financial controllers and category purchasers. In addition a number of employees from Group functions have participated in the work. The function non-financial reporting has coordinated the process regarding materiality, which has been conducted as described in the section ESRS 2 on page 49.

 Positive impacts / opportunities  Negative impacts / risks

Part of value chain	Example of impacts, risks and opportunities	Description
<b>Substances of (very high) concern</b>		
<b>Upstream / Own operations / Downstream</b> 	Use of chemicals and hazardous substances during production or risk of using prohibited substances	<ul style="list-style-type: none"> <li>• Risk for negative impact on health and the environment.</li> <li>• Impairs the possibility of recycling and reuse in renovation or demolition.</li> <li>• Can entail environmental offences and lead to legal and financial consequences.</li> <li>• Can damage confidence in the company.</li> </ul>

The table above shows examples of material impacts, risks and opportunities that occur in Peab's own operations as well as upstream and downstream in the value chain. It is not comprehensive.

## This is how we work

Peab has a responsibility to protect humans and the environment from hazardous exposure, both during production and in the user phase. A condition for creating circular resource efficient flows is to avoid substances of concern in materials. That which is hazardous or dangerous should, quite simply, never be allowed into our operations.

One of Peab's three environmental targets is that by 2030 we will have phased out environmentally and health hazardous products. The targets have been set by executive management and comprise metrics, measurement methods and strategic improvement areas. They are then broken down in sub-targets and concretized in the various operations based on the business areas' specific circumstances and challenges.

### Responsibility and policies

The Group's Head of Environment coordinates and drives joint environmental matters, including pollution issues, together with business area environmental managers and specialists. The Group's environmental functions support the responsible managers in making decisions about pollution matters in order to turn plans into action and generate progress in the work.

The Group has a so-called Chemical Council to ensure a holistic perspective and efficient management of a country's and/or Groupwide matters. Peab has regulations that describe how we work with substitution of environmentally and health hazardous products as well as a schedule for phasing out substances of concern.

The majority of Peab's operations work within the framework of a management system that is environmentally certified according to ISO 14001. The management system contains procedures that describe how Peab prevents and controls the use of chemicals. The environmental management system is integrated into our business management system which, among other things, comprises Peab's Environmental Policy where we state that our goal is to phase out environmentally and health hazardous products. The four business areas are responsible for implementing and complying with the management system and policies in day-to-day work.

Peab has preventative measures for substances of concern describing, for example, proper storage, labelling and handling of chemical products like taking into consideration the material in a container, secondary containment, storage placement and design as well as available spill kits.

In accordance with the law we have procedures for risk analyses of chemical products before handling them, in order to prevent a hazardous impact on human health and the environment.

We have Group emergency procedures on what to do in the case of an accident or emergency. The purpose of the procedures is to identify and prevent environmental risks and plan emergency preparedness so that we can act quickly and correctly in the case of an accident or emergency. Emergency procedures include a checklist for managing an environmental accident and instructions on reporting environmental accidents or incidents.

**Work method and focus areas**

Our ability to phase out environmentally and health hazardous products is largely determined by making the right decision from the start. To phase out these products we use environmental assessment systems such as Byggsvarubedömningen, Basta and Cobuilder to help us select products. We develop methods and systems to steer purchasing towards better product selection by, for instance, integrating information on environmental assessments and ecolabelling into our purchasing processes. We also have procedures and instructions that describe how to select products.

We work with a substitution ladder and have clearly defined the criteria that are the basis for phasing out substances and products of concern and very high concern. To support this we have implemented a digital chemical management system to facilitate monitoring and controlling chemical consumption and we work with correct substitution as well as a digital tool that visualizes where we are in phasing out hazardous products. We have also begun the work through our purchasing system to limit chemical products that contain hazardous substances according to Peab's phasing out criteria.

In addition to Groupwide procedures there are operation specific routines and checklists on how to handle specific risks in different operations linked to substances of concern.

The company has operations that require permits. According to current environmental law we must apply for an environmental permit to run these operations. In preparation for applying for a permit we produce an Environmental Impact Assessment (EIA) in which we examine the environmental impact of the operations. Significant environmental impact is then

regulated in the permit, for example through restrictions in the scope of the operations or special conditions we must comply with to minimize our negative environmental impact and protect human health. In preparation for an EIA we hold consultations to get stakeholders involved and gather viewpoints on the planned operations or measures that can impact the environment.

**Looking ahead**

We will continue our work based on the conclusions in the double materiality assessment regarding pollution. This means continuing to develop processes and work methods as well as our ability to report in accordance with the disclosure requirements in CSRD legislation. An example of this is our intention to review Peab's Environmental Policy to evaluate the need for governance regarding pollution.

**Targets and metrics**

In order to achieve the target of phasing out environmentally and health hazardous products by 2030 we have set a sub-target for 2026:

- The portion of unique chemical products that meet Peab criteria will be >70 %.

Peab criteria are based on EU legislation and are aligned with Basta, which is a market leading environmental assessment system for products in Sweden. The target is measured as the number of chemical products that meet Peab criteria in relation to the total number of registered products.



Environment

E3

ESRS

# Water and marine resources

Material sustainability topics for Peab

- Water consumption
- Water withdrawal
- Water emissions
- Water emissions in seas
- Extraction and use of marine resources

## Peab and water and marine resources

Peab's operations and its value chains use water and impact marine resources. In assessing impact and financial materiality we have determined that the sub-topic water withdrawal is material for Peab, in other words the amount of water we withdraw from various sources for consumption in operations. Significant water withdrawal of groundwater can cause nearby wells and waterways supplied by groundwater to run dry, wetlands and reservoirs to dry up and subsidence in buildings due to changes in soil layer conditions. Peab's impact and risk management is primarily in areas with potential water shortages and water stress (where the demand for water exceeds the available amount or that water quality is inadequate) and comprises the entire value chain. The risks can also be everything from insufficient drinking water to impacting biodiversity. In our business water withdrawal impact occurs mainly in production, materials production, cooling, using process water and impacting water and sewage systems. For example, our concrete-related operations are dependent on water, our raw material supply chain impacts groundwater and production in the construction contract business uses water for various purposes like dust suppression and rinsing off. We always examine water issues in our industrial operations in connection with applying for permits for quarries.

Regarding Peab's operations and water and marine resources, here below are some examples of activities along the value chain that entail water withdrawal and have or can have an impact:

**Upstream:** Mining iron ore, producing cement, tree farming for wood, wood pulp industries, paper, chemicals, steel and metal plants as well as water for energy production in thermal power plants.

**Own operations:** All water consumption in the business, including tap water, and operations such as foundation work, construction and input goods production.

**Downstream:** Water consumption by private persons in buildings, the effect of the choice of water and sewage systems and the need for wastewater treatment plants, water reservoirs or similar infrastructure.



Water and marine resources are linked to the UN's 14th global goal for sustainable development: Life below water.

### Process regarding materiality

In order to evaluate Peab's impacts, risks and opportunities in relation to water and marine resources in our own operations and value chains we have worked in cross-functional teams with employee representation from the entire Group. We have conducted a double materiality assessment for E3 water and marine resources per value chain and country and thereafter consolidated the assessments to Group level. The cross-functional teams have mainly consisted of environmental and climate specialists from the four business areas, financial controllers and category purchasers. In addition a number of employees from Group functions have participated in the work. The function non-financial reporting has coordinated the process regarding materiality, which has been conducted as described in the section ESRS 2 on page 49.

Positive impacts / opportunities  Negative impacts / risks

Part of value chain	Example of impacts, risks and opportunities	Description
<b>Water withdrawal</b>		
<b>Upstream</b> <input checked="" type="checkbox"/>	Production of input goods and raw material, e.g. limestone quarrying and steel production.	<ul style="list-style-type: none"> <li>• Can contribute to water shortages. Impact on groundwater.</li> <li>• Wetlands and reservoirs can be impacted.</li> </ul>
<b>Own operations</b> <input checked="" type="checkbox"/>	Water consumption in construction and input goods production, e.g. manufacturing concrete. Impact from foundation work.	<ul style="list-style-type: none"> <li>• Can contribute to water shortages. Impact on groundwater levels.</li> <li>• Wetlands and reservoirs can be impacted.</li> <li>• Risks regarding subsidence in buildings and constructions.</li> </ul>
<b>Downstream</b> <input checked="" type="checkbox"/>	Water consumption in buildings	<ul style="list-style-type: none"> <li>• Impact on rainwater. Resource efficient water management, e.g. local rainwater management, recycling rainwater and installations that reduce water withdrawal.</li> </ul>

The table above shows examples of material impacts, risks and opportunities that occur in Peab's own operations as well as upstream and downstream in the value chain. It is not comprehensive.

## This is how we work

### Responsibility and policies

One of our three environmental targets is that by 2040 our business will be 100 percent resource efficient. Water and marine resources are included in resource efficiency. The Group's Head of Environment coordinates and drives joint environmental matters, including water and marine resources work, together with business area environmental managers and specialists. The Group's environmental functions support the responsible managers in making decisions about water and marine resources matters in order to turn plans into action and generate progress in the work.

The majority of Peab's operations work within the framework of a management system that is environmentally certified according to ISO 14001. The management system contains procedures that describe how Peab works with water. The environmental management system is integrated into our business management system which, among other things, comprises Peab's Environmental Policy. The four business areas are responsible for implementing and complying with the management system and policies in day-to-day work.

### Activities 2024

- We have worked with our offer on mobile water cleaning facilities.
- We have launched the offer ECO-Construction site for construction sites that contains requirements about digitally monitoring water withdrawal in construction production.

## Looking ahead

In connection with the double materiality assessment we not only identified the business areas' and subsidiaries' potential and actual impacts, risks and opportunities regarding water and marine resources but also the need for more detailed background information. We see the need to analyze water matters more in-depth in parts of our operations. In the same vein, we intend to review Peab's Environmental Policy to evaluate the need for governance regarding water and marine resources. Ultimately continued work is aimed at, based on the conclusions drawn from the double materiality assessment, continuing to develop processes and work methods as well as our ability to report in accordance with the disclosure requirements in CSRD legislation.

## Targets and metrics

We have not defined any targets or metrics but we intend to evaluate the need for them as we continue working.

ESRS

# Biodiversity and ecosystems

Material sustainability topics for Peab

- Direct impact factors**
  - Climate change
  - Land-use, and freshwater-use and sea-use changes
  - Direct exploitation
  - Invasive alien species
  - Pollution
  - Other
- Consequences for species' condition**
  - Species population size, negative
  - Species population size, positive
  - Species risk of global extinction
- Ecosystems extent and condition**
  - Land degradation
  - Desertification
  - Soil sealing
- Consequences for, and dependency on, ecosystem services**



## Peab and biodiversity and ecosystems

Biodiversity and ecosystems entail variations within species, among species and different kinds of habitats and are essential for the welfare of nature and thereby humans. Peab's operations and the activities in our value chains impact biodiversity and ecosystems. For example, they may encroach on nature risking displacing species. When assessing impact and financial materiality we have determined that the following sub-topics in direct impact factors and extent and condition of ecosystems are material:

- Direct impact factors: Changes in land-use, freshwater-use and sea-use
- Direct impact factors: Direct exploitation
- Extent and condition of ecosystems : Soil sealing

Regarding Peab's operations and biodiversity and ecosystems, here below are some examples along the value chain that have or can have an impact:

**Upstream:** Crude oil extraction, limestone quarrying, mining, for instance, iron ore, steel production and forestry

**Own operations:** Construction, quarries, soil sealing through paving over surfaces or concrete constructions

**Downstream:** Infrastructure we build like roads and railroads as well as buildings we erect



**Biodiversity and ecosystems are linked to the UN's 15th global goal for sustainable development: Life on land.**

### Process regarding materiality

In order to evaluate Peab's impacts, risks and opportunities in relation to biodiversity and ecosystems in our own operations and our business models the Group's Biodiversity Council has participated in the consolidated double materiality assessment. The work has followed the description of the materiality process in the section ESRS 2 on page 49 and was aided by a third party specialized in this field. The assessment was conducted with the help of the so-called LEAP method which is accepted practice for assessments of biodiversity and ecosystems. In addition to a current situation assessment, it also contains recommendations and the assessment is therefore the basis for a road map being prepared for Peab's work with biodiversity and ecosystems stretching to 2030.

To begin with we produced a map where we placed Peab's operative locations – particularly quarries, paving plants and concrete factories where operations are run for a long time and have an impact on biodiversity and ecosystems – on land specific maps. After that we noted which operations are within a kilometer from protected nature areas.

We have not conducted a corresponding assessment for construction and civil engineering projects with more temporary locations like road and building construction or development rights. Impacts, risks and opportunities on biodiversity and ecosystems from construction contract projects fall primarily under project specific customer and legal demands.

Other operations with stationary locations, primarily rental operations, prefabricated concrete element factories and operation and maintenance depots, are not assessed to have a material impact on biodiversity and ecosystems.

Positive impacts / opportunities     Negative impacts / risks

Part of value chain	Example of impacts, risks and opportunities	Description
<b>Direct impact factors</b>		
<b>Upstream</b> <input checked="" type="checkbox"/>	Land-use for raw material and power production (construction and operation)	<ul style="list-style-type: none"> <li>• Land-use changes and impacts on land and in aquatic ecosystems, habitats and species at, for instance, mines and hydraulic power plants.</li> <li>• Emissions and pollution can impact biodiversity.</li> </ul>
<b>Own operations</b> <input checked="" type="checkbox"/>	Land-use (e.g. construction, roads, quarries) or marine resources (e.g. ports)	<ul style="list-style-type: none"> <li>• Exploitation of virgin land that impacts natural ecosystems.</li> </ul>
<b>Own operations</b> <input type="checkbox"/>	Restoration or remediation of used land or quarries	<ul style="list-style-type: none"> <li>• Restoration or remediation creates conditions for establishing new ecosystems.</li> </ul>
<b>Downstream</b> <input checked="" type="checkbox"/>	Built infrastructure and property	<ul style="list-style-type: none"> <li>• Built infrastructure, like roads and railroads as well as buildings limit habitats and are barriers for plants and animals.</li> </ul>
<b>Ecosystem extent and condition</b>		
<b>Own operations</b> <input checked="" type="checkbox"/>	Paving surfaces or concrete structures	<ul style="list-style-type: none"> <li>• Soil sealing can reduce the ability of land to absorb water and increase run-off and erosion. For example, parking lots and road construction can hinder water infiltration and damage natural habitat.</li> </ul>

The table above shows examples of material impacts, risks and opportunities that occur in Peab's own operations as well as upstream and downstream in the value chain. It is not comprehensive.

Environment
E1
E2
E3
E4
E5
EU taxonomy

## This is how we work

Peab has a responsibility for biodiversity and ecosystems, both during production and in the user phase. One of our three environmental targets, which has been set by executive management, is that by 2040 our business will be 100 percent resource efficient. This target includes protecting, preserving and strengthening biodiversity and ecosystems when exploiting land and natural resources. We are working on making sure Peab's business models and strategies to an even higher degree take into consideration biodiversity and ecosystems and also on developing metrics, measurement methods and strategic improvement areas on both Group level and broken down on operations level.

### Responsibility and policies

The Group's Head of Environment coordinates and drives joint environmental matters, including biodiversity and ecosystems, together with business area environmental managers and climate specialists. The Group has a so-called Biodiversity Council to ensure a holistic perspective and efficient management of a country's and Group-wise matters. The Group's environmental functions support the responsible managers in making decisions about biodiversity and ecosystem matters in order to turn plans into action and generate progress.

The majority of Peab's operations work within the framework of a management system that is environmentally certified according to ISO 14001. The management system contains procedures that describe how we take into consideration biodiversity and ecosystem matters. The environmental management system is integrated into our business management system which, among other things, comprises Peab's Environmental Policy where our goal is to work long lastingly to reduce our environmental impact, streamline our resource consumption and protect the environment, including biodiversity. The four business areas are responsible for implementation and compliance with the management system and policies in day-to-day work. Environmentally certifying a building, through for example Swan ecolabelling, means we also take biodiversity into consideration.

According to Peab's rules, operations must assess the risk of possible impact on biodiversity and ecosystems before a project or other activities in operations can begin in order to avoid hazardous impact on natural values. When new locations are established or existing sites are expanded, current legislation requires that there is no unacceptable negative impact on biologically sensitive areas. For this reason we do the studies and take the precautionary measures necessary for each location.

### Work method and focus areas

We work in different ways to protect and promote biodiversity, including preservation of threatened species, restoration of damaged ecosystems and sustainable management of natural resources. In practice this guides how we handle everything from raw materials, certifications, avoidance

procedures and restoring and mitigating negative consequences for biodiversity and ecosystems to handling the social impacts related to biodiversity.

Sometimes we even succeed in increasing populations in the environments where we have carried out projects. Examples of this are places where we develop green and blue infrastructure directly linked to the projects such as fauna passageways and fish bypasses.

Our ability to protect and preserve biodiversity is determined to a large degree by making the right decision from the start. In part we strive to do this in connection with applications for environmental permits for our own facilities and in part through important customer dialogues early on regarding construction contracts. Before we open a quarry, for example, we make an assessment of nature values and species to decide if the location is suitable. We also identify possible protective measures and we produce more and more biodiversity plans. So far we have produced 15 biodiversity plans in Sweden. Quarries can actually offer unique habitats for many threatened species and thereby contain higher nature values than their surroundings.

We examine operations that can impact threatened species in connection with applying for permits. Regarding land degradation or soil sealing, we usually handle any negative impacts in each project already in the planning and project development stages. Unintentional negative impacts during production, like hydraulic conductivity and impacts on rainwater flows, are handled in day-to-day operations.

We work actively together with suppliers and manufacturers to foster biodiversity and ecosystems.

We are also active in a number of industry initiatives to develop knowledge about, and drive issues concerning, biodiversity and ecosystems together with others in our industry. We have, for example, participated in two teams in an industry-wide project aimed at producing a practical tool to evaluate the effects of measures taken to support biodiversity. We are members of Business@Biodiversity Sweden which is a network focused on biodiversity and business benefits, Aggregates Europe's (UEPG) biodiversity team and Sweden's Bergmaterialindustri's biodiversity and the road map for biodiversity production team.

## Looking ahead

We continue to work on producing a road map with activities for Peab's work on biodiversity and ecosystems as well as formulating targets in the area. One step in this is to review Peab's Environmental Policy to evaluate the need for governance regarding biodiversity and ecosystems.

## Targets and metrics

During 2024 our goal was to map Peab's impact on biodiversity and biodiversity's impact on the Group. Mapping was completed and is now the basis for our continued work on identifying appropriate targets and metrics.

Environment

E5

ESRS

# Resource use and circular economy

Material sustainability topics for Peab

- Resource inflows
- Resource outflows
- Waste

## Peab and resource use and circular economy

Peab's operations are material intensive. This means we use virgin natural resources and make them into input goods and other material and resources in our projects. Environmental impact linked to resource use not only occurs in Peab's own operations when we manufacture material and build but throughout the entire value chain including other actors like suppliers, customers, waste contractors and other manufacturing companies.

Not reusing produced resources generates greenhouse gas emissions and other air pollution through transportation and waste incineration while land is used for waste storage and landfills. This, in turn, poses risks that hazardous substances leak into land and water. We therefore work continuously to minimize the amount of waste generated and instead maximize reuse and material recycling.

Our business and its breadth means that we can also make a positive contribution in different ways and we work on seeing business potential in resource use and circular economy, in both terms of costs and revenues.

In assessing impact and financial materiality in resource use and circular economy we have determined that all sub-topics are material for us:

- Resource inflows
- Resource outflows
- Waste



Regarding Peab's operations and resource use and circular economy, here below are some examples of activities along the value chain that have or can have an impact:









**Upstream:** Extraction of virgin resources, consumption and use of renewable resources, waste from production of construction material.

**Own operations:**

- Extraction of virgin material and circular flows, e.g. mineral aggregates and reclaimed asphalt paving.
- Using material in projects, e.g. packaging, load carriers and material for temporary constructions.
- Waste, demolition debris, managing and reusing excavation soil, landfill and incineration.
- Reuse of demolition material.

**Downstream:** The design of buildings and facilities impact resource use and circularity (e.g. solutions for maintenance, lifetime, circular material, constructions that enable recycling and reuse).

 Positive impacts / opportunities  Negative impacts / risks

Part of value chain	Example of impacts, risks and opportunities	Description
<b>Resource inflow</b>		
<b>Upstream</b> 	Excavation of virgin resources	<ul style="list-style-type: none"> <li>• Limestone, iron ore, crude oil are examples of virgin and finite resources critical to our construction and civil engineering projects. Peab works actively to minimize and exchange these raw materials.</li> </ul>
<b>Upstream</b> 	Use of renewable resources	<ul style="list-style-type: none"> <li>• Using, for example, renewable energy or resources that are recyclable, like reclaimed asphalt paving.</li> </ul>
<b>Upstream</b> 	Access to critical input goods	<ul style="list-style-type: none"> <li>• Cement, bitumen, alternative binders can entail supply risks since availability is limited to a few suppliers. Supply and demand affect prices.</li> </ul>
<b>Own operations</b> 	Reuse and use of circular products	<ul style="list-style-type: none"> <li>• Using circular products like our ECO-Ballast (ECO-Mineral aggregates) or ECO-Asfalt contributes to less excavation of virgin resources.</li> </ul>
<b>Own operations</b> 	Use of virgin resources	<ul style="list-style-type: none"> <li>• Resource smart and material efficient constructions contribute to less excavation of virgin resources and increase cost efficiency.</li> </ul>
<b>Resource outflow</b>		
<b>Own operations</b> 	Reuse and recycling	<ul style="list-style-type: none"> <li>• Reuse and recycling generate new circular offers while contributing to less excavation of virgin resources.</li> <li>• Reparations and renovations prolong lifetimes.</li> </ul>
<b>Downstream</b> 	Buildings' impact over a lifecycle	<ul style="list-style-type: none"> <li>• Using long lasting material can prolong the lifecycle of infrastructure and buildings.</li> <li>• Efficient and energy smart constructions and installations reduce energy consumption.</li> </ul>
<b>Waste</b>		
<b>Own operations</b> 	Waste, demolition and excavation soil and other waste	<ul style="list-style-type: none"> <li>• Construction and civil engineering projects and input goods production generate waste that must be reused, recycled or become landfill.</li> <li>• Waste management can entail higher costs.</li> </ul>

The table above shows examples of material impacts, risks and opportunities that occur in Peab's own operations as well as upstream and downstream in the value chain. It is not comprehensive.



**Resource use and circular economy is linked to the UN's 12th global goal for sustainable development: Responsible consumption and production.**

**Process regarding materiality**

In order to evaluate Peab's impacts, risks and opportunities in relation to resource use and circular economy in our own operations and value chains we have worked in cross-functional teams with employee representation from the entire Group. We have conducted a double materiality assessment for E5 resource use and circular economy per value chain and country and thereafter consolidated the assessments to Group level. The cross-functional teams have mainly consisted of resource use and circular economy specialists from the four business areas, financial controllers and category purchasers. In addition a number of employees from Group functions have participated in the work. The function non-financial reporting has coordinated the process regarding materiality, which has been conducted as described in the section ESRs 2 on page 49.

**This is how we work**

Peab has a responsibility for our resource use and to promote circular economy throughout the value chain in order to save valuable natural resources and contribute to our climate target. One of Peab's three environmental targets adopted by executive management is that by 2040 our business will be 100 percent resource efficient. The resource efficiency target entails striving towards increasingly circular business models, optimizing resource use and minimizing waste. We have targets, metrics and strategic improvement areas regarding waste intensity, the degree of sorting and actual recycling degree as well as other key performance indicators without targets on both Group and business area levels. We see the opportunities of efficient resource use and promoting circular economy in Peab's business models and strategies.

**Responsibility and policies**

The Group's Head of Environment coordinates and drives joint environmental matters, including resource use and circular economy, together with business area environmental managers and climate specialists. The Group has a so-called Circularity Council to ensure a holistic perspective and efficient management of a country's and/or Group-wise matters. The Group's environmental functions support the responsible managers in making decisions about resource use and circular economy in order to turn plans into action and generate progress.

The majority of Peab's operations work within the framework of a management system that is environmentally certified according to ISO 14001. The management system contains procedures that describe how we work with resource use and circular economy. The environmental management system is integrated into our business management system which, among other things, comprises Peab's Environmental Policy. The four business areas are responsible for implementation and compliance with the management system and policies in day-to-day work. There are company specific procedures and guidance concerning resource and waste management to steer daily operations towards our target. Environmentally certifying a building, through for example Swan ecolabelling, means we also take resource use and circular economy into consideration.

We ensure that waste management is safe and secure by making sure that our waste contractors have the required permits to operate before we sign a contract.

**Work method and focus areas**

We work to reduce the environmental impact of waste based on waste hierarchy. This means that we primarily strive to minimize the amount of waste generated and secondly steer the waste that, despite our efforts, is created into preparation for reuse or material recycling like reclaimed asphalt pavement. We also strive to reduce how hazardous waste is and increase the use of recycled material in the products we manufacture and use along with the possibility to recycle the products after use.

We strive for resource efficient production by caution with non-renewable resources, efficient use of material, responsible management of residual products and work methods that reduce waste while increasing the degree of circularity in our business. This includes designing resource efficient constructions, minimizing and recycling waste, reusing construction material and ensuring left over material is used, managing excavated soil efficiently and circularly, a higher degree of sorting in preparation for recycling material and procuring circular products.

**From waste to circular material**

When it comes to taking advantage of business potential in resource use and circular economy Peab offers the market, for example, ECO-Ballast (ECO-Mineral aggregates). The product has the equivalent properties of virgin mineral aggregates and is quality-ensured with an environmental and health declaration. ECO-Ballast can be used in the manufacture of asphalt and concrete or as a construction material and is a significant contribution to circular community building.

Innovation and design are important elements in all work connected to resource use and circular economy.

There are several construction projects with reuse targets where Peab together with the customers explore new ways to reuse construction products. We regularly evaluate opportunities for circular material flows, regarding both input raw material in production and the recyclability of manufactured products. In addition to ECO-Ballast, the binder Merit which is based on slag which is a byproduct from the steel industry and the use of reclaimed asphalt pavement in our pavement production are other examples of circular material flows.

Dialogues early on with material suppliers are crucial to being able to use more products that contain a higher degree of reused material. We have supplier dialogues aimed at creating action plans for greater circularity through, among other things, a higher level of reused material in products and packaging. Peab also has contracts with reuse companies in around 70 different locations and we are constantly on the lookout for more. We have several construction projects focused on reuse such as the Arctic Center of Energy in Skellefteå, the Botanical Gardens and the Administrative Court in Gothenburg as well as Varvstaden in Malmö. This provides important experience for more circular construction. In the Peab company Lambertsson the circular economic idea of renting instead buying is the basis for our electrical equipment range and fossil free transportation machines. Lambertsson has a comprehensive portfolio of machines and services that we regularly renew and environmentally adapt as products and technology develops.

With so-called C&D Recycling Wash Plants Swerock contributes to circular material flows by upgrading surplus excavation soil to usable products. This reduces the amount of surplus excavation soil that becomes landfill by up to 80 percent. Peab's civil engineering operations work increasingly with so-called in situ remediation which entails remediating contaminated land and dredged soil on site instead of removing the soil. This also means transporting less replacement soil for filling. According to our life cycle calculations in situ remediation and stabilization of polluted soil can lower carbon emissions by 80 percent. During the year we have carried out in situ remediation at, among other places, Bobergsgatan and Norra Djurgårdssta- den in Stockholm.

Environment

E1

E2

E3

E4

E5

EU taxonomy

**Collaboration in focus**

Peab has the greatest opportunity to steer the extent of environmental impact in our own production but we can also influence other actors' environmental impact through dialogue, requirements and our product and service range. We also collaborate with suppliers and manufacturers, within and outside of our traditional value chains in order to continually improve and develop resource use and circular material flows. Three good examples are reclaimed asphalt paving, ECO-Ballast and reuse in construction projects.

We hold environmental dialogues with our material suppliers that include reviewing how they work with reused raw materials in their products and packaging, if they use returnable load carriers and if they plan to

develop their circular flows. Our goal is to have an environmental dialogue in connection with framework procurements in categories of major importance to the environment that result in an action plan for suppliers with follow-up a few times a year.

We are also active in different initiatives to develop knowledge and drive issues concerning resource use and circular economy together with other actors in our industry. For example, we participate in The Swedish Construction Federation's reference group that develops the industry's resource and waste guidelines.

## Material and waste flows as well as waste avoidance measures

For Peab and the construction industry relevant waste flows and material waste consist of:

- In construction large construction material, such as concrete and other types of mineral materials, wood and steel, create the greatest waste flows. Waste is also generated from frame supplementation like plasterboard and insulation.
- In civil engineering the greatest amounts of waste are related to excavation soil.

- In industrial operations waste is created in the production phase of, for example, concrete, steel and asphalt.

The upstream flows describe material flows into Peab, for example material deliveries from suppliers and surplus material from other actors taken in for recycling while downstream flows describe material flows out of Peab, for example finalized products to customers, components to reuse by another actor and waste sent to external waste contractors. The figure below provides an overview of Peab's material and waste flows.



**1. Virgin material**

Peab has considerable operations in supplying raw material providing society with essential construction material such as mineral aggregates used, for example, in building railroads and manufacturing concrete. We strive to increase the use of circular material but we also use gravel and rock from our own quarries.

In our projects, we try to reduce the need for construction material and soil for filling by, for instance, optimizing designs and in-situ remediation of contaminated soil that render the pollutants harmless onsite.

**2. Input goods**

We use input goods in our production in the form of chemical products, materials and goods from a large number of suppliers. Many of the input goods generate varying degrees of waste such as material, packaging and loading carriers.

In order to reduce the environmental impact of input goods, we strive for optimized construction that diminishes the need for materials and streamlined working methods that minimize waste and the occurrence of surplus or damaged material. We look for products and packaging with more recycled material and that are in of themselves recyclable. We also strive to increase the use of return packaging such as pallets.

**3. Byproducts**

We use byproducts from other actor’s operations as raw material in our own production.

We work continually to increase the amount of byproducts as raw material, thereby contributing to reducing the amount of material that becomes waste. An example of this is the slag from manufacturing steel that we use in our own production. We use it to make Merit, a binder that can replace cement in concrete.

**4. Surplus material**

Peab runs its own recycling operations focused on surplus materials from our own and others’ operations.

Through efficient recycling of surplus materials, including use of C & D Recycling Wash Plants, the amount of surplus materials from excavation and infrastructure projects that becomes landfill can be reduced by up to 80 percent. We can instead use it as raw material in new products, which reduces the use of virgin material.

**5. Material and products**

Peab manufactures number of different materials and products for our customers – everything from mineral aggregates, asphalt and concrete to finished bridges, schools and hospitals.

We strive for all our products to contain more recycled material. One example is our use of reclaimed asphalt pavement as a raw material in our asphalt production which lowers the amount of both bitumen and mineral aggregates needed. We also try to use products and material with long

lives and to enable reuse and recycling of them at the end of their lives. For example, we are phasing out environmentally and health hazardous products that contain substances we do not want in the circular flow. We also work on further dismantling, which will enable future reuse of included components.

**6. Retrieval and waste returns**

Despite avoidance measures, production still generates some material waste and leftover material.

First and foremost, we try to return this material to the supplier by retrieving leftover, undamaged products that can be resold or return material waste that can go back into the supplier’s production as raw material. Examples of material waste that can be returned to suppliers for recycling are glass wool, stone wool and plasterboard.

**7. Reuse**

If leftover material and products cannot be returned to the supplier, we strive to reuse them so that they do not become waste. They might be leftover material and products, temporary material only needed during the production phase or products that have been dismantled in connection with renovation or demolition.

We can use some of it in our own operations. An example of systematic reuse is our project Varvsstaden, a former shipyard now being transformed into a new city district in the middle of Malmö. Here we have developed “The Material Bank”, a database that contains information about all the material onsite while displaying the environmental gains of reusing and retrieving it. We want to make leftover material and products we cannot use in our operations available to other actors and have therefore signed partnering contracts with several external reuse actors and are members in industry forums for circular construction like CC Build.

**8. Waste**

The waste that is generated in our operations, despite all the above efforts, is sorted and handled by professional waste management companies.

They can have other options for reuse and recycling of the material. If not, the waste is sent to incineration, usually with energy recovery, or as a last resort to landfill. There are instances where material and products are not fit for reuse and recycling, for example, hazardous waste derived from demolition or soil remediation. This is also handled by professional waste management companies for treatment and/or disposal.

**Looking ahead**

We continue to develop processes and work methods for resource use and circular economy as well as our ability to report in accordance with the disclosure requirements in CSRD legislation. An example of this is our intention to review Peab’s Environmental Policy to evaluate the need for governance regarding resource use and circular economy.

Environment

E1

E2

E3

E4

E5

EU taxonomy

## Targets and metrics

On Group level we monitor the resource efficiency target by targeting key performance indicators with sub-targets for 2026:

Metric	Sub-target 2026
Waste intensity (ton/MSEK)	5% reduction, cf. 2023
Sorting degree (%)	90
Actual recycling degree (%)	80

The three key performance indicators exclude hazardous waste and excavated soil. See table below for waste data.

Waste intensity refers to waste flows managed via waste contractors that invoice Peab.

The definition of sorted is: mixed waste, waste sent to incineration (mixed), landfill (mixed), other waste is not considered sorted waste.

The degree of recycling is based on the treatment codes the waste is given by the waste contractor. Recycling includes all kinds of recycling, even construction material at landfills and actors that fill their pits with filling material. Recycling also includes the treatment code “prepared for recycling/prepared for reuse”.

Peab’s products should contain growing portions of recycled material and we currently recycle asphalt, mineral aggregates and soil, among others. The portion of reclaimed asphalt pavement in Peab’s Nordic asphalt production in 2024 was 28 (28) percent (cf. 14 percent 2015).

Based on the target of resource efficiency we have set broken down targets per business area. They are linked to legislation since our work is based on the waste hierarchy and the goal is to reach as high as possible in the hierarchy. Different measures stem from different steps in the hierarchy.

### Generated waste

During 2024 Peab has continued to refine the compilation process for waste data and ensure good compilation of statistics, including increased standardization of waste type categories and treatment methods. The reported data include all of the major suppliers that together represent over 90 percent of the purchased volumes of waste management services.

Compared to the data for 2023, the amount of waste in tones increased by 26.4 percent in 2024. Changes in the amount of waste between the years are largely due to variations in the number of projects and the scope and structure of the projects during the reporting year. The increase in 2024 stems mainly from five major civil engineering projects where the landslide on E6 outside Stenungsund was the project with the most waste.

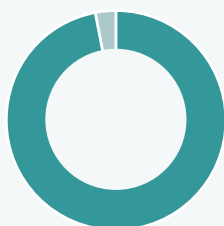
Total waste for the Group in 2024 was 1,250,000 (991,000) tons.

Waste data is collected from Peab’s waste contractors and soil managers and is data from direct measurements that compile how the waste is sorted and treated in each project/operational segment and can also be aggregated on various organization levels. Regarding treatment codes in some cases waste contractors may work with standards/estimates.

### Waste generated by waste type for the Peab Group

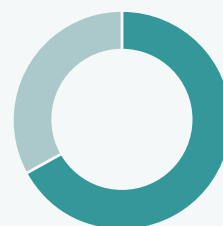
	2024	2023	2022
<b>Total amount of waste generated (ton)</b>	<b>1,250,000</b>	<b>991,000</b>	<b>901,000</b>
Asphalt	144,000	155,000	124,000
Mineral material	84,500	100,000	86,000
Excavated soil	925,500	588,000	608,800
Mixed waste (to be sorted)	8,000	21,500	10,000
Waste sent to incineration (sorted out)	8,200	8,700	11,000
Electrical and electronic waste	190	210	130
Hazardous waste	2,200	12,000	17,000
Plaster board	3,400	5,100	4,600
Glass	150	260	290
Mineral wool	670	800	580
Paper	700	1,300	800
Park and garden waste	12,100	7,400	4,000
Plastic	1,400	2,300	1,100
Scrap and metal	11,000	6,200	6,400
Wood	14,700	15,700	14,800
Landfill	8,600	6,500	4,000
Other waste	24,700	60,200	7,000

Generated waste, non-hazardous and hazardous



■ Non-hazardous waste 97% (94%)  
■ Hazardous waste 3% (6%)

Treatment method for generated waste



■ Recycled 67% (74%)  
■ Directed to disposal 33% (26%)



# Reporting according to the EU Taxonomy

The EU Taxonomy Regulation (EU) 2020/852 entered into force in July 2020 and is a classification system that is meant to help investors and other stakeholders assess how sustainable a business is and thus steer capital flows to environmentally better alternatives. The aim of the Taxonomy Regulation is for EU to achieve its climate targets and the objectives of the European Green Deal.

Peab has analyzed and classified its operations according to the taxonomy for 2024. The Taxonomy Regulation comprises the six environmental objectives; climate change mitigation (CCM) and climate change adaptation (CCA), sustainable use and protection of water and marine resources (WTR), transition to a circular economy (CE), pollution prevention and control (PPC) and protection and restoration of biodiversity and ecosystems (BIO). The report specifies to what extent Peab's operations are comprised by the six environmental objectives and if they are environmentally sustainable. The basis is the range of economic activities listed in the taxonomy. For an economic activity to be classified as environmentally sustainable it must materially contribute to one or more of the established environmental objectives, do no significant harm to any of the other objectives as well as meet certain minimum social safeguards.

Since 2023 disclosure regarding exposure to nuclear energy and fossil gas related operations is obligatory. Peab does not have any activities in these areas as shown in the table below.

**Peab's conditions and disclosures 2024**

Peab has complex and diversified operations in community building. We are active in four Nordic countries with an extensive geographic presence as well as customers in both the private and public sectors. Our four business areas Construction, Civil Engineering, Industry and Project Development are independent but ensure through collaboration that we utilize local resources as far as possible in the form of our own personnel and input goods. In other words, Peab's business comprises many different kinds of activities that come under the taxonomy. At the same time Peab's operations are characterized by further conditions that provide the framework for how our reporting according to the taxonomy should be understood. Our operations are primarily carried out as projects where every project is unique, which makes evaluating each project demanding. In our construction and civil engineering operations customers by and large formulate the specifications of the project. This reduces Peab's ability to influence the outcome, even if we work actively to guide customers through dialogues early on. In addition, lead times are long in the industry – from zoning to completed project – and therefore it takes years before new requirements are realized in operations and reporting.

In order to ensure Peab's long-term competitiveness and live up to the strategic target Leader in social responsibility executive management has set climate targets and adopted a Climate Road Map that describes the road to climate neutrality in 2045. It entails achieving zero emissions of greenhouse gases into the atmosphere, in other words we will not add more than nature can absorb. The Climate Road Map comprises developing, providing and using material that is produced with a lower climate impact and that is more durable. It also entails optimizing transportation, streamlining energy and using renewable energy in production plants, vehicles and machines as well as building material and energy efficient buildings. The Climate Road Map will contribute to making Peab's operations more environmentally sustainable according to the taxonomy.

Peab and the entire industry are undergoing a transition that requires updating work methods and more monitoring. One example is that several certification systems have already been adapted to the taxonomy, which

sets a new standard for the industry. Our disclosures for 2024 are based on our current interpretation of the rules and can alter as praxis develops and general knowledge about the taxonomy grows.

As of 2024 Peab is complementing reporting in the sector Manufacturing with CCM 3.7, Manufacturing of cement. As of 2024 sales of the alternative binder Merit to external customers has been moved from CCM 3.7 to CE 2.7. Energy has been added as a sector as of 2024 in CCM 4.9 Transition and distribution of electricity and CCM 4.15 Distribution of district heating/cooling. Furthermore CCM 6.13 Infrastructure for personal mobility, cycle logistics has been added in sector Transport as well as WTR 2.3 Sustainable urban drainage systems (SUDS) in the sector Water supply, sewerage, waste management and remediation.

**Minimum Social Safeguards**

According to the Taxonomy Regulation, in addition to the criteria substantial contribution and do no significant harm (DNSH), an economic activity must take certain minimum social safeguards into consideration to be classified as environmentally sustainable. This is to ensure companies cannot classify activities as sustainable when they, for example, run a business that does not meet regulations concerning human rights (including workers' rights), taxation, fair competition or corruption. According to EU's report published in October 2022 "Platform for sustainable finance" about reporting on minimum social safeguards it is our assessment that Peab meets these minimum social safeguards. Human rights, taxation, fair competition issues and corruption are all fundamental parts of Peab's Code of Conduct, which in turn is built on international covenants and national laws such as the UN Global Compact's principles which include the precautionary principle and the UN Human Rights Declaration as well as ILO's core covenants. Peab also adheres to the UN Guiding Principles on Business and Human Rights (UNGPs) as well as the OECD Guidelines for Multinational Enterprises. We also continuously educate and inform our employees about Group procedures and processes regarding minimum social safeguards.

**Economic activities considered eligible according to the Taxonomy Regulation**

We have evaluated the taxonomy's economic activities and consider the following material for Peab:

**Manufacturing**

- CCM 3.6 Manufacture of other low carbon technologies
- CCM 3.6 Manufacture of cement

Includes net sales, operating expenses and capital expenditures in Peab's own developed ECO-products as well as the alternative binder Merit in business area Industry. Examples of products are ECO-Asfalt which is manufactured with biofuel in our asphalt plants, ECO-Betong (ECO-Concrete) which is manufactured with an alternative binder that partially replaces cement and ECO-Prefab where climate-improved concrete is used and the reinforcement consists of recycled steel.

- Environment
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- EU taxonomy

Supported by The Swedish Construction Federation's interpretation of the taxonomy criteria and our own assessment supported by external expertise, Peab's ECO-products are considered to meet the criteria for a substantial contribution to climate change mitigation since the climate impact of these products is substantially lower than the standard products available on the market.

Merit, a slag-based binder used to replace cement in concrete, has a substantially lower climate impact than traditional cement. The manufacture of one ton Merit generates the climate impact equal to 3-6 percent of that generated in the manufacture of one ton of cement. Merit, or an equivalent binder, is used in ECO-Betong and the product meets the requirements for climate-improved concrete according to Svensk Betong's (Swedish Concrete's) standard and has thereby a substantially lower climate impact than standard concrete. Climate-improved concrete means concrete with at least 10 percent lower carbon emissions compared to reference concrete with the same function. Climate-improved concrete is a component in producing ECO-Prefab and ECO-Stomme (ECO-Frame), which generates a substantially lower climate impact than prefabricated products produced with standard concrete. The products meet the requirements for climate-improved concrete according to Svensk Betong's standard for prefabricated products. Carbon neutral biofuel is used in the manufacture of ECO-Asfalt, which substantially lowers the climate impact of ECO-Asfalt compared to production in standard asphalt plants. According to The Swedish Transport Administration's calculation model, ECO-Asfalt reduces climate impact by more than 60 percent, compared to the benchmark for the asphalt industry. Life cycle analyses have been performed and EPDs are available for the ECO-products.

The criteria for DNSH have been evaluated and Peab's ECO-products are considered to meet them.

- **Climate change adaptation:** Considered met because we have performed climate risk and vulnerability analyses for all the manufacturing units of ECO-products and identified possible risk reducing measures.
- **The sustainable use and protection of water and marine resources:** Considered met because of compliance with valid laws since water activities and other situations that affect environment quality norms for water always require an Environmental Impact Assessment (EIA) and taking relevant safeguards.
- **The transition to a circular economy:** Considered met because Peab applies the industry's guidelines for waste management that steer towards sorting for possible material recycling. Peab also regularly evaluates the possibility of circular material flows concerning both input raw material for production and the recyclability of manufactured products. Examples of this are the binder Merit, based on slag which is a byproduct from the steel industry, our ECO-Ballast (ECO-Mineral aggregates) which is based on 100 percent reused raw material and is used in concrete and asphalt as well as reclaimed asphalt pavement as raw material in our paving production. There are EPDs for all our ECO-products.
- **Pollution prevention and control:** Considered met because of compliance with valid laws since substances that are forbidden or under strict restrictions are covered by existing legislation.
- **The protection and restoration of biodiversity and ecosystems:** Considered met because of compliance with valid laws since ECO-products cannot be manufactured freely in or close to areas with biodiversity and the permit processes in relevant cases include EIAs and requirements for any safeguards.

## Energy

- CCM 4.9 Transition and distribution of electricity
- CCM 4.15 Distribution of district heating/cooling

Includes net sales and operating expenses from civil engineering contracts to external customers in power and electricity distribution as well as district heating/cooling in business area Civil Engineering. Peab's economic activities in Energy are not considered to sufficiently meet the technical screening criteria to be defined as environmentally sustainable according to the taxonomy.

## Transport

- CCM 6.13 Infrastructure for personal mobility, cycle logistics
- CCM 6.14 Infrastructure for rail transport
- CCA 6.15 Infrastructure for road transport and public transport
- CCA 6.16 Infrastructure for water transport

Includes net sales and operating expenses from civil engineering contracts to external customers for rail transports, road transports and mass transit as well as port and water transports in business area Civil Engineering. Further includes net sales, operating expenses and capital expenditures from paving operations in business area Industry. Peab's economic activities in Transport are not considered to sufficiently meet the technical screening criteria to be defined as environmentally sustainable according to the taxonomy.

## Construction and real estate

- CCM 7.1 Construction of new buildings
- CCM 7.2 Renovation of existing buildings
- CCM 7.7 Acquisition and ownership of buildings
- CE 3.4 Maintenance of roads and motorways

Includes net sales in new construction, renovation, rebuilding and extensions for external customers in business area Construction as well as sales of our own developed, newly built buildings in business area Project Development. Also included are rental income from owned buildings and net sales from the divestiture of project and development property recognized as inventories in business area Project Development. Also included are net sales from construction contracts for operation and maintenance to external customers in the business area Civil Engineering. In business area Project Development operating expenses and capital expenditures for owned and leased assets in properties are included.

Regarding Peab's economic activities in Construction and real estate, parts of operations in 7.1 Construction of new buildings (CCM) are considered to meet the technical screening criteria and the criteria for DNSH. Peab has defined minimum requirements for the certificates that must be presented to verify that the criteria have been met. Taxonomy-aligned construction projects regularly secure such documentation during the project and after completion are able to provide all the certificates.

## Water supply, sewerage, waste management and remediation activities

- WTR 2.1 Water supply
- WTR 2.2 Urban waste water treatment
- WTR 2.3 Sustainable urban drainage systems (SUDS)

Includes net sales from construction contracts to external customers regarding water supply and waste water treatment in the business area Civil Engineering. Peab's economic activities in Water supply, sewerage, waste management and remediation activities are not considered to sufficiently meet the technical screening criteria to be defined as environmentally sustainable according to the taxonomy.

## Services

- CE 5.5 Product-as-a-service and other circular use- and result-oriented service models

Includes net sales, operating expenses and capital expenditures for rental operations in business area Industry. Peab's economic activities in Services are not considered to sufficiently meet the technical screening criteria to be defined as environmentally sustainable according to the taxonomy.

All economic activities in business area Construction and Project Development are completely taxonomy-eligible. Economic activities not classified in the taxonomy are in business area Civil Engineering's other construction contracts and infrastructure projects that do not come in under Energy, Transport, Water supply, Construction and real estate or

Services. Economic activities in business area Industry not classified in the taxonomy are mineral aggregates operations, other prefab operations and product sales.

Double counting has been avoided since only external sales have been included in summation of the relevant economic activities. The use of our own ECO-products in construction and civil engineering contracts has been excluded in economic activity 3.6 and is included in the reporting in construction contracts for external customers in the taxonomy's other economic activities.



**Applied accounting principles**

**Net sales:** Includes external net sales according to IFRS 15 Revenue from contracts with customers and IFRS 16 Leasing (rental income) in taxonomy-eligible economic activities. For business areas Construction and Civil Engineering this means the income from contracts with external customers. For business area Industry net sales refer to all external revenue from paving contracts, rental revenue from machine and crane services and sales of ECO-Betong, ECO-Prefab and ECO-Stomme. In business area Project Development net sales include external revenue from divestitures of various kinds of housing and commercial property as well as rental income from properties.

**Operating expenses:** Includes operational costs related to tangible assets in taxonomy-eligible economic activities, primarily in business area Industry. For the most part these consist of repairs and maintenance of factories, machines and equipment for ECO-products, paving operations and rental operations. Operating expenses also include R&D expenses related to business areas Industry, Civil Engineering and Construction.

**Capital expenditures:** Includes investments in buildings, machines and equipment as well as the acquisition of buildings and land classified as tangible assets. Capital expenditures are mainly related to business area Industry and manufacturing ECO-products, production of other paving operations and machines and cranes used in rental operations. Capital expenditures also include investments in property in business area Project Development classified as tangible assets.

Acquisitions regarding project and development property in business area Project Development have not been included in taxonomy-related capital expenditures since they are recognized as current assets in the Group.

Net sales <sup>1)</sup>

2024	Code	Absolute net sales	Proportion of Turnover, year 2024	Substantial Contribution Criteria							DNSH criteria ("Does Not Significantly Harm")							Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, year 2023	Category enabling activity	Category transitional activity
				Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards				
Economic activities		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
<b>A. Taxonomy-eligible activities</b>																				
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																				
Manufacture of other low carbon technologies	CCM 3.6	6,251	10.2	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	8.7	E	-		
Manufacture of cement	CCM 3.7	188	0.3	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	-	-	T		
Construction of new buildings	CCM 7.1	962	1.6	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	0.6	-	-		
<b>Net sales of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>7,401</b>	<b>12.1</b>	<b>12.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>9.3</b>				
Of which Enabling		6,251	10.2	10.2	0.0	0.0	0.0	0.0	0.0	Y	Y	Y	Y	Y	Y	8.7	E			
Of which Transitional		188	0.3	0.3						Y	Y	Y	Y	Y	Y	0.0		-		
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																				
Transmission and distribution of electricity	CCM 4.9	492	0.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL							-				
District heating/cooling distribution	CCM 4.15	250	0.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL							-				
Infrastructure for personal mobility, cycle logistics	CCM 6.13	376	0.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL							-				
Infrastructure for rail transport	CCM 6.14	956	1.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL							1.1				
Construction of new buildings	CCM 7.1	15,880	25.9	EL	N/EL	N/EL	N/EL	N/EL	N/EL							33.4				
Renovation of existing buildings	CCM 7.2	8,956	14.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL							14.7				
Acquisition and ownership of buildings	CCM 7.7	1,843	3.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL							2.7				
Infrastructure enabling low-carbon road transport and public transport	CCA 6.15	11,347	18.5	N/EL	EL	N/EL	N/EL	N/EL	N/EL							14.7				
Infrastructure enabling low carbon water transport	CCA 6.16	1,251	2.0	N/EL	EL	N/EL	N/EL	N/EL	N/EL							1.6				
Water supply	WTR 2.1	713	1.2	N/EL	N/EL	EL	N/EL	N/EL	N/EL							0.9				
Urban Waste Water Treatment	WTR 2.2	1,018	1.7	N/EL	N/EL	EL	N/EL	N/EL	N/EL							1.3				
Sustainable urban drainage systems (SUDS)	WTR 2.3	305	0.5	N/EL	N/EL	EL	N/EL	N/EL	N/EL							-				
Sorting and material recovery of non-hazardous waste	CE 2.7	-	-	N/EL	N/EL	N/EL	EL	N/EL	N/EL							0.2				
Maintenance of roads and motorways	CE 3.4	2,848	4.6	N/EL	N/EL	N/EL	EL	N/EL	N/EL							4.7				
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	818	1.3	N/EL	N/EL	N/EL	EL	N/EL	N/EL							1.4				
<b>Net sales of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>47,053</b>	<b>76.7</b>	<b>46.9</b>	<b>20.5</b>	<b>3.4</b>	<b>5.9</b>	<b>0.0</b>	<b>0.0</b>							<b>76.7</b>				
<b>A. Net sales of Taxonomy eligible activities (A.1+A.2)</b>		<b>54,454</b>	<b>88.8</b>	<b>59.0</b>	<b>20.5</b>	<b>3.4</b>	<b>5.9</b>	<b>0.0</b>	<b>0.0</b>							<b>86.0</b>				
<b>B. Taxonomy-non-eligible activities</b>																				
<b>Net sales of Taxonomy-non-eligible activities</b>		<b>6,829</b>	<b>11.2</b>																	
<b>TOTAL</b>		<b>61,283</b>	<b>100.0</b>																	

<sup>1)</sup> Proportion of net sales from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024.

	Proportion of Net sales/Total Net sales	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	12.1%	59.0%
CCA	-	20.5%
WTR	-	3.4%
CE	-	5.9%
PPC	-	-
BIO	-	-

Operating expenses <sup>2)</sup>

2024	Substantial Contribution Criteria										DNSH criteria ("Does Not Significantly Harm")						Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year 2023	Category enabling activity	Category transitional activity
	Code	OpEx	Proportion of OpEx, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards			
Economic activities		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. Taxonomy-eligible activities</b>																			
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Manufacture of other low carbon technologies	CCM 3.6	300.3	32.9	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	21.9	E	-
Manufacture of cement	CCM 3.7	20.0	2.2	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	-	-	-
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>320.3</b>	<b>35.1</b>	<b>35.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>21.9</b>		
Of which Enabling		300.3	32.9	32.9	0.0	0.0	0.0	0.0	0.0	Y	Y	Y	Y	Y	Y	Y	21.9	E	-
Of which Transitional		20.0	2.2	2.2						Y	Y	Y	Y	Y	Y	Y	0.0		-
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
Construction of new buildings	CCM 7.1	2.0	0.2	EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								0.6		
Renovation of existing buildings	CCM 7.2	0.5	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Acquisition and ownership of buildings	CCM 7.7	3.4	0.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5		
Infrastructure enabling low-carbon road transport and public transport	CCA 6.15	246.3	27.0	N/EL	EL	N/EL	N/EL	N/EL	N/EL								23.8		
Sorting and material recovery of non-hazardous waste	CE 2.7	-	-	N/EL	N/EL	N/EL	EL	N/EL	N/EL								2.0		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	174.5	19.1	N/EL	N/EL	N/EL	EL	N/EL	N/EL								20.1		
<b>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>426.7</b>	<b>46.8</b>	<b>0.7</b>	<b>27.0</b>	<b>0.0</b>	<b>19.1</b>	<b>0.0</b>	<b>0.0</b>								<b>47.0</b>		
<b>A. OpEx of Taxonomy eligible activities (A.1+A.2)</b>		<b>747</b>	<b>81.9</b>	<b>35.8</b>	<b>27.0</b>	<b>0.0</b>	<b>19.1</b>	<b>0.0</b>	<b>0.0</b>								<b>68.9</b>		
<b>B. Taxonomy-non-eligible activities</b>																			
<b>OpEx of Taxonomy-non-eligible activities</b>		<b>166</b>	<b>18.1</b>																
<b>TOTAL</b>		<b>913</b>	<b>100.0</b>																

<sup>2)</sup> Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024.

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	35.1%	35.8%
CCA	-	27.0%
WTR	-	-
CE	-	19.1%
PPC	-	-
BIO	-	-

Capital expenditures <sup>3)</sup>

2024				Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")									
	Code	CapEx	Proportion of CapEx, year 2024	Climate change Mitigation	Climate change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year 2023	Category enabling activity	Category transitional activity
Economic activities		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. Taxonomy-eligible activities</b>																			
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Manufacture of other low carbon technologies	CCM 3.6	154	15.3	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	28.5	E	-
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>154</b>	<b>15.3</b>	<b>15.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>28.5</b>		
Of which Enabling		154	15.3	15.3	0.0	0.0	0.0	0.0	0.0	Y	Y	Y	Y	Y	Y	Y	28.5	E	
Of which Transitional		-	0.0	0.0						Y	Y	Y	Y	Y	Y	Y	0.0		-
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Construction of new buildings	CCM 7.1	5	0.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2		
Acquisition and ownership of buildings	CCM 7.7	85	8.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5.4		
Infrastructure enabling low-carbon road transport and public transport	CCA 6.15	132	13.1	N/EL	EL	N/EL	N/EL	N/EL	N/EL								8.2		
Sorting and material recovery of non-hazardous waste	CE 2.7	-	-	N/EL	N/EL	N/EL	EL	N/EL	N/EL								2.5		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	208	20.7	N/EL	N/EL	N/EL	EL	N/EL	N/EL								14.2		
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>430</b>	<b>42.7</b>	<b>8.9</b>	<b>13.1</b>	<b>0.0</b>	<b>20.7</b>	<b>0.0</b>	<b>0.0</b>								<b>30.5</b>		
<b>A. CapEx of Taxonomy eligible activities (A.1+A.2)</b>		<b>584</b>	<b>58.0</b>	<b>24.2</b>	<b>13.1</b>	<b>0.0</b>	<b>20.7</b>	<b>0.0</b>	<b>0.0</b>								<b>59.0</b>		
<b>B. Taxonomy-non-eligible activities</b>																			
<b>CapEx of Taxonomy-non-eligible activities</b>		<b>422</b>	<b>42.0</b>																
<b>TOTAL</b>		<b>1,006</b>	<b>100.0</b>																

<sup>3)</sup> Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024.

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	15.3%	24.2%
CCA	-	13.1%
WTR	-	-
CE	-	20.7%
PPC	-	-
BIO	-	-

Nuclear energy- and fossil gas related activities		
	Nuclear energy related activities	YES/NO
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Social

S1

ESRS

# Own workforce

Material sustainability topic for Peab

- Working conditions
- Equal treatment and opportunity for all
- Other work-related rights

## Peab and own workforce

Peab is located in large and small places throughout the Nordic region. At Peab our some 13,000 employees – and the subcontractors and other non-employed workers we hire annually – have the opportunity to build the local community in the places where they live and work. We want to offer value-creating and developing work assignments that employees solve together. We always strive to create opportunities for good and safe working conditions, equal treatment and equal opportunity. Every employee should be met with good working conditions and opportunities to develop as well as safe and inclusive workplaces. This requires that operations are rooted in a strong company culture based on our values and responsibility in leadership close to operations.

Our broad range of operations entails a plethora of professional roles at Peab. At the latest count the number of professions amounted to 228, covering everything from geotechnicians, asphalt pavement layers, construction engineers, skilled workers in civil engineering and drivers to white-collar workers in support functions like HR, work environment, law and communication. Our local focus and strategy for locally produced community building means that Peab has a large share of our own skilled workers, especially compared to other companies in the construction and civil engineering industry.

The issue of equal opportunity in construction and civil engineering is an industry-related challenge. The portion of women is also small in Peab, especially among skilled workers. Therefore we work actively with this issue including collaboration with the educational system. We are convinced that an inclusive company culture creates better workplaces and a more successful business.

Because the construction and civil engineering industry suffers from injuries it is particularly important that we continuously and with a laser focus work on preventing injuries and nearing our zero vision concerning workplace accidents.

We make the same demands on our subcontractors and other non-employed workers at our workplaces. A prerequisite for this is a good dialogue and close collaboration on workplace and work environment matters along with setting requirements and regularly monitoring deliveries and work methods.

Our own workforce comprises all skilled workers and white-collar workers, employees and non-employed workers, who work for the business under employment-like forms. Employees comprise both permanent employees and temporary employees. For Peab subcontractors, employees from temporary employment agencies and consultants are examples of non-employed workers. For instance, they can work for Peab on a project basis, regularly or per hour. Workers in the value chain are not included. They are found in ESRs S2.

Regarding own workforce Peab's impact is material in the three sustainable topics *working conditions, equal treatment and opportunity for all and other work-related rights* and all the sub-topics under these areas.

Regarding Peab and own workforce, here are some activities that have or can have an impact:

### Own operations:

- Everyone at our construction sites have access to the right safety equipment and workplaces are inspected regularly.
- We regularly conduct work environment evaluations, hold safety courses and update working conditions as well as make specific risk assessments regarding health, safety and the work environment.
- We hold negotiations with unions and have procedures for reporting and systematically managing violations of work-related rights.
- We carry out controls and limit the number of non-employed workers in order to reduce labor law risks.



**Our own workforce is linked to UN's 8th global goal for sustainable development: Decent work and economic growth.**

Positive impacts / opportunities Negative impacts / risks

Part of value chain	Example of impacts, risks and opportunities	Description
<b>Working conditions</b>		
<b>Own operations</b> 	Secure employment and adequate wages through collective bargaining agreements	• Includes secure employment, working time, adequate wages, social dialogue, freedom of association, work-life balance as well as health and safety.
<b>Own operations</b> 	Accident-relate risks at workplaces	• Construction and civil engineering industry has jobs with risks and is therefore more prone to accidents. • Systematic work for a safe work environment (e.g. preventative risk assessments) is a prerequisite.
<b>Equal treatment and equal opportunity for all</b>		
<b>Own operations</b> 	Respectful treatment	• Inclusion work with clear procedures for handling discrimination and harassment at the workplace.
<b>Own operations</b> 	Equality and gender equality	• For example, measures to minimize the pay gap between men and women and actively recruit under-represented groups.
<b>Other work-related rights</b>		
<b>Own operations</b> 	Voluntary work and employment	• Zero tolerance of child labor, human trafficking, forced labor or work linked to any kind of threat or punishment.

The table above shows examples of material impacts, risks and opportunities that occur in Peab's own operations as well as upstream and downstream in the value chain. It is not comprehensive.



### Process regarding materiality

We have conducted a double materiality assessment for S1, own workforce, on Group level. Key employees and functions with knowledge and particular insight into Peab's operations and our work with employees have participated in evaluating Peab's impacts, risks and opportunities in relation to our own workforce. These have included competence from six different Group functions:

1. Work environment
2. Labor laws
3. Employer brand, recruitment and talent recruitment
4. Remuneration, salaries and pensions
5. Diversity and inclusion
6. HR systems and HR support

In addition, a number of employees from other Group functions have participated in the work. This has taken place through meetings and workshops where we have compiled and evaluated Peab's sustainability matters in all the sustainable topics and sub-topics for S1 according to the template we produced. The function non-financial reporting has coordinated the process regarding materiality, which has been conducted as described in the section ESRS 2 on page 49.

We continue to work on developing our process and assessments in order to fully determine the result of the double materiality assessment. This work comprises continued data compilation from stakeholders in the organization, including countries where we have operations and companies.

### This is how we work

Since construction and civil engineering operations are personnel intensive and employees are a prerequisite for Peab's ability to manifest our business model and strategy it is crucial that we are a responsible employer for our employees and non-employed workers. We measure progress in this work in the strategic target "best workplace". Two of Peab's overarching Group external targets are directly linked to own workforce: the industry's most attractive employer (eNPS), and zero vision for fatal accidents and contracting trend in serious workplace accidents. The targets have been set by executive management and comprise metrics, measurement methods and strategic improvement areas. They are then broken down in sub-targets and concretized in the various operations based on the business areas' specific circumstances and challenges.

Our work and the responsibility we take in our own workforce is primarily regulated by national laws, trade agreements and collective bargaining agreements, all of which we comply with. We have collective bargaining agreements that are negotiated together with elected union representatives for all employees (100 percent), whether or not an employee is a union member. Our work is supported by also complying with international guidelines, norms and initiatives: UN Global Compact, UN's Human Rights Declaration, UN's Global Goals, ILO's core conventions on fundamental principles and rights at work, OECD's Guidelines for Multinational Enterprises, UN's Guiding Principles on Business and Human Rights (UNGP), the general principles in the international regulations for human rights and The OECD Anti-Bribery Convention and its recommendations. Our policies and guidelines conform to these commitments.

### Responsibility and policies

Our foundation is our core values – down-to-earth, developing, personal and reliable which help us to form our culture and what we call the Peab Spirit as well as guide us in business. In addition to these values Peab has a Code of Conduct and a Supplier Code of Conduct that, among other things, regulate working conditions and employment terms and include issues that concern human rights and work-related rights. Examples of these are the right to organize, prohibition of child and forced labor and zero tolerance of discrimination. Our Code of Conduct and Supplier Code of Conduct also ensure that we and our non-employed workers (and subcontractors) take responsibility for both the risks and opportunities that occur in the business.

Other governance documents we follow are Group policies in areas like the work environment, diversity and inclusion. Every year we go through all the policies and update them as necessary. We also consider viewpoints from unions in order to identify risks and opportunities for improvement. We have several guidelines based on the policies such as our equal treatment plan and order and safety rules. Additionally we are certified according to a number of standards in different Peab companies. These include ISO 9001:2015, ISO 14001:2015, ISO 45001:2018.

We have guidelines for the process of due diligence that describe how the company identifies and assesses potential negative impacts on humans and the environment as well as how we work actively to avoid and minimize them. We regularly evaluate how effective our measures are, communicate openly about our efforts and take the initiative to rectify situations where necessary. The guidelines also contain procedures for compensating any negative impacts caused by our operations. The responsibility for complying with these procedures lies ultimately with the CEO but is delegated to the line managers. The Group's Sustainability Council informs and supports the organization as well as monitors that the process is complied with. Peab's guidelines for the process of due diligence are based on UN's Guiding Principles on Business and Human Rights (UNGP) and OECD's Guidelines for Multinational Enterprises.

If an employee deviates from the principles in the Code of Conduct it can lead to corrective measures and in serious cases terminating employment. When a non-employed worker (or supplier in general) does not comply with the Code or clearly deviates from it, as a final resort we can end our business relationship with the counterparty. Incidents and possible damages as well as infringements against the company's values, rules and codes require action and are investigated. Collective bargaining agreements regulate disciplinary measures.

The strategic work linked to the material topics in the target best workplace is done on Group and business area levels, together with the relevant competence on all levels. Our priorities are the same in all four countries where we are active in with, however, consideration to differences in national laws. Ultimate responsibility always lies with management that is supported by specialists. Leadership is particularly crucial to Peab's ability to achieve set targets and for employees to be able to develop in their careers. Therefore developing management is a constant priority.

Continuous development of employees is also essential. Every employee has the right to at least one goal and development discussion per year with their supervisor. In addition to these formalized discussions, employees also develop through the day-to-day contact between supervisor and employee. Everyone who works at Peab should participate actively in their own development.

Governance in Peab is supported by several collaborating systems such as HR, health and safety and the Group's management system.

Peab's partners' work environment performance is also important for our work environment work. It is primarily encompassed in purchasing processes in the form of demands and guidelines as well as in workplace introductions before work begins.

### Work methods and focus areas

#### Working conditions

Regarding working conditions, we work with issues that include secure employment, working time, adequate wages, social dialogue, freedom of association, collective bargaining agreements, work-life balance and health and safety. With good working conditions and benefits we want our employees to have a sense of wellbeing. For example, we work with standardized processes for employment to foster reasonable employment terms that also comply with collective bargaining agreements, in every employment process and in the business. This includes health insurance, a pension and the right to parental leave. We offer salaries and terms on market levels that allow for balance between work and private life. At Peab the nature, performance and skills level of an employee's job decide their pay level. In accordance with Swedish law and current collective bargaining agreements, a salary survey is conducted every year in Swedish operations to ensure that all salaries are factually based. Salary processing in Norway, Denmark and Finland is performed according to national laws and collective bargaining agreements.

**Health**

We regularly carry out a number of activities primarily focused on preventive measures and identifying health risks at an early stage. Since 2020, in collaboration with the occupational health service, we have been using a model in Sweden, HealthCheck, where employees first answer questions about their experienced health, lifestyle and work environment from which a health profile is generated. Based on this result employees are given an individual program that can include a physical examination or meeting a physiotherapist or psychologist/behaviorist. There are also Group programs based on collective results such as training, stress or conflict management. Peab has contracts with occupational health service suppliers in the countries where our employees work. Through our optional group insurance we also offer all employees the opportunity to sign up for health and/or accident insurance.

All Peab employees have access to Peab's range of benefits which includes contributions to activities that help keep employees healthy and other subventions. Peab Leisure is part of Peab's benefit package intended to help employees make health promoting choices. Our starting point is the desires of the individual and their active involvement. Peab Leisure is also active in creating opportunities for employees to do things together that generate better health, wellbeing and a feeling of unity in the company. These activities can take on different forms depending on living conditions and interests.

All Peab's some 13,000 employees (100 percent) are covered by a health and management system which is supported by several tools. This also applies to everyone else (100 percent) at Peab's workplaces, for example subcontractors, that we have a coordinated responsibility for.

Peab's workplaces are alcohol and drug free. In 2024 we updated our alcohol and drug policy that comprises all employees and workplaces where Peab works. The policy states, among other things, that Peab can carry out drug tests at workplaces.

**Safe work environment**

Although there are high numbers of injuries in the construction and civil engineering industry we can never accept that people are injured or get sick because of their job. A safe work environment is fundamental to our business. Everyone at our workplaces should be able to work under safe and secure conditions, despite the fact there are risks involved in the work we do and anyone has the explicit right to refuse to do a job if it cannot be done safely.

Accident prevention measures are the core of our work on the work environment and we are always working on our safety culture. Every remedied risk is one less potential accident. Peab works systematically with the work environment and several sections of operations are certified according to ISO 45 001. To prevent accidents and incidents at our workplaces Peab

develops quality-ensured and systematic work methods. We hold regular safety inspections at construction sites and remedy identified shortcomings afterwards. We also put great emphasis on teaching work environment reports which are meant to facilitate workplaces to work right. We have also developed a work method so that our employees produce work preparations together before they begin a job. Risk management, in other words identifying risks and measures, is emphasized in work preparations. Employees report risk observations which we learn from and remedy as far as possible. Interest in reporting risk observations is high with around 46,000 (55,000) reported observations per year.

Peab also has a large number of roadwork sites affected by passing traffic which entails a risk that requires special safety arrangements. On the other hand, the way we arrange roadwork sites also affects passing traffic. Our function, Production support TW, is responsible for increasing knowledge about traffic and safety arrangements, thereby creating safe roadwork sites. For example, the function supports projects in the calculation and production phases, visits ongoing production at roadwork sites and provides direct feedback and analyzes the some 150 inspections made by the Swedish Transport Administration. Last year it inspected over 70 Peab roadwork sites. The function also helps to spread experiences and good examples in our organization through internal, mandatory courses within "Roadwork" that are often required by our customers. In this way we ensure work on continuous improvement and maintain a high level of competence in traffic safety.

Peab has a well-defined system that specifies supervisors' roles concerning the work environment to ensure that nothing is missed. They have work environment specialists in various roles to support them on all levels in the Group. We emphasize collaboration and our safety representatives play an important part in work environment work. There are currently around 700 safety representatives in our organization but we always encourage more employees to take on this role. Work environment work is integrated with the Group's work against discrimination and victimization.

**Equal treatment and equal opportunity**

Equal treatment and equal opportunity for all means the same pay for the same work and equality in employment, education and competence development. We work actively to create and reinforce an inclusive company culture. We also work actively against discrimination, violence and harassment at the workplace for a safer work environment for everyone. The principle of equal treatment is a general principle in European legislation stating that all individuals in comparable situations should be treated equally.

It is a given that our employees are treated with respect for their differences and essential that we as employers take advantage of each employee's unique skills and perspective. Everyone has the right to a safe

**Peab's crisis organization**

Peab has had a crisis organization for many years that consists of around 100 employees. Its purpose is, in the case of an accident or crisis, to step in and provide professional management to minimize unnecessary suffering and injury of the victims, both employees and third parties. Every local crisis coordinator is trained in crisis management in cooperation with the Swedish Civil Contingencies Agency and participates in regularly scheduled exercises within the crisis organization's operations. Every year the crisis organization receives around fifty crisis calls.

**Examples of questions in Peab's work environment survey:**

- Is your workplace free from jokes and jargon that can be experienced as discriminating?
- If someone at your workplace said something derogatory or insulting do you feel sure that your colleagues would speak up for you?
- Is the climate in your work team sufficiently safe and tolerant for colleagues to talk about problems and difficulties?
- Have you during the past twelve months been free from victimization, mobbing, discrimination, harassment or sexual harassment at work?

and inclusive work environment hence our efforts in this field includes everyone at our workplaces. We can never accept any form of social exclusion at our workplaces at the same time we are aware of the risk that harassment and discrimination can occur. In general women and minority groups run a higher risk of this. Inclusion is high on Peab's agenda and we continually measure these aspects in our personnel survey. We look at the level of experienced inclusion, how inclusive our language is, psychological security, how strong our civil courage is and how inclusive our company culture is.

Peab has an equal opportunity plan that also includes goals and an action plan against victimization and discrimination. A particular goal in the plan is to increase the inclusion of women. All employees and managers with personnel responsibility take e-education courses in equal treatment. Grounds for discrimination listed in the equal opportunity plan are gender, religion or belief or life view, sexual orientation, age, disability, ethnicity, political opinion, activity or nationality, gender identity or expression, trade union association or activity, parental leave, pregnancy and labor form.

Last year eleven percent of our employees were educated in diversity, equal opportunity and inclusion, which means around 1,450 (1,100) employees. All new employees have to take part in a mandatory course which is updated regularly. We make sure that everyone at our workplaces are aware of our policies, including the equal opportunity plan that contains guidelines regarding anti-discrimination and harassment. In 2024 we also began an overall analysis to identify risks for discrimination and harassment in our organization's activities and processes. The work will continue in 2025. We also have an Ethics Council which ensures that reports of victimization and discrimination are investigated by impartial expertise.

**Competence development**

Peab has a flat and decentralized organization. Employee surveys show that team spirit is strong and at the same time every employee is important and can have an effect on both their workday and how Peab functions as a company. Our size and extensive operations in the Nordic region means we can offer a lot of opportunities regardless of whether someone wants to grow in their existing role, try on new roles and tasks or develop their leadership skills or specialist expertise. Someone might even want to develop their career in some other place. In other words, development can take many different forms, depending on individual needs.

We also believe that every employee at Peab, whatever their position, gender or life situation, should be able to combine parenthood with their work and the development of their career should not be hindered by it.

In recent years we have further developed our digital methodology for competence development and now digital learning is our everyday channel for training at work. We currently have a range of 799 (859) courses that all our employees can apply to through our tool for competence development and education. In connection with annual goal and development discussions, employees and supervisors can plan for digital courses and add them to the employee's individual development plan. Within our support functions, and based on research insights in behavioral science, we have produced a tool in goal and development discussions that reduces the risk of subjectivity in managers and promotes merit-based evaluations.

**Other work-related rights**

Peab's Code of Conduct clearly establishes that we never accept child labor, human trafficking, forced labor or labor linked to any kind of violence or punishment. Working must always be voluntary.

Peab's business operates exclusively in the Nordic region where all the Nordic countries have ratified ILO Co<sub>2</sub>9, Forced Labor Convention, 1930 (No.29). We do not hire guest workers from informal actors, which means we can further minimize the risks of breaches in work-related rights including inadequate housing, child labor, forced labor or abuses of personal integrity. For non-employed workers like temps who are sometimes used to safeguard resources and schedules in projects, the risks of breaches in work-related rights are always somewhat higher. It is more difficult for us

to control non-employed workers, although we continuously make checks through our system for "Secure procurement" and strive to limit the number of employees not employed by Peab. In addition, the process of due diligence serves us well in these instances.

We had no reported cases of breaches in work-related rights in 2024.

**Reporting channels**

In matters that concern employees' rights and conditions, dissatisfaction or incidents they should first of all contact their closest supervisor or senior supervisor and secondly the local HR function. Employees are also encouraged to turn to other supervisors or people in the local HR department, safety reps or union reps or the occupational health service. We also have a whistleblower function that is available to our entire own workforce as well as non-employed workers and other external parties to report any forms of misconduct or infringements. Reports to the whistleblower system can be anonymous. All cases are handled according to the same documented process that includes an investigation and action thereafter. Peab's whistleblower function is also designed so that we can improve our operations through continuous learning. We regularly identify and analyze the frequency, patterns and causes of the reports in order to prevent future problems. A compilation of the reports is presented annually to the Board and every half-year to executive management.

The employee survey that the company uses to gather feedback and perspective from our own workforce includes the Handshake that goes out twice a year and the annual work environment evaluation on Group level. On top of that there are always reporting channels and continuous monitoring through various meetings between employees and their closest supervisor. At the annual goal and development discussions we collect, through supervisors, feedback and employees' perspective on the work environment and impact from the company.

**Activities 2024**

- Education: We held our ordinary leadership development program, which is offered to supervisors on four different levels. We also had a special program for supervisors to facilitate success in their roles. In total we trained 150 supervisors, from Tromsø in the north to Trelleborg in the south, and all in all we carried out developmental actions for some 2,600 (2,000) managers in 2024. Additionally, we offered a wide range of seminars as well as coaching and mentorship. Very often our supervisors take a leadership role directly after getting their degree and therefore they are an important group for us to support.
- Work environment: We held Peab's annual work environment week in our four operative countries. A number of activities were carried out during the week such as training in the elements of our core values and discussions on how Peab's fundamental values can be further integrated into daily work. The target was to discuss this together in work teams under the theme "There is no I in team".
- Work environment: We held our annual Safety Day in all our operative countries where we focused on initiating discussions concerning our core values; down-to-earth, developing, personal and reliable.
- Work environment: We continued with safety walks where visible and clear leadership promotes a good work environment by noticing what works well and what needs improvement.
- Work environment: In our annual work environment evaluation employees are given the opportunity to evaluate their work environment in the categories work time, workload and equal opportunity. The outcome for 2024 continued to be stable and well in line with the benchmark. It showed a high level of wellbeing in general and a lot of interest in work environment matters. The outcome in the area workload has gone down somewhat reflecting that it is a challenge. The area equal opportunity improved and the outcome is higher among white-collar workers than among skilled workers.

At the end of 2024 the number of skilled workers was 53 (53) percent while white-collar workers represented 47 (47) percent.

Social

S1

S2

S3

S4

## Targets and metrics

### eNPS

Target: > over benchmark (reported semiannually)

Outcome 2024: 28

Within the strategic target Best workplace one of our goals is to be able to offer our employees the best workplace in the industry. We measure this through the eNPS (recommend Peab) value which should be above the benchmark for industry and manufacturing. In the autumn survey the eNPS value for the Group continued to be far above the benchmark. In the autumn survey the eNPS value for the Group continued to be far above the Nordic benchmark. We increased by a point to 28 (27 in the spring rating)

even though last year was full of external challenges. At the same time the benchmark fell by three points to 17 (20 in the spring rating). The eNPS value rose particularly for female skilled workers by nine whole points compared to the spring rating. In the survey employees rated collaboration with co-workers, community and Peab's core values as some of the company's greatest strengths. The negative trend was strain.

Participation in the autumn survey was the highest in Peab's history with 90.2 (89.9 in the spring rating) percent while we received around 10,000 comments, displaying the great interest our employees have in contributing to the development of their teams and our business.

Peab gathers data on recruitment, education, employee survey the Handshake, in part on the number of reported cases of discrimination and harassment, the outcome of The Construction Year and information from various networks.



eNPS (employee Net Promoter Score) measures employees' willingness to recommend Peab as an employer on a scale of -100 and 100. The eNPS score should be above the benchmark in the industry (industry and manufacturing).

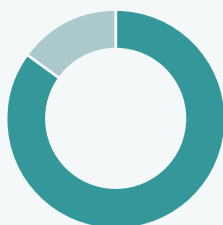
### Number of employees – business area

Per December 31, 2024

Business area	2024	2023	2022
Construction	4 681	5 207	5 671
Civil engineering	3 365	3 422	3 405
Industry	4 581	4 573	4 931
Project Development	145	211	264
Group functions	611	694	769
<b>Total number</b>	<b>13 383</b>	<b>14 107</b>	<b>15 040</b>

### Number of employees – per gender

Per December 31, 2024

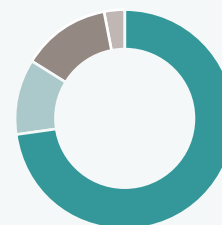


Women 15% (2,032) Men 85% (11,351)

Number of employees in brackets

### Number of employees – per country

Per December 31, 2024



Sweden 73% (9,808) Norway 11% (1,477)  
Finland 13% (1,747) Denmark 3% (351)

At the end of 2024 the number of skilled workers was 53 (53) percent while white-collar workers represented 47 (47) percent.

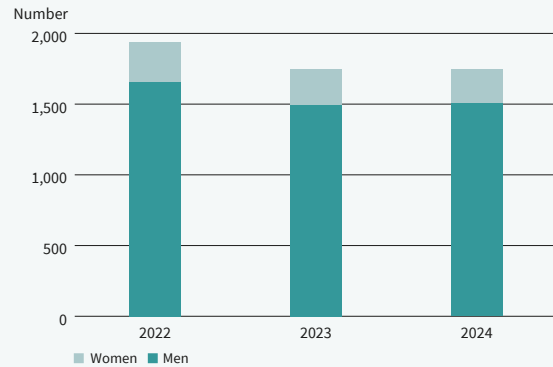
**Information about employees/other workers**

Data has been collected from HR systems in Sweden, Norway, Finland and Denmark and totaled thereafter. Employee data is presented in headcount.

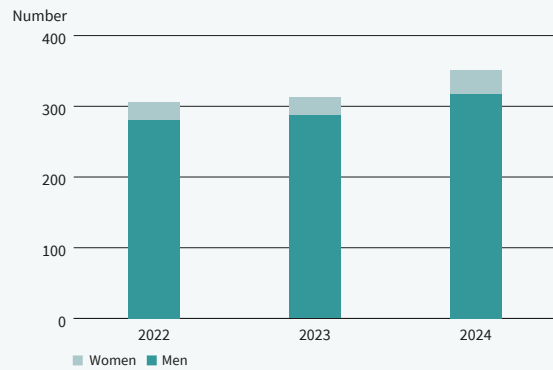
**Number of employees per country and gender**

The diagrams show the number of employees per December 31, 2024. At the end of 2024 Peab had 13,383 (14,107) employees, of which 15 percent (15) were women and 6,290 (6,600) were white-collar workers and 7,093 (7,507) were skilled workers. Peab had no employees without guaranteed work time in their employment contracts in 2023 and 2024, throughout the entire Peab Group.

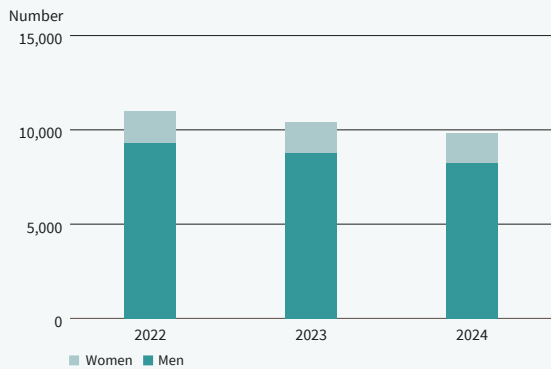
**Finland**



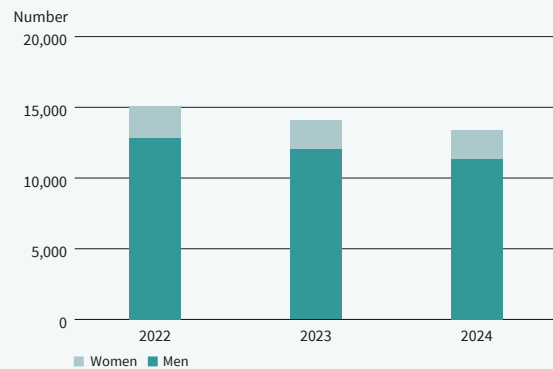
**Denmark**



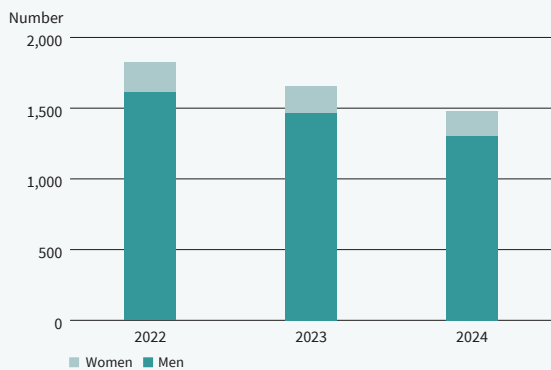
**Sweden**



**Entire Peab**



**Norway**



## Employment forms per gender and country

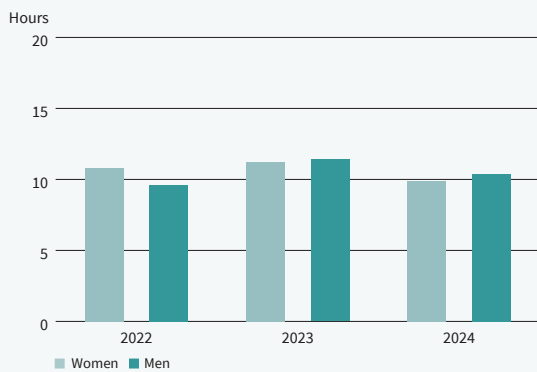
	Women			Men		
	2024	2023	2022	2024	2023	2022
<b>Permanent employees</b>	1,988	2,039	2,123	11,105	11,762	12,501
Sweden	1,567	1,601	1,649	8,125	8,662	9,129
Norway	155	172	182	1,211	1,364	1,474
Finland	234	242	267	1,459	1,467	1,617
Denmark	32	24	25	310	269	281
<b>Project/temporary employees</b>	44	50	75	246	256	341
Sweden	15	18	35	101	112	164
Norway	19	17	30	92	101	137
Finland	9	13	10	45	25	40
Denmark	1	2	-	8	18	-

## Employment forms for permanent employees

	Women			Men		
	2024	2023	2022	2024	2023	2022
<b>Full-time employees</b>	1,927	1,971	2,047	11,042	11,700	12,433
Sweden	1,519	1,555	1,601	8,091	8,625	9,093
Norway	149	160	174	1,200	1,355	1,464
Finland	233	240	261	1,448	1,451	1,598
Denmark	26	16	11	303	269	278
<b>Part-time employees</b>	64	68	76	60	62	68
Sweden	48	46	48	34	37	36
Norway	6	12	8	11	9	10
Finland	1	2	6	11	16	19
Denmark	9	8	14	4	0	3

## Number of education hours

### Per employee, allocated by gender

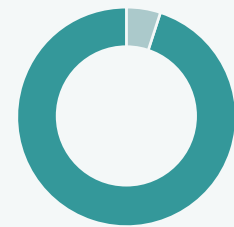


## Diversity in Peab's Board of Directors and executive management (gender and age)

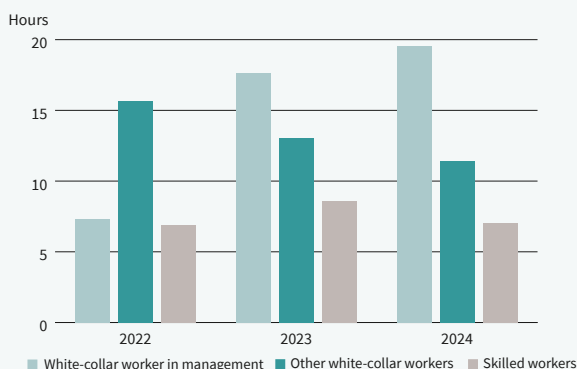
### Gender



### Age

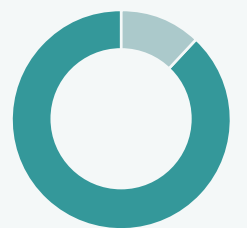


## Per employee, allocated by personnel category

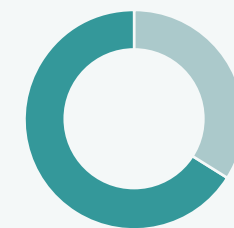


## Employees per personnel category, gender and age

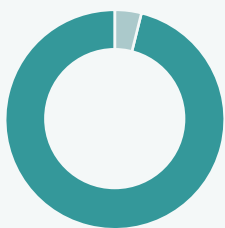
### White-collar workers with managerial positions per gender



### Other white-collar workers per gender

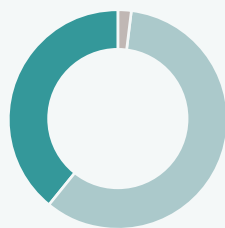


**Skilled workers per gender**



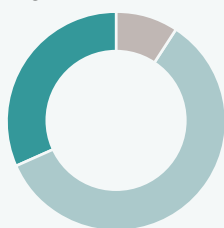
■ Women 4% (4%) ■ Men 96% (96%)

**White-collar workers with managerial positions per age**



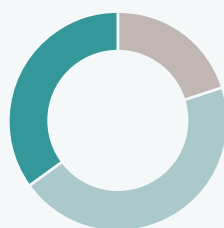
■ <30 year 2% (3%) ■ 30-50 year 59% (60%) ■ >50 year 39% (37%)

**Other white-collar workers per age**



■ <30 year 9% (10%) ■ 30-50 year 58% (59%) ■ >50 year 31% (31%)

**Skilled workers per age**



■ <30 year 20% (21%) ■ 30-50 year 45% (44%) ■ >50 year 35% (35%)

**Sick leave**

Sick leave %	2024	2023	2022
White-collar workers	2.4	2.6	2.9
Skilled workers	5.7	6.1	7.2
<b>Total</b>	<b>4.2</b>	<b>4.5</b>	<b>5.1</b>

Data has been collected from HR systems in Sweden, Norway, Finland and Denmark and totaled thereafter.

**Wages and remuneration**

Peab's analysis of wages paid in 2024 detected 20 (20) cases of subjectively set wages between women and men for comparable professions, skills and positions. These pay differences were rectified.

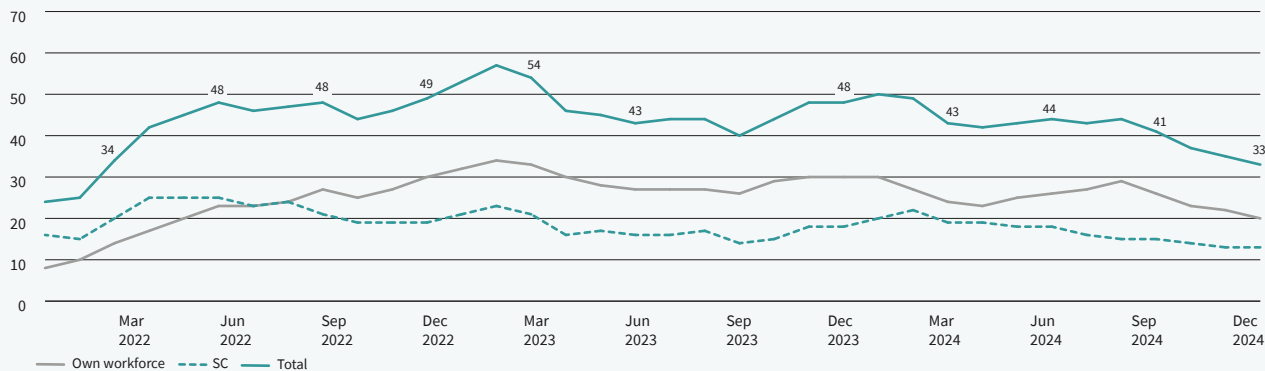
**Reporting serious accidents**

Our vision of zero fatal accidents and target of a contracting trend in serious workplace accidents includes our own workforce and everyone else at our workplaces. Peab's definition of a serious accident is a workplace accident that results in serious personal injuries. These can be injuries such as bone fractures, effusive bleeding or nerve, muscle or tendon damage, injuries to inner organs or second or third degree burns.

Number of serious accidents	2024	2023	2022
Own employees	20	30	30
Subcontractors	13	18	19
<b>Total</b>	<b>33</b>	<b>48</b>	<b>49</b>

Peab's definition of a serious accident (category 4) is a workplace accident that results in serious personal injuries. These can be injuries such as bone fractures, effusive bleeding or nerve, muscle or tendon damage, injuries to inner organs or second or third degree burns.

**Number of serious accidents**

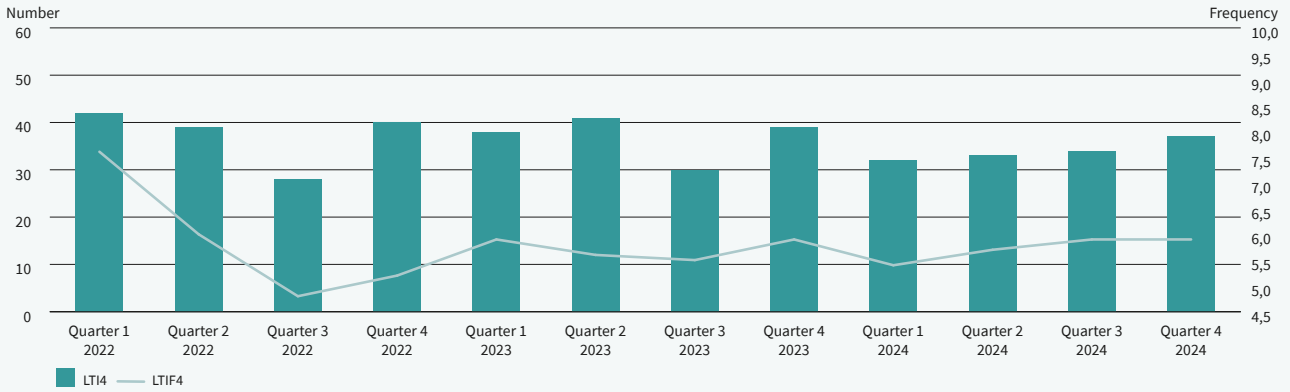


**Reporting absence accidents**

We monitor the number of workplace accidents with more than four days absence, excluding the day of injury (LTIF4 where LTI stands for Lost Time Injury), and workplace accidents according to the same definition per one

million hours worked (LTIF4) for our own employees. At the end of the year the number of absence accidents was 33 and the LTIF4 frequency rate on a rolling 12 month basis was 5.9. This is a reduction of the number of absence accidents while LTIF4 is on the same level as 2023.

**LTIF4 and LTIF4**



We monitor the number of workplace accidents with more than four days absence, excluding the day of injury (LTIF4 where LTI stands for Lost Time Injury), and workplace accidents according to the same definition per one million hours worked (LTIF4) for our own employees. At the end of the year the number of absence accidents was 33 and the LTIF4 frequency rate on a rolling 12 month basis was 5.9. This is a reduction of the number of absence accidents while LTIF4 is on the same level as 2023.



ESRS

# Workers in the value chain

Material sustainability topic for Peab

- Working conditions
  - Secure employment
  - Working time
  - Reasonable wages
  - Social dialogue
  - Freedom of association, existence of works councils and workers' rights to information, consultation and participation
  - Collective bargaining, including portion of employees comprised by collective bargaining agreements
  - Work-life balance
  - Health and safety
- Equal treatment and equal opportunity for all
  - Gender equality and equal pay for work of equal value
  - Training and skills development
  - Employment and inclusion of persons with disabilities
  - Measures against violence and harassment in the workplace
  - Diversity
- Other work-related rights
  - Child labor
  - Forced labor
  - Adequate housing
  - Water and sanitation
- Data security and privacy

## Peab and workers in the value chain

Production chains in the construction and civil engineering industry are complex and consist of a number of actors, both local and global. Promoting sustainable value chains where workers' rights are protected and respected is a cornerstone of Peab's business. We want to collaborate with actors that take care of their employees, provide them with good working conditions and development opportunities and are secure, safe and inclusive workplaces.

Since Peab works in both large and small locations throughout the Nordic region and with many different projects we have a lot of suppliers and other partners in our value chain. We manage around 41,500 suppliers annually, of which 3,000 suppliers represent 80 percent of the Group's total purchase volume. In other words, we are major buyers in the Nordic region and therefore we have a responsibility for promoting secure and sustainable procurement along with supplier collaboration, including responsibility for workers in the value chain. Behind every supplier are even more subcontractors with their employees.

Respect for human rights is given in every aspect of Peab's business and throughout the entire value chain. This is founded on our compliance with the extensive Nordic legislation in this area. We also protect the right to freedom of association and workers' rights to organize and collective bargaining. Our approach to human rights and freedom of association underlines Peab's commitment to a work environment that is both safe and healthy as well as inclusive and fair. By supporting these work environment principles and encouraging our suppliers to integrate them in their processes, we contribute to strengthening human rights and labor laws. We work continually with evaluating and rectifying shortcomings in our own operations and conduct reviews of our suppliers.

Workers in the value chain comprises:

- Workers that perform contracted work at Peab's workplaces, for example workers in charge of security or who deliver IT and other administrative services.
- Workers from Peab's suppliers.

- Workers further down the supply chain who extract raw materials that are refined into input goods and components that are part of Peab's offer.
- Workers at Peab's customers and other actors in the value chain downstream, for example property managers.

Non-employed workers, for example subcontractors, workers from temporary employment agencies and consultants that work for Peab are not included. They are included under ESRS S1, own workforce.



Regarding workers in the value chain, Peab's impact is material in the three sustainable topics working conditions, gender equality and equal pay for work of equal value and other work-related rights. All the sub-topics, however, are not considered material for Peab. Materiality is as follows:

- Working conditions: secure employment, reasonable wages, health and safety
- Equal treatment and equal opportunity for everyone: gender equality and equal pay for work of equal value, measures against violence and harassment in the workplace, diversity
- Other work-related rights: child labor, forced labor, water and sanitation, data security and privacy, adequate housing.

Below are examples of activities regarding workers in the value chain that have or can have an impact:

### Upstream and downstream:

- We continuously make risk assessments and conduct audits of our suppliers based on working conditions, equal treatment and other work-related rights.
- We clarify mechanisms for employees to report abuse or other incidents anonymously and safely.
- We develop guidelines and procedures regarding labor laws and human rights our suppliers must follow.

 Positive impacts / opportunities  Negative impacts / risks






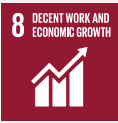
Part of value chain	Example of impacts, risks and opportunities	Description
<b>Working conditions</b>		
Upstream 	Secure employment	• Includes risks of unfair wages and pay discrimination, poor working conditions like unreasonable work time and temporary short-term contracts without security.
Upstream 	Work environment and safety	• Includes risks for workplace accidents, poor safety equipment and precarious working conditions.
<b>Equal treatment and equal opportunity for all</b>		
Upstream 	Equality and gender equality	• Includes breaches in, for example, measures to minimize the pay gap between men and women and recruit under-represented groups.
Upstream 	Respectful treatment	• Includes breaches in inclusion work and in procedures for handling discrimination and harassment at the workplace.
<b>Other work-related rights</b>		
Upstream 	Voluntary work and employment	• Includes risks of violations of human rights, for example child labor, human trafficking, forced labor or work linked to any kind of threat or punishment.

Table above shows examples of material impacts, risks and opportunities that occur upstream (and downstream) in the value chain. It is not comprehensive.



**Workers in the value chain is linked to the UN's 8th global goal for sustainable development: Decent work and economic growth.**

**Process regarding materiality**

We have conducted a double materiality assessment for S2, workers in the value chain, on Group level. Peab's impacts, risks and opportunities in relation to workers in the value chain have, in addition to our identified eight main value chains, been evaluated specifically based on value chains for the input goods cement, bitumen, electricity, fuel, steel and certain wood products as well as household appliances and transportation services. The double materiality assessment has primarily been conducted by Peab's group purchasing function and category managers for each strategic input material. In addition, a number of employees from Group functions have participated in the work. The work has been carried out through meetings and workshops where Peab's sustainability topics for S2 have been compiled and evaluated according to the template we produced. The function non-financial reporting has coordinated the process regarding materiality, which has been conducted as described in the section ESRs 2 on page 49.

**This is how we work**

Our work and the responsibility we take for workers in the value chain is primarily regulated by national laws, trade agreements and collective bargaining agreements, all of which we comply with and encourage all the actors in the value chain to also comply with. Our work is supported by complying with international guidelines, norms and initiatives: such as UN Global Compact, UN's Human Rights Declaration, UN's Global Goals, ILO's core conventions on fundamental principles and rights at work, OECD's Guidelines for Multinational Enterprises, UN's Guiding Principles on Business and Human Rights (UNGPs), the general principles in the international regulations for human rights and The OECD Anti-Bribery Convention and its recommendations. Our policies and guidelines conform to these commitments.

**Responsibility and policies**

The basis of Peab's work with workers in the value chain is our core values – down-to-earth, developing, personal and reliable which help us to form our culture and guide us in our business.

In addition to these values Peab has a Supplier Code of Conduct that defines our expectations of our partners and their partners in the value chain. Among other things, the Supplier Code of Conduct regulates working conditions and employment conditions and includes Peab's demands that concern human rights such as freedom of association, prohibition of child and forced labor and discrimination. The Code emphasizes that suppliers must have processes in place to handle actual and potential impacts on human rights and the environment, which requires guidelines and policies as well as board of directors and management responsibility for business ethics and sustainability matters, along with regular education of employees.

The responsibility begins with executive management and goes via line managers out to each workplace where requirements are set and monitored in the value chain. This requires procedures for both assessment, prevention and management of risks as well as collaboration and transparency.

**Work methods and focus areas**

Peab primarily controls and sets requirements for our partners in the purchasing process and in workplace introductions before the work begins. In order to become a contracted Peab supplier the Supplier Code of Conduct must be adopted.

Incidents and possible damages as well as infringements against the company's values, rules and codes are investigated and can require action. If a supplier does not comply with the Supplier Code of Conduct we can, as a final resort, end the business relationship. Peab's guidelines on the pro-

cess of due diligence serve us well in these instances. They describe how we identify and assess potential negative consequences for humans and the environment and actively work to avoid or minimize them.

In order to further strengthen our work with the value chain we encourage our suppliers to communicate to their employees that they can use the whistleblowing system if something happens that goes against the Supplier Code of Conduct or the law. This gives workers at our suppliers and even their sub-suppliers the possibility to report suspicions of infringements of the Supplier Code of Conduct or the law.

One of Peab's two development initiatives for the business plan period 2024-2026 concerns quality-assuring the work in our value chains and especially increasing traceability. Within the framework for the initiative, work is being done to develop work processes, metrics and the dialogue with, and control of, our suppliers. Naturally this also includes matters that deal with human rights and the environment.

**Working conditions**

Regarding working conditions we prioritize issues that include secure employment, reasonable wages and health and safety. With good working conditions we want workers at our partners and their partners to have a good platform for both work and leisure. For this reason we are clear about our expectations of the actors that in some way work together with us and contribute to our value chains

In addition to Peab's workplaces being alcohol and drug free, we put great emphasis on safe workplaces. Preventive measures are key to our work environment work to reduce the number of workplace accidents. We are constantly working on our safety culture and we make it clear that everyone at Peab's workplaces has the explicit right to refuse to do a job if it cannot be done safely. Read more about Peab's work environment work, including our zero vision for fatal accidents and the target of a contracting trend of serious workplace accidents on page 82. The target comprises both our own employees and everyone else on site.

**Equal treatment and equal opportunity for all**

Equal treatment and equal opportunity for all includes gender equality and equal pay for work of equal value, diversity and measures against violence and harassment in the workplace. The principle of equal treatment is a general principle in European legislation stating that all individuals in comparable situations should be treated equally.

Everyone has the right to a safe and inclusive work environment and therefore Peab's work environment work includes everyone at our workplaces. We can never accept any form of social exclusion at our workplaces or workplaces in our value chains. We make sure that everyone at our workplaces has access to our policies, including Peab's equal opportunity plan that includes guidelines against harassment and discrimination.

The issue of equal opportunity in construction and civil engineering is an industry-related challenge. We have a small number of female workers at Peab, especially among skilled workers and therefore we work actively with this issue. We are convinced that greater diversity creates better workplaces and a more successful business.

**Other work-related rights**

Peab's Code of Conduct clearly establishes that we never accept child labor, human trafficking, forced labor or labor linked to any kind of threat or punishment. Working must always be voluntary.

Because Peab's business operates exclusively in the Nordic region with a large portion of Nordic workers and we do not hire guest workers from informal actors, we can further minimize the risks of breaches in work-related rights including child labor, forced labor, inadequate housing or abuses of personal integrity. For example, all the Nordic countries have ratified ILO Co<sub>2</sub>9, Forced Labor Convention, 1930 (No.29) which reduces the risk of forced labor. At the same time our dependency on suppliers in the value chain creates risks for breaches in work-related rights. Our ability to oversee others' operations decreases the farther down the value chain they are. The process of due diligence serves us well in these instances.

Social

S1

S2

S3

S4

**Purchasing governance is fundamental**

Risk management in the value chain requires good purchasing governance. Among other things, Peab works with category-based purchasing. The point is to gather Peab’s total purchase volume into a purchase category in order to sign joint contracts with advantageous prices and the right specifications. This way we can steer our purchase volumes to certain framework contract suppliers making it easier for the production to only call-off orders from approved suppliers with predefined terms. At the same time this facilitates our ability to continuously expand our knowledge of the various purchase categories in a structured manner. We can increase comprehension of the risks and opportunities and thereby have a positive impact on workers in the value chain.

We currently have approximately 260 different purchase categories, of which frameworks and facades, installations, site transportation and construction equipment services are the largest. In addition, we continually monitor business critical categories like fuel, electricity, bitumen and steel.

Another characteristic of category-based purchasing is that we work with risk categories with higher risks regarding the work environment, working conditions and human rights or other sustainability-related areas. Risk categories that Peab has identified are staffing, drilling, demolition, cleaning, scaffolding construction, remediation and security.

Category work is governed and coordinated by a category manager and every category has a dedicated contact. The work is performed within the framework of a category team consisting of representatives from other special functions like quality and environment coordinators, finance, HR and relevant functions in the business areas.

Processes and procedures are complemented by supporting systems. We check suppliers through our supplier register. Suppliers are assessed through a decision matrix consisting of four parameters: safe workplace, secure payment, secure supplier and sanctions. We also monitor suppliers based on the metric secure procurement. In short, the definition of a secure procurement is that it has been made from an approved supplier, is covered by a written agreement and is digitally traceable. A secure supplier meets their social obligations such as regular payments of employer contributions. We also check that suppliers have collective bargaining agreements. In addition we have joint Nordic purchasing forums that work with category steering, processes and system matters.

**Supplier audits**

Every year we conduct an analysis of our purchase categories and select several suppliers based on parameters such as human rights, the work environment, child labor, discrimination and the environment that we audit. Supplier audits are conducted by a cross-functional audit team consisting of category managers and QEW responsible supervisors.

In 2024 Peab continued to conduct onsite audits at our prioritized suppliers which have been identified based on volumes and assessed risk level. Our Supplier Code of Conduct is the basis of our follow-up, and our method is always the learning dialogue. Our goal is to drive improvement and promote a sustainable, secure supply chain. In 2024 we conducted 72 (37) supplier audits and in 2025 we plan to overhaul our audit program so that it becomes more efficient for us and the suppliers.

**Other controls**

As part of our continuous improvement work, several years ago we began to increase our control of our subcontractors and suppliers. As a result of this in Sweden more and more subcontractors apply the industry-wide requirements in “UE 2021 (Subcontractor 2021)”, which is a framework continually developing through cooperation in the industry, especially with tougher sustainability demands. In part this entails a responsibility for ensuring that subcontractors have collective bargaining agreements and an F-tax certificate. The primary purpose is to rid the industry of unscrupulous actors and create safe workplaces. This aligns with Peab’s ambition to strive for a healthy construction industry that safeguards good business ethics, quality, the work environment and environmental consideration.

Since 2021 we have third party controls in the Swedish operations to ensure that no unauthorized persons have access to, and are visiting our worksites. During last year 12 (35) worksites were inspected and controls of 335 (1,298) individuals were made. The results from these worksites inspections confirmed that everything is in order and that through the electronic personnel ledger system we can verify both the employee’s information and where they are employed. We also have a link to our supplier register where the employer is checked based on the criteria for “safe workplace”. Every night the system retrieves information from open sources and credit check companies, which means the information is always current.

At year-end 2024/2025 we made changes in how we handle subcontractors which in part entails that subcontractors must be pre-notified digitally and in part that our main principle now allows for only two levels of subcontractors. The background to the change is our work on increasing traceability and monitoring in the value chain to promote a sustainable construction industry. We already apply this “two-level rule” to a certain extent in our Norwegian and Finnish operations.

Since the war in Ukraine broke out we have emphasized the importance of supplier checks and updated our procedures to include handling current sanctions.

**Reporting channels**

In matters that concern employees’ rights and conditions, dissatisfaction or incidents workers should first of all contact their closest supervisor or senior supervisor and secondly the local HR function at Peab. Workers are also encouraged to turn to safety reps or union reps or the occupational health service. Peab also has a whistleblower system which is available to external parties that is both safe and allows reporting anonymously. Read more about Peab’s whistleblower system on pages 102-103. We encourage our suppliers and their suppliers to have their own complaint mechanisms and channels for whistleblowing.

**Looking ahead**

Peab’s focus going forward will be to continue to quality-assure the work in value chains and increase traceability. In 2025 we will monitor the work on digital pre-notification and limits on the number of subcontractor levels.

**Targets and metrics**

Currently we do not have any targets or metrics but we intend to evaluate the need for them.

ESRS

# Affected communities

Material sustainability topic for Peab

- Communities' economic, social and cultural rights**
  - Adequate housing
  - Adequate food
  - Water and sanitation
  - Land-related impacts
  - Security-related impacts
- Communities' civil and political rights**
  - Freedom of speech
  - Freedom of assembly
  - Impacts on human rights defenders
- Rights of indigenous peoples**
  - Free, prior and informed consent
  - Self-determination
  - Cultural rights

## Peab and affected communities

As a local community builder Peab operates in many places in the Nordic region. Contributing positively to community development is at the core of our business. We respect and promote society's social and cultural rights and work to strengthen relations with the communities where we operate. Being useful locally is clearly defined through our Group target of leader in social responsibility. We contribute with housing, infrastructure and environments that promote local community life. At the same time we are aware that construction and civil engineering operations can have negative impacts such as infringing on other desires or intentions for a place. The people that live and work close to our operations can or will be impacted. We therefore strive to avoid negative impacts on the communities where we operate. We do this by being active in the local civil society, particularly through our customers, suppliers and other actors in local democratic decision-making processes. Peab also has a responsibility to communities that can or will be impacted by both upstream and downstream operations in the value chain, which increases the number of impacted or potentially impacted communities.

One of the areas our customers increasingly emphasize is the importance of collaboration around a joint responsibility for forming the society of the future. For Peab this is a positive development and a key part of our business model. We design attractive homes and safe residential environments, operate our quarries and factories responsibly as well as promote local sports clubs and associations and youths' education and development. We also create communities and design green areas, meeting places and accessibility to service facilities. By participating in a continual dialogue with relevant departments in municipalities where the local community contributes, Peab plays an important role in forming sustainable, vibrant and inclusive communities.

The community building sector in Nordic countries is strictly regulated, for example through the Swedish Planning and Building Act, the Norwegian Planning and Building Act and the Finnish Land Use and Building Act. The overall purpose of these laws is to create healthy, safe and enjoyable

living environments that function socially and where the needs of different sections of the population are considered. These laws are integrated into our business processes. Through them we ensure that the perspective of the communities we affect are considered in our decisions as well as when and how consultations with impacted communities and their representatives should be held.

Regarding affected communities, Peab's impact is material for communities' economic, social and cultural rights. Within this sustainable topic we have particularly identified the sub-topics adequate housing, land-related impact and security-related impact as material.

Below are examples of activities regarding affected communities that have or can have an impact:

**Upstream:** Peab's suppliers, for example in building material, transportation and energy supply or subcontractors, must in accordance with the Supplier Code of Conduct ensure that they do not infringe on the rights of the local community, for instance, through negative impacts on land and the environment and by making sure that production and deliveries are performed safely.

**Own operations:** Peab creates the conditions for local community life by building attractive homes and safe residential areas. Those who live and work close to Peab's workplaces such as construction sites, factories or offices can be impacted negatively by changes in the landscape and positively by the effect on local economies and labor markets.

**Downstream:** Viewpoints, complaints or written reports from citizens and other societal stakeholders on Peab's operations and end products.



**Affected communities is linked to the UN's 11th global goal for sustainable development: Sustainable cities and communities.**

Positive impacts / opportunities     Negative impacts / risks

Part of value chain	Example of impacts, risks and opportunities	Description
<b>Communities' economic, social and cultural rights</b>		
<b>Own operations</b> <input type="checkbox"/>	Relations with local communities	<ul style="list-style-type: none"> <li>We work to strengthen relations with local communities where we operate, both in matters that directly affect our business and as a local community builder.</li> </ul>
<b>Own operations</b> <input type="checkbox"/>	Local jobs and educational opportunities	<ul style="list-style-type: none"> <li>We work actively to provide local resources and use local expertise.</li> </ul>
<b>Own operations</b> <input checked="" type="checkbox"/>	Impacts on humans or the environment in surrounding communities	<ul style="list-style-type: none"> <li>Operations can have an impact on health or safety aspects in local communities. Operations can cause conflicts of interest or negative opinions if they, for example, appear to infringe on other desires or intentions for the use of a place or have an impact on the environment, such as pollution. We strive to work transparently and with good communication with involved parties.</li> </ul>
<b>Own operations</b> <input type="checkbox"/>	Development of local infrastructure	<ul style="list-style-type: none"> <li>We contribute with homes, infrastructure and safe environments that promote local community life and Peab's relations with the local community.</li> </ul>

The table above shows examples of material impacts, risks and opportunities that occur in Peab's own operations. It is not comprehensive.

**Process regarding materiality**

We have conducted a double materiality assessment for S3, affected communities, on Group level. In order to evaluate Peab's impacts, risks and opportunities we have incorporated key employees and functions with knowledge and particular insight into Peab's operations' impact on communities including a number of employees from other Group functions. This has taken place through meetings and workshops where we have compiled and evaluated Peab's sustainability matters in all the S3 sustainability topics according to the template we produced. Based on this we identified the impacts, risks and opportunities that are material for Peab. The function non-financial reporting has coordinated the process regarding materiality, which has been conducted as described in the section ESRS 2 on page 49.

We continue to work on developing our process and assessments in order to fully determine the result of the double materiality assessment. This work comprises continued data compilation from stakeholders in and outside the organization.

**This is how we work**

Peab's bottom line is complying with Nordic legislation. We and our partners must naturally follow the laws and regulations valid for the markets where we operate. In addition we also comply with international guidelines, norms and initiatives such as UN Global Compact, UN's Human Rights Declaration, UN's Global Goals, OECD's Guidelines for Multinational Enterprises, UN's Guiding Principles on Business and Human Rights (UNGPR) and the general principles in the international regulations for human rights. Our policies and guidelines conform to these commitments.

**Responsibility and policies**

Our foundation is our core values – down-to-earth, developing, personal and reliable – that guide us in everything we do. In addition to these values Peab has a Code of Conduct and a Supplier Code of Conduct that clarify Peab's commitment to social responsibility and human rights. Through these policies and guidelines we ensure that we and our suppliers take responsibility for both the risks and opportunities in the communities that are impacted by our joint operations. We also have guidelines for the process of due diligence that describe how the company identifies and assesses potential negative impacts on humans and the environment as well as how we work actively to avoid and minimize them, and procedures for compensating any negative impacts caused by our operations.

In addition to the governance documents, we follow Group policies in areas like the work environment, environment and information management.

Peab also has the business plan program "Quality-assured and traceable value chain" aimed at monitoring and developing our work with social issues and societal impact in the value chain.

Each business area has its procedures and guidelines for our activities that impact the communities we operate in such as local consultation in connection with project development or establishing a quarry. According to our business management system responsibility for this lies with the respective operations managers.

**Work method and focus area**

We strive to minimize disruptions and ensure that local economic, social and cultural rights are respected, including the project's effect on indigenous peoples' rights. Our three material sustainability topics – adequate housing, land-related impacts and security-related impacts are hard to separate because they are woven into our business. We have procedures, depending on the operations and project, to seek the views and protect the interests and rights of people in the communities impacted by our operations. These matters are crucial to the success of our projects and therefore have a direct impact on Peab's business model and strategy.

We involve communities impacted by construction projects through, for instance, consultation processes with local residents. We do this both to minimize negative impact on local interests and identify possibilities.

Creating attractive and safe homes and residential areas is a given for us. Following laws and ordinances as well as democratically established processes we participate, for example, in developing comprehensive plans together with municipalities and other developers and in this way contribute to the groundwork for future planning programs.

For operations that require permits, like quarries or environmentally hazardous operations that could have an impact on a community, citizen dialogues are part of the regulated process. Dialogues with relevant departments and with the community's chosen representatives are therefore a natural part of our work. We use different forms of dialogue and regularly hold network meetings, collaboration projects, information meetings and study visits. We have active contact with municipal and regional decision-making organs and engage in consultation, environmental reporting, vision work, mentorship, sponsoring projects and citizen dialogues. Our preventative work is also important in connection with implementing a project. Information to, and a dialogue with, neighbors and surrounding stakeholders take place before, during and after we do the work.

**Whistleblowing**

We have several well-functioning channels for external parties to come into contact with Peab, for example our customer service or websites. We also offer a web-based whistleblower system that guarantees anonymity for the user. Usually though, a dialogue takes place through direct contact with one of our local offices or a worker at one of our workplaces. Neighboring residents to one of Peab's operations often contact us with questions or viewpoints. These might concern noise, transportation that hinders passability or disturbing smells from asphalt paving. We work transparently, systematically and preventatively through long-term measures, particularly when it comes to remedying problems. We are supported in this by established work methods for incident management.

**Other focus areas****Focus on children and youths**

We want as many children and youths in the Nordic countries as possible to have equal access to leisure activities, education or a step up into the labor force. This is an important part of our strategic target to be a leader in social responsibility.

Different types of demands for taking social responsibility occur in almost all our projects. Through our concept Peab Life we have in recent years created collaborations with partners in many places in the Nordic region to promote the development of children and youths. Our Peab Life collaborations are primarily with schools and sports clubs and we usually try to invest in youths in socioeconomic disadvantaged areas or youths that in some other way risk alienation. In Gothenburg, for example, we have an ongoing collaboration with "Anpassade Gymnasiet" (Special Needs High School), which is a school for youths with disabilities. During the year we carried out several study visits, Peab employees participated in creative lessons and we arranged summer jobs for a group of youths from the school.

Together with the organization "Smartmatte" (Smart Math) we visited schools and worked with reality-based professional mathematics and met around 370 middle school students.

In collaboration with real estate company Backahill have a long lasting cooperation with Ängelholm High School where students get the chance to contribute to development of the city district Kronodalen. In the coming years they will, for instance, conduct market surveys and hold dialogues with other youths to generate ideas and viewpoints that we can then incorporate into how the area should develop. All the results will be reported to us and our partners, and some of the youths' ideas concerning lighting are already part of the planning for the area.

During 2024 Peab Life carried out 40 (38) activities involving more than 3,000 (2,000) children, youths and students in local collaborations.

### Focus on sponsoring

Peab sponsors local sports clubs and other organizations that strive for activity, equality and inclusion. Our sponsoring is governed by Peab's guidelines specific to it and one condition is that all sponsored activities give back something to the community. Most of our sponsoring is earmarked for sports for children and youths. The Group Sponsoring Council meets once a month to decide on sponsoring requests. Sponsoring commitments and Peab Life programs are often coordinated. In total we have sponsored around 300 Nordic associations during the year and thereby created opportunities for thousands of children and youths.

Our Project Development operations have a specified commitment in their business plan where every started-up project has a sum reserved for local sponsoring and an effort is made to carry out citizen dialogues spotlighting children and youths.

### Focus on equality

Peab works actively to contribute to a more equal construction and civil engineering industry. One initiative in this work is trainee program The Construction Year. This is an educational program for women, which the first group completed in September 2024. The Construction Year gives Peab the opportunity to employ women in our local organizations through a special kind of contract for company trainees where we mix theory and practice at our workplaces during basic education. This allows us to train new skilled workers. We only offer placement in the program in places and professions where we actually need people and can offer long-term employment. The result from the first year is that 36 women, most of them without any prior knowledge of the profession, started in the program. Of them 25 were given a permanent position at Peab and continued their trainee period. Another four continued in the industry but in other companies and two chose to apply to industry courses at the University of Applied Sciences.

At the same time the first round of The Construction Year trainees completed their training the program started up its second round with 19 new trainees.

### Focus on education

In the same spirit we want to give newly graduated college engineers and civil engineers a good start to their careers through an annual trainee program. Last year engineers from Luleå in the north to Malmö in the south began the program that offers a comprehensive leadership course and field experience at different workplaces in the Group. Of the 22 participants 14 were women, which also contributes to Peab's equality target.

Another concrete example of how Peab affects society is The Peab School we have run since 2006. Currently The Peab School is in Malmö, Gothenburg and Solna. We are the only major construction and civil engineering company in Sweden that runs its own schools completely focused

on vocational education. In 2024 The Peab School had 282 (280) students in the construction and civil engineering program and introduction program for vocational training. In June 2024 80 (84) students graduated and became part of the labor force or continued their studies. Over the last 19 years 1,921 students received their high school education through Peab.

### Focus on long-term unemployed

We have a number of contracts with municipalities in our operation and maintenance operations that contain wording regarding taking social responsibility through bringing long-term unemployed into our workplaces. In order to be really sure we can handle this commitment and that those who get a job at Peab this way enjoy it, we have together with the Swedish Public Employment Service in Helsingborg and Malmö produced a special approach called Jobbspår (Job Track). Before someone is employed they receive an education that also includes on-the-job training. In that way both we as employers and the applicants get a better understanding of the conditions. In total 29 long-term unemployed participated in the course in 2024, of which 20 were offered employment.

## Activities 2024

- Managed the smell of asphalt plants through contacts, dialogue and action in connection with complaints about the smell of asphalt plants.
- Several local dialogues together with customers and other stakeholders in connection with construction contract projects, for example with Gothenburg City about the construction of Göteborg Grand Central and Umeå Municipality regarding environmental aspects.
- Participation in the educational system through student meetings at the technical universities in Gothenburg, Borås, Jönköping, Stockholm and several other places. A key theme of these meetings was listening to the students' thoughts about the construction industry's social responsibility and sustainability work.

## Looking ahead

We intend to work further based on the conclusions of the double materiality assessment regarding affected communities in order to develop processes and work methods as well as our ability to report according to the disclosure requirements in CSRD legislation. Part of this work is to further clarify our responsibility for contact with the communities that are impacted by our operations or value chains.

## Targets and metrics

Currently we do not have any targets or metrics but we intend to evaluate the need for them.



ESRS

# Consumers and end-users

## Material sustainability topic for Peab

- Information-related impacts on consumers and/or end-users
  - Data security and privacy
  - Freedom of expression
  - Access to (quality) information
- Personal security for consumers and/or end-users
  - Health and safety
  - Security of a person
  - Protection of children
- Social inclusion of consumers and/or end-users
  - Non-discrimination
  - Access to products and services
  - Responsible marketing practices

## Peab and consumers and end-users

Every day people in the Nordic region meet and use what Peab has built or maintains. This may be anything from homes, offices, schools or hospitals that we have built to roads we have paved or parks we tend. In addition to these end-users Peab has consumers in housing developments and commercial property, even though we are not the long-term owner of our own development projects. The consumers in housing developments are private persons that choose to live in the property we develop while customers in the commercial property developments are organizations that are tenants.

Peab delivering according to our obligations to customers is essential for long-term sustainable business. In addition to meeting customers' needs and demands it is important that we can safeguard and benefit from the interests and needs of consumers and end-users. Peab wants to be on the cutting edge of development in the products and services we offer.

Regarding consumers and end-users Peab's impact is material in the two sustainability topics personal security for consumers and/or end-users and social inclusion of consumers and/or end-users. Not all the sub-topics are assessed material for Peab in the latter category, only non-discrimination and access to products and services.

Below are examples of activities regarding consumers and end-users that have or can have an impact:

**Downstream:**

We continually make inspections and quality controls of what we build.

We make conscious material choices, promote energy efficiency and take end-users into consideration in other ways when we build.

We present mechanisms for consumers and end-users to report desires, complaints or any kind of incidents anonymously and safely.



**Consumers and end-users are linked to the UN's 11th global goal for sustainable development: Sustainable cities and communities.**

**Process regarding materiality**

We have conducted a double materiality assessment for S4, consumers and end-users, on Group level. The assessment of Peab's impacts, risks and opportunities in relation to consumers and end-users has primarily been conducted by Peab's technical specialists from our support functions as well as a number of employees from other Group functions. This has taken place through meetings and workshops where we have compiled and evaluated Peab's sustainability matters in all the S4 sustainability topics according to the template we produced. The outcome has been compiled and resulted in the material sustainability topics for Peab. The function non-financial reporting has coordinated the process regarding materiality, which has been conducted as described in the section ESRS 2 on page 49.

Positive impacts / opportunities Negative impacts / risks

Part of value chain	Example of impacts, risks and opportunities	Description
<b>Personal security for consumers and/or end-users</b>		
Downstream 	<ul style="list-style-type: none"> <li>Safe and secure residential areas, city districts and outdoor environments</li> </ul>	<ul style="list-style-type: none"> <li>Construction with consideration to individual's safety, for instance through aspects like lighting, open spaces and traffic safety. Construction focused on protecting children.</li> </ul>
Downstream 	<ul style="list-style-type: none"> <li>Quality defects in end products</li> </ul>	<ul style="list-style-type: none"> <li>Can risk having an impact on consumers' and/or end-users' health and security.</li> <li>Systematic quality work to avoid such risks.</li> </ul>
<b>Social inclusion of consumers and/or end-users</b>		
Downstream 	<ul style="list-style-type: none"> <li>Design of homes, property and outdoor environments from an accessibility perspective</li> </ul>	<ul style="list-style-type: none"> <li>Adjusting for special needs like disabilities.</li> </ul>

The table above shows examples of the most material impact and financial materiality as well as risks and opportunities that occur downstream in Peab's value chains. It is not comprehensive.

## This is how we work

Our work and the responsibility we take in consumers and end-users is primarily regulated by Nordic legislation and trade agreements. Our work is supported by also complying with international guidelines, norms and initiatives: UN Global Compact, UN's Human Rights Declaration, UN's Global Goals, OECD's Guidelines for Multinational Enterprises, UN's Guiding Principles on Business and Human Rights (UNGPR), the general principles in the international regulations for human rights and The OECD Anti-Bribery Convention and its recommendations. Our policies and guidelines conform to these commitments.

**Responsibility and policies**

Our foundation is our core values of down-to-earth, developing, personal and reliable as well as our Code of Conduct that help us build our culture and guide us in our business. Peab has two policies in particular that affect consumers and end-users and processes to involve them in matters concerning impacts: The Quality Policy and the Information Security Policy. The Quality Policy states that as a community builder Peab takes responsibility for the quality of our products and services. The goal of our quality work is that our end products are high quality and provide good references for future business. We work preventatively and long lasting with quality as an integrated part of our daily operations. In accordance with the Informa-

tion Security Policy we must manage information properly. This comprises all security concerning Peab's total information management with both organizational measures and physical and logistical protection measures. Customers, consumers and other stakeholders must feel safe in the knowledge that we securely and efficiently supply and manage information.

The responsibility begins with executive management and goes via line managers out to every workplace and project where the primary dialogue with consumers and end-users is held. This requires well-defined procedures for both assessment, avoidance and management of risks as well as collaboration and transparency.

#### Work methods and focus areas

Peab's process of due diligence serves us well regarding consumers and end-users. It describes how we identify and assess potential negative impacts on humans and the environment and actively work to avoid or minimize them. Read more about the guidelines on the process of due diligence on pages 39-40.

When we build homes, schools, swimming pool facilities and hospitals or infrastructure and courtyards we always bring in the perspective of the people who will spend time there. In order to manage material negative impacts and promote positive effects for consumers and end-users we maintain a continuous dialogue with these stakeholder groups in different forms such as local consultation meetings and periodic customer surveys. This provides us with a basis for priorities in our business and the various projects and jobs we work with.

In addition, we monitor a number of other customer-related metrics like guarantee and complaint costs that also affect consumers and end-users. Before we begin working with a customer we do meticulous studies and investigations into all their requirements, which normally also reflect demands from consumers and end-users, and our ability to meet them. For example, we have a Procurement Council that is tasked with producing an offer that has been thoroughly vetted and is fairly presented, which reduces the level of risk for Peab, our customer and thereby consumers and end-users as well.

#### Personal security for consumers and/or end-users

We have well-defined procedures for product choices in our construction projects based on safety and health perspectives. It is very important to have hazardous and dangerous substances such as different kinds of chemicals under control. Read more about this work under ESR5 E2, pollution, on pages 60-61.

We have a third party certificate for many of our construction products such as ECO-Betong (ECO-Concrete), ECO-Stomme (ECO-Frame) and ECO-Asfalt, according to an Environmental product declaration (EPD), which describes the product's environmental impact over its entire lifecycle. An EPD consists of a product data sheet, method choice and the result of the assessment of environmental impact.

We comply with relevant security standards like CE labeling when installing equipment.

When we design traffic solutions like roads or residential areas we work with safety and health aspects to reduce the risks in these areas. Our basic premise is to build safe and secure communities where people can thrive and live their lives. This entails everything from reducing the risks for violence, harassment and other forms of threatening situations to building in safeguards in the form railings and fences as well as surveillance systems.

We also have a child and youth perspective in our projects, particularly in our own housing developments. We explicitly consider children's rights in society, according to the UN Convention on the Rights of the Child which is also Swedish law. When we design residential environments we strive to provide for children's rights throughout the entire process. Being able to go home safely from school, equipping places with lighting and physical protection constructions are just such consideration. Through Peab Life

we also carry out concrete, local projects with children and youths and regularly visit schools to talk about Peab's operations and the community building industry. In some projects students provide suggestions with their desires for the places we build. By making it possible for them to participate in local building projects we want to build away inequalities and contribute to greater diversity, inclusion and participation.

Information security is part of our work concerning personal security for consumers and/or end-users. We always consider information security in what we build. We work systematically and long lasting based on aspects such as that information and other resources must be protected from unauthorized access and that information is correct and traceable.

#### Social inclusion of consumers and/or end-users

We never accept any form of social exclusion. In order to deliver accessible products and not infringe on anyone's fundamental rights we follow international, national and industry specific procedures and standards. The reference book "Bygg ikapp" is one example that guides us in building accessibly among other programs for building safe and accessibly. We follow consultation processes and participate in local dialogues, including ones with minority groups. We make sure to build residential and public environments that allow all consumers and end-users, including ones with disabilities, equal access to our products and services. This requires adopting physical places for good accessibility, for example with ramps and elevators.

Through continual dialogues with relevant departments in municipalities where the local community contributes, Peab plays an important role in designing sustainable, vibrant and inclusive communities. We participate in processes for developing comprehensive plans together with municipalities and other developers. In collaboration with local communities we contribute to planning green areas, meeting places and accessibility to service facilities.

#### Communication channels

Consumers and end-users can contact Peab with their questions or viewpoints that might, for example, concern dissatisfaction or incidents by calling us or via Peab's various websites. They can also make direct contact through Peab's many local offices and operations.

Business area Project Development has their own customer service where private homebuyers can contact Peab with their questions.

Peab also has a whistleblower system available to all external parties. The whistleblower channel allows reporting anonymously and all cases that come in are managed according to the same documented process. Read more about Peab's whistleblower system on pages 102-103.

For information on how consumers and end-users can reach us, regardless of the matter, see:

<https://www.peab.com/contact/>

#### Looking ahead

We intend to work further based on the conclusions of the double materiality assessment regarding consumers and end-users in order to develop processes and work methods as well as on our ability to report according to the disclosure requirements in CSRD legislation.

#### Targets and metrics

Currently we do not have any targets or metrics but we intend to evaluate the need for them.

Business conduct

G1

ESRS

# Business conduct

Material sustainability topic for Peab

- Corporate culture
- Protection of whistleblowers
- Animal welfare
- Political engagement and lobbying activities
- Management of relationships with suppliers, including payment practices
- Corruption and bribery

## Peab and business conduct

Responsible business conduct is key to Peab's values and governance. With our extensive operations in the Nordic region and role as community builder we have a responsibility to run a business with high ethical standards and combat corruption. Non-compliance, human rights violations, and corruption are examples of risks that can lead to financial losses, legal consequences and loss of trust from stakeholders. This can be a challenge in an industry of generally decentralized operations and complex value chains since these factors have been known to increase the risk for ethical violations and corruption. The fact that our operations and next to all our employees are in the Nordic region as well as most of our partners positively affects our ability to counteract shortcomings in business conduct.

Peab has made it abundantly clear that we have zero tolerance for any and all forms of corruption, ethical violations are not accepted and that every infringement has consequences. Our shareholders, customers, employees and other stakeholders must be able to trust that our operations rest on an ethical approach, internal regulations and national legislation, and Peab does not compromise on these.

In addition to our own organization we also strive for actors in our value chains upstream and downstream to maintain a high ethical standard in their businesses.

Regarding business conduct Peab's impact is material for 1) corporate culture, 2) protection of whistleblowers, 3) management of relationships with suppliers, including payment practices and 4) corruption and bribery.

Below are examples of activities regarding business conduct that have or can have an impact:

### Upstream:



- Clear demands for responsible business conduct and our Supplier Code of Conduct increase awareness and compliance with ethics guidelines as well as strengthen confidence and transparency in the supply chain.





### Own operations

- Corporate culture is promoted by deeply rooted core values, education and clear guidelines concerning ethics and corruption avoidance work.
- A safe and anonymous whistleblower function strengthens employees' confidence and enables rapid management of suspected irregularities.
- Incidents like corruption or shortcomings in payment procedures can damage our reputation and diminish customers' and employees' confidence in us as well as lead to financial and legal consequences.

### Downstream:

- Responsible business methods strengthen customer relations and stakeholders' confidence in the business.
- Peab's work to counteract corruption and ensure fair payments on time augment business opportunities and contribute positively to the industry.

 Positive impacts / opportunities  Negative impacts / risks

Part of value chain	Example of impacts, risks and opportunities	Description
<b>Corporate culture</b>		
<b>Own operations</b> 	Sound culture	<ul style="list-style-type: none"> <li>• Employees' confidence in Peab is reinforced, as well as other stakeholders' confidence, and helps Peab to achieve targets and strategies. Peab's core values of down-to-earth, developing, personal and reliable guide employees.</li> </ul>
<b>Protection of whistleblowers</b>		
<b>Own operations</b> 	Protection of whistleblowers	<ul style="list-style-type: none"> <li>• Well-functioning and efficient channel for whistleblowing promotes reporting and transparency.</li> </ul>
<b>Management of relationships with suppliers, including payment practices</b>		
<b>Own operations</b> 	Relations and procedures with suppliers	<ul style="list-style-type: none"> <li>• Good relations with suppliers create stable and reliable supply chains. Requires continuous development of supplier relations and well-functioning collaboration routines.</li> </ul>
<b>Corruption and bribes</b>		
<b>Own operations</b> 	Corruption and bribes	<ul style="list-style-type: none"> <li>• Strengthen preventative measures and efficient management of corruption and bribery incidents.</li> <li>• Reduce brand, legal and financial consequences.</li> </ul>

The table above shows examples of material impacts, risks and opportunities that occur in Peab's own operations. It is not comprehensive.

### Process regarding materiality

We have conducted a double materiality assessment for G1, business conduct, on Group level. In order to evaluate Peab's impacts, risks and opportunities we have incorporated key employees and functions with knowledge and particular insight on the issues and Peab's business. The function Corporate governance and compliance and a number of employees from other Group functions have participated in the work. This has taken place through meetings and workshops where we have compiled and evaluated Peab's sustainability matters in all the G1 sustainability topics according to the template we produced. The process has been based on insights from different sources, including internal and external investiga-

tions and reports from the whistleblower system, leadership information, the compliance department, internal whistleblower contacts, information from interactive education, through corruption identification programs and investigations by the security department. By analyzing these insights we have reviewed the business ethical risks that can impact the company, in particular how reported incidents can impact the business financially, legally and by damaging confidence and we have identified the impacts, risks and opportunities considered material for Peab. The function non-financial reporting has coordinated the process regarding materiality, which has been conducted as described in the section ESRS 2 on page 49.

## This is how we work

Peab's bottom line is complying with the national laws in the countries where we operate. We and our partners must naturally follow the laws, regulations and ordinances valid for the markets where we operate. In addition we also comply with international guidelines, norms and initiatives such as:

- UN Global Compact since 2012, including compliance with its ten principles
- UN Global Compact (UNCC) concerning counteracting corruption
- UN convention against corruption (UNCAC)
- UN Human Rights Declaration
- UN Guiding Principles on Business and Human Rights (UNGPs)
- UN Global Goals for Sustainable Development
- ILO core conventions on fundamental principles and rights at work
- OECD Guidelines for Multinational Enterprises
- The general principles in the international regulations for human rights
- OECD Anti-Bribery Convention and its recommendations
- Agreement against bribery and corruption (ÖMK) in Sweden
- Rakennusteollisuus ethics principles in Finland

Our policies and guidelines conform to these commitments.

### Responsibility and policies

Peab has a Code of Conduct and a Supplier Code of Conduct that clarify Peab's commitment to social responsibility and human rights, as do the demands we make on our partners. Through these policies and guidelines we ensure that we and our suppliers take responsibility for impacts, risks and opportunities.

In addition to the governance documents, we follow Group policies in areas like the work environment, quality, the environment and information security. We also have several guidelines that are based on our policies like those on anti-corruption.

The Supplier Code of Conduct describes Peab's expectations and demands on our business partners concerning the work against bribes and corruption. It also makes clear that suppliers should promote a culture that is built on transparency and compliance.

Peab's Board of Directors is ultimately responsible for Peab's Code of Conduct and Supplier Code of Conduct as well as central policies. The responsibility is delegated to the CEO and thereafter follows down the line organization through leadership that is responsible for ensuring that the various functions and departments apply the Code of Conduct, including associated policies and guidelines. Every employee is responsible for learning about, and complying with, the Code of Conduct.

The Ethics Council and security department play a key role in ensuring conformity in managing identified risks and impacts. Reports are presented according to the annual calendar every half-year to executive management and annually to the Board of Directors.

The Ethics Council, which consists of the head lawyer, Head of Security and HR managers from all the business areas, meets once a month for a total of eleven times a year. The action plan against corruption that Peab works with is developed through the risk analyses that the Ethics Council regularly performs and includes a comprehensive, target group-oriented training in ethics and anti-corruption to ensure that all our employees have sufficient knowledge to act properly in any given situation.

### Work method and focus areas

Running a business responsibly can determine the success of our projects – and our business – and therefore has a direct impact on Peab's business model and strategy. Our work with ethical matters is based on maintaining a robust ethical culture, reducing risks and integrating responsible business conduct into all Group governance and value chains.

We continually monitor current legislation and evaluate and remedy any shortcomings in operations as well as ensure that both Peab and our suppliers comply with the principles in the Code of Conduct and Supplier Code of Conduct. This is done on both Group level and regional level, close to our suppliers and other stakeholders.

Governance documents are verified annually and updated as needed.

We inform and educate our employees about responsible business conduct, for example through our Code of Conduct. We also work to strengthen our value chains through various forms of collaboration and education in order to meet the expectations of responsible business conduct.

Internal matters taken to the security department are thoroughly investigated in order to identify reoccurring patterns and areas with higher risks. Internal control is an essential part of the investigations.

The Group function Corporate governance and compliance, led by the head lawyer, works with managing cases of violations, training in ethics and anti-corruption, risk analyses and measures to counteract corruption as well as matters regarding governance and compliance. This compliance is not restricted to laws and ordinances only but also includes our Code of Conduct, established working methods and other governance documents within the Group.

### Corporate culture

Peab's culture is grounded in our ingrained core values of down-to-earth, developing, personal and reliable that guide us in our actions and decisions. Added to that are our values and principles described in our Code of Conduct. It clarifies what other ethics guidelines are important for employees to comply with. Our governance documents and corporate culture function as an integrated part of governance and reinforce the confidence both internal and external stakeholders have in us.

The Code of Conduct, our policies and regulation compliance specific guidelines are converted into web-based courses that employees take at regular intervals at the same time they are communicated to customers and suppliers and are available in several languages on Peab's intranet and external websites.

For more information regarding corporate governance policies and guidelines, see the Corporate Governance Report on pages 211-224.

### Protection of whistleblowers

Peab encourages employees and external actors – anyone – to report suspicions regarding financial crime and corruption, deficient internal controls, infringement on human rights, environmental breaches, harassment, discrimination, health and safety standard violations and any other issues that can constitute a crime or in some other way damage Peab, our employees or shareholders.

Employees can report directly to their supervisor, their supervisor's supervisor or:

- Compliance
- The Ethics Council
- Internal whistleblower contacts
- The security department

We have several well-functioning channels for external parties to come into contact with Peab, for example our customer service or our websites.

In order to further reporting and transparency Peab has a channel for whistleblowing accessible to employees and external parties via the intranet and all Peab's external websites.

The whistleblower system guarantees anonymity for the user, regardless of whether they are part of Peab or not. We work transparently, systematically and preventatively through long-term measures, particularly when it comes to remedying problems. We are supported in this by established work methods for incident management.

The Ethics Council is responsible for handling incoming reports in collaboration with the Whistleblower Council that delegates matters for investigation. Those who investigate these matters, including corruption and bribes, are independent from those involved in the cases. Investigations are conducted by the security department according to set procedures, which ensures that incidents that concern business conduct, including corruption and bribes, are handled quickly, independently and objectively.

More information about Peab's internal whistleblower channels and the measures taken to protect whistleblowers can be found in the guidelines for whistleblowing available at [peab.se](http://peab.se) and [peab.com](http://peab.com).

Employees are informed in various ways about codes, policies and guidelines and are continuously encouraged to use whistleblower channels through different initiatives. Here are some of the key methods used to promote awareness and engagement:

- Intranet, which is a continuously updated channel where employees can find detailed information about all the company's codes, policies and guidelines.
- Code of Conduct education, where guidelines are described and employees are made aware of the whistleblower channel's function and importance.
- Anti-corruption education, given to risk exposed employees, which spotlights the importance of identifying and reporting irregularities along with describing zero tolerance.
- Quarterly management letters remind employees about guidelines, the availability of the whistleblower channels and the importance of reporting suspected incidents without retaliation.
- Through the business management system, which is a key tool for spreading information about the company's codes, policies and guidelines, employees can learn about current and relevant updates.
- Digital monitors in communal space and bulletin boards that provide important information.

#### Management of relationships with suppliers, including payment practices

Peab follows the payment terms established according to the EU Directive on late payments (2011/7/EU). Peab strives to balance contractual freedom with compliance with the requirements of the directive, which include fair and transparent payment practices. We work actively to ensure that our payments are fair, transparent and in line with standard terms.

#### Corruption and bribes

Corruption is a misuse of power for one's own or another's gain. It is about situations where someone, within the framework of business operations, offers or receives a gift, loan, reward or some other advantage in order to achieve something that is dishonorable or illegal. This might be instigated by a person or an organization and include actions such as facilitation payments, fraud, blackmail, secret agreements or money laundering. The advantages can consist of money, products, gifts, trips or personal favors which are given in return for undue advantages or to create moral pressure to accept them. Other forms of corruption can be breach of trust, fraud and theft where the crime is directed at Peab and committed by employees. There is a heightened risk for bribes and other forms of corruption in the construction and civil engineering industry, and thereby in Peab, particularly in roles where employees have decision-making authorization and responsibility for procurements, contract negotiations and supplier relations or project management and site management at construction sites, including choosing subcontractors and handling changes in projects and additional work as well as material.

The work to counteract corruption and bribes focuses on maintaining our zero tolerance of corruption, acting immediately if corruption is suspected and strengthening employees' knowledge through education and tools for counteracting irregularities.

Corruption is a risk we manage through proactive and reactive measures, education and governance documents. Work against corruption is an integrated part of our overall work with business conduct and is based on clear guidelines, structured processes and continual education programs. It is aimed at preventing, discovering and managing corruption risks systematically. In 2024 Peab launched a Nordic tailor-made anti-corruption course for risk exposed employees. The course covers the subjects corruption, outside activities, representation and benefits, gifts externally and internally, contacts with authorities, whistleblowing and competition law.

More information about how Peab handles corruption risks in our business is described in the guidelines on anti-corruption found on Peab's external websites.

#### Looking ahead

- Continue with obligatory courses for all employees in ethics, anti-corruption and competition law.
- Reinforce Peab's guidelines, educate risk exposed employees and further develop the whistleblower system.
- Improve structure in monitoring with checkpoints from policy to compliance.
- Expand monitoring incidents through the Ethics Council and whistleblower system and implement proactive measures.

#### Fundamental conditions when reporting:

##### 1. No retaliation

It should feel safe to report suspected irregularities without having to risk negative consequences. Peab does not tolerate any kind of retaliation because an employee or other person reports irregularities.

##### 2. Ethics Council

The Ethics Council at Peab supports, strengthens and develops Peab's approach and application in ethical matters relevant to our business, and in particular matters connected to compliance with Peab's Code of Conduct. The Ethics Council prepares and decides on whistleblower cases. The Ethics Council ensures that objective and consequential investigations are conducted as well as answers questions of an ethical character from employees.

##### 3. Reporting to the Board of Directors

The Ethics Council reports on the total number of confirmed and significant cases of insufficient compliance with the Code of Conduct / Supplier Code of Conduct, laws and ordinances to executive management semiannually and to the Board in connection with the interim report for the third quarter. The Ethics Council also reports on the disciplinary actions taken.

## Targets and metrics

- Number of courses in our Code of Conduct every other year: 4,861 (10,352)
- Number of tailor-made courses: (1,221 employees educated in 2024)
- Number of internally verified corruption cases: 15 (8)
- Confirmed cases of competition crimes: 0 (0)

### Definition of corruption crime as of 2024 as decided by those responsible for regulation compliance in Peab AB:

Peab applies a broad definition of the concept corruption crime which includes giving and taking a bribe, breach of trust and in cases where the crime is against a company in the Peab Group and committed by a Peab employee – fraud and theft.

In the previous definition every person considered guilty of a corruption crime was reckoned as an individual incident. As of this report for the financial year 2024, crimes where several people have acted together and in collusion are reported as one incident. Each of the persons considered guilty in the respective incident are reported separately.

### Peab’s payment policy and compliance of the EU Directive on late payments

#### Payment time and payment terms

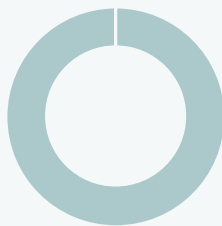
In accordance with Peab’s standard contract the contractual payment period is 30 days vis-à-vis suppliers. In 2024 our average payment time was 30 days. Our disputes stem from claims or other issues linked to delivered services and products. We always pay according to contracts when a service is correctly performed and approved. Peab has no ongoing legal disputes linked to late payments.

We know that late payments can have an affect on our suppliers and their liquidity, particularly small businesses. As part of our work to ensure a sustainable supply chain we are developing our routines for managing invoices and attesting as well as strengthening our dialogue with suppliers to lower the number of disputes and claims.

## Communication and education concerning anti-corruption

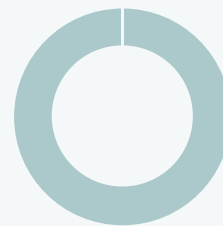
### Board of Directors and executive management

Informed about Anti-corruption Policy\*



■ Informed 2024 100% (100%)  
■ Not informed 2024 0% (0%)

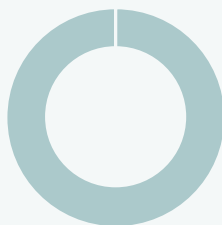
Education in anti-corruption



■ Educated per 2024 100% (100%)  
■ Not educated per 2024 0% (0%)

### All employees

Informed about Anti-corruption Policy\*



■ Informed 2024 100% (100%)  
■ Not informed 2024 0% (0%)

Education in anti-corruption



■ Educated per 2024 36% (73%)  
■ Not educated per 2024 64% (27%)

\*Peab’s Anti-corruption Policy is integrated into our Code of Conduct



# Working with the global goals in mind

Peab's management regularly reviews the business based on the UN's 17 global goals and 169 targets for sustainable development. The most recent review was in 2023. For the period 2024-2026 nine of the goals were deemed extra prioritized since they are either areas that hold significant potential risk or areas where Peab has the best chance of promoting sustainable development.

<div data-bbox="146 710 271 840"> <p><b>5</b> GENDER EQUALITY</p>  </div> <p><b>Goal 5</b> which concerns gender equality, is important to Peab since we, like the rest of the construction and civil engineering industry, still have a long way to go to achieve equal gender distribution. Since 2021 we have quantitative targets for equality. In 2024 we started up the second round of the trainee program for women The Construction Year in order to attract more female skilled workers to Peab.</p>	<div data-bbox="582 710 726 840"> <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>  </div> <p><b>Goal 7</b> regarding sustainable energy is important because Peab and the industry has to transition to renewable energy and increase its energy efficiency. We work with a number of measures to increase energy efficiency in both production processes and the finished products. For example, during the year we launched the concept ECO-Construction site which, among other things, comprises solutions for energy.</p>	<div data-bbox="1013 710 1157 840"> <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>  </div> <p><b>Goal 8</b> includes working conditions and comprises several of Peab's material sustainability aspects such as a safe work environment, good conditions in our supply chain and the path for youths into the labor force. There is also a great deal of risk associated with this area. During the year we conducted more supplier controls to ensure ethical and sustainable production conditions. We also worked on the Group-wide development initiative Quality-ensured and traceable value chain.</p>
<div data-bbox="146 1176 271 1299"> <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  </div> <p><b>Goal 9</b> that concerns sustainable industry, innovations and infrastructure is relevant in part because of its connection to our industrial and civil engineering operations and our investments in sustainable innovation. During the year we continued to, for example, develop our ECO-products and have now launched ECO-Construction site and ECO-Pålar (ECO-Piles). We have also several research partnerships with universities and colleges.</p>	<div data-bbox="582 1176 726 1299"> <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>  </div> <p><b>Goal 11</b> which concerns building sustainable cities and communities that are safe and accessible to all in many ways sums up Peab's core operations. During the year, among other things, we continued the work on building roads, ports and other infrastructure such as hospitals, retirement homes and schools that contributes to sustainable cities and communities.</p>	<div data-bbox="1013 1176 1157 1299"> <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  </div> <p><b>Goal 12</b> concerning sustainable consumption and production has a clear connection to our environmental target for resource efficiency. In 2024 we continued to promote reuse and circular processes through projects and collaborations.</p>
<div data-bbox="146 1568 271 1691"> <p><b>13</b> CLIMATE ACTION</p>  </div> <p><b>Goal 13</b> about combatting climate change, is a crucial global issue and Peab, as a major Nordic community builder, has a big responsibility in this. During the year we took several important steps towards climate neutrality through innovation and investments as well as a new collaborations to reduce greenhouse gas emissions. One such collaboration is with SSAB on fossil free manufactured steel and where we could in 2024, among other things, use SSAB Zero in our projects. This steel is based on recycled steel manufactured and transported fossil free. We also continued our work on net zero emissions through the Group-wise development initiative and Peab's transition plan we call the Climate Road Map and strategic input goods.</p>	<div data-bbox="582 1568 726 1691"> <p><b>14</b> LIFE BELOW WATER</p>  </div> <p><b>Goal 14</b> about conserving and sustainably using the oceans, seas and marine resources is relevant for Peab mainly considering the water we use in construction and our port and by-the-sea projects. During the year we have worked to develop our processes in monitoring water consumption at our production sites.</p>	<div data-bbox="1013 1568 1157 1691"> <p><b>15</b> LIFE ON LAND</p>  </div> <p><b>Goal 15</b> concerning ecosystems and biodiversity is reflected in our environmental target for resource efficiency. We will protect, maintain and strengthen ecosystems and biodiversity when exploiting land and natural resources. Peab's operations intrude on nature risking the displacement of species. In 2024 we produced implemented an overarching Group mapping of Peab's impacts on and by biodiversity.</p>

# Summary sustainability data

	Target	Target year	2024	2023	2022
<b>Most satisfied customers</b>					
SCI	always over 75		78	80	80
<b>Best workplace</b>					
eNPS (employee Net Promotor Score)	Surpass industry benchmark		28	26	29
Serious accidents	Contracting trend		33	48	49
Own employees			20	30	30
Subcontractors			13	18	19
LT14	-		37	39	40
LTIF4	-		5,9	5,9	5,8
Number of risk observations	-		45,921	54,578	59,727
<b>Leader in social responsibility</b>					
Number of employees	-		13,383	14,107	15,040
Permanent employees	-		13,093	13,801	14,624
Project/temporary employees	-		290	306	416
Full-time employees	-		12,969	13,671	14,480
Part-time employees	-		124	130	144
White-collar workers	-		6,290	6,600	6,955
Skilled workers	-		7,093	7,507	8,085
Employee turnover %			17	21	14
<b>Equal opportunity</b>					
Women %	-		15.0	15.0	15.0
Women on the Board and in executive management %	-		38	38	38
Equal opportunity recruitment, production management and production support (WCW) %	>30.0		39.1	18.8	45.3
Equal opportunity recruitment, production and processing (SW) %	>6.0		10.6	14.2	7.9
Sick leave %			4.2	4.5	5.1
White-collar workers %	-		2.4	2.6	2.9
Skilled workers %	-		5.7	6.1	7.2
<b>Training</b>					
Average number education hrs, women	-		9.9	11.2	10.8
Average number education hrs, men	-		10.4	11.4	9.6
Number of persons educated in diversity and equal opportunity	-		1,452	1,133	2,900
<b>Energy</b>					
Total energy consumption MWh	-		1,092,000	1,022,000	1,156,000
Energy intensity %	-30	2026	-22	-26	-23
Renewable fuel %	-		30	29	23
<b>CO<sub>2</sub>e emissions, tons</b>					
Scope 1	-		176,000	173,000	216,000
Scope 2 location-based calculation method	-		4,500	6,000	7,000
Scope 2 market-based calculation method	-		14,500	15,000	16,000
Scope 3	-		910,000	950,000	1,100,000
CO <sub>2</sub> intensity own production (Scope 1+2) %	-60	2030	-50	-49	-43
CO <sub>2</sub> intensity input goods and purchased services (Scope 3) %	-50	2030	-12	-9	-2
<b>Waste</b>					
Total amount generated waste, tons <sup>1)</sup>	-		1,250,000 <sup>3)</sup>	991,000	901,000
Non-hazardous waste %	-		97	93	97
<b>Treatment method for generated waste</b>					
Recycled %	-		67	74	82
Directed to disposal %	-		35	26	18
Total number certifications	-		41	56	35
<b>Ethics and anti-corruption</b>					
Number of persons educated in ethics and anti-corruption	-		4,861	10,352 <sup>2)</sup>	1,777
Number of corruption cases	0		15	8	1
<b>Suppliers</b>					
Number of supplier audits	-		72	37	6
Secure procurement %	-		85	79	75

<sup>1)</sup> Amount generated waste depends largely on Peab's contract-based commissions and can vary from year to year.

<sup>2)</sup> Updating of ethics and anti-corruption training was carried out by all employees.

<sup>3)</sup> The increase is due to some major projects, including the collapse on the E6 outside Stenungsund.

For complete GRI reporting, please see [peab.inpublix.com/2024](https://peab.inpublix.com/2024)

# Auditor's report on the statutory sustainability statement

To the general meeting of the shareholders of Peab AB (publ), corporate identity number 556061-4330.

## Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2024 on pages 36-106 and that it has been prepared in accordance with the Annual Accounts Act in accordance with the old version in force before 1 July 2024.

## The scope of the audit

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

## Opinions

A statutory sustainability statement has been prepared.  
Förslöv, March 28, 2025  
Ernst & Young AB

Jonas Svensson  
*Authorized Public Accountant*

# Board of Directors' Report

The Board of Directors and the Chief Executive Officer of Peab AB (publ), Corporate ID Number: 556061-4330, hereby submit the following annual report and consolidated accounts for the 2024 financial year.

The Group has different accounting principles in segment accounting for our own housing development projects and IFRS 16 (previously operational leases) compared to accounting according to IFRS. For more information concerning accounting principles and the differences between segment accounting and accounting according to IFRS see note 3 and note 4. For information concerning alternative performance measures, see the section Alternative performance measures and definitions.

### Net sales

Group net sales according to IFRS for 2024 amounted to SEK 61,283 million (61,600). Adjusted for acquired and divested units and exchange rate effects net sales decreased by one percent. Adjustment to the completion method for own housing development projects affected net sales by SEK 2,586 million (2,779). During the year more homes have been completed and turned over than production started.

Group net sales according to segment reporting amounted to SEK 58,697 million (58,821). The portion represented by the public sector continued to grow and accounted for 56 percent (48) of net sales while private customers represented 44 percent (52).

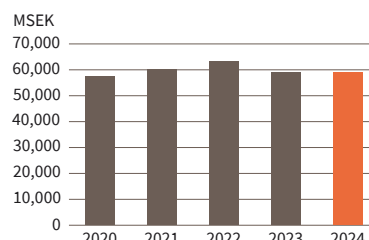
Net sales in business area Construction decreased by 14 percent compared to the last year. The decrease is due to less activity in new housing production which has not been fully compensated for by other types of projects, and has been experienced in all the countries we operate in. Activity in business area Civil Engineering continued to be high during the year and net sales increased by nine percent. Net sales in business area Industry increased by eight percent primarily due to higher net sales in paving, above all in Finland. Greater government investments in infrastructure have had a positive effect in both business area Civil Engineering and business area Industry during the year. Concrete, construction system and rental operations have been affected by the weak housing market and reported less activity compared to the last year. In business area Project Development net sales decreased by 25 percent due to the weak demand for housing throughout the Nordic region which affected net sales in Housing Development.

### Profit/loss

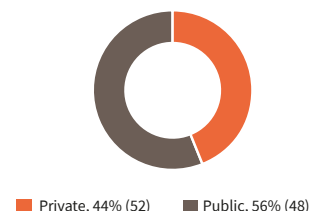
Operating profit for 2024 according to IFRS amounted to SEK 3,163 million (2,586) and the operating margin was 5.2 percent (4.2). Adjustment to the completion method for own housing development projects affected operating income by SEK 364 million (696).

Operating profit according to segment reporting for 2024 was SEK 2,763 million (1,853) and the operating margin was 4.7 percent (3.2). During the year business area Project Development carried out two major transactions that contributed a total of SEK 620 million to the Group. The fourth quarter last year was charged with provisions, write-downs and restructuring costs totaling SEK 525 million, of which goodwill write-downs were SEK 125 million. Of the total amount of SEK 525 million, SEK 465 million was charged to business area Construction and SEK 60 million to Group functions. Last year included a positive effect of SEK 400 million resulting from arbitration in the case between Peab and Unibail-Rodamco-Westfield regarding the construction contract for Mall of Scandinavia (MoS). Excluding the effect of MoS, operating profit in 2023 amounted to SEK 1,453 million and the operating margin was 2.5 percent.

Net sales, segment reporting



Net sales per customer type, segment reporting 2024



In business area Construction the operating margin was 1.7 percent (0.1 excl. MoS). In business area Civil Engineering the operating margin was 3.0 percent (3.3). All in all the operating margin for construction contract operations was 2.3 percent (1.3 excl. MoS). Business area Industry reported a higher operating margin amounting to 6.6 percent (4.8) for the year. The improvement is due to better earnings in paving, above all in Finland linked to the Finnish government's extra funds for road maintenance in 2024. Operating profit in product areas concrete, rental and construction system contracted due to the weaker housing market. There were only minor changes in operating profit in Industry's other product areas. Operating profit in business area Project Development was higher and amounted to SEK 728 million (304). Operating profit included positive effects from capital gains in Property Development of SEK 440 million (96), of which the divestiture of the shares in the joint venture company Tornet Bostadsproduktion contributed by SEK 220 million. During the fourth quarter a division of assets was carried out in the joint venture company Fastighets AB Centur, where Peab and the other owner, Fastighets AB Balder, acquired the majority of the property portfolio. The transactions had a positive effect on operating profit of SEK 367 million and were recognized in Property Development as profit from joint venture companies. Operating profit in Housing Development was negative and the operating margin was -2.7 percent (3.8). The negative operating profit is explained by just a few production starts of our own housing developments during the year and fewer housing projects in ongoing production.

Elimination and reversal of internal profit in our own development projects affected operating profit for the year by net SEK 46 million (-56), of which SEK 33 million was related to transactions in Fastighets AB Centur.

Depreciation and write-downs for the year according to IFRS were SEK -1,864 million (-1,904).

Depreciation and write-downs for the year according to segment reporting were SEK -1,499 million (-1,532), of which write-downs of goodwill amounted to SEK -10 million (-125).

Net financial items according to IFRS amounted to SEK -383 million (0), of which net interest amounted to SEK -738 million (-458). A large part of the interest expenses refer to financing of own housing development projects, which are capitalized on the properties and therefore have a positive affect on net financial items.

Net financial items according to segment reporting amounted to SEK -338 million (42) of which net interest was SEK -402 million (-30). The comparative period included a positive effect of SEK 390 million as a result of the arbitration in Mall of Scandinavia.

Pre-tax profit according to IFRS was SEK 2,780 million (2,586). Tax for the year was SEK -392 million (-598) corresponding to a tax rate of 14 percent (23).

Pre-tax profit according to segment reporting improved to SEK 2,425 million (1,895). Tax for the year was SEK -345 million (-481) and corresponds to a tax of 14 percent (25). The low tax rate is primarily due to capital gains that are not taxable and profit from joint venture companies in business area Project Development.

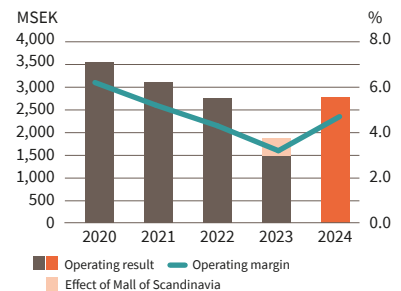
Profit for the year according to IFRS was SEK 2,388 million (1,988).

Profit for the year according to segment reporting was SEK 2,080 million (1,414).

**Financial position**

Total assets according to IFRS per December 31, 2024 were SEK 47,768 million (49,176). The adjustment of differences in accounting principles in relation to segment reporting has affected total assets by SEK 2,542 million (4,881). Equity according to IFRS amounted to SEK 16,504 million (14,470) which means the equity/assets ratio was 34.6 percent (29.4). Interest-bearing net debt according to IFRS amounted to SEK 11,253 million (14,537).

Operating profit and operating margin, segment reporting



**Operating margin**

Operating profit in percentage of net sales according to segment reporting.

TARGET: >6%

OUTCOME 2024: 4.7%

Total assets according to segment reporting per December 31, 2024 were SEK 45,226 million (44,295). Equity amounted to SEK 16,760 million (15,082), which means the equity/assets ratio was 37.1 percent (34.0). Interest-bearing net debt amounted to SEK 9,118 million (8,676). During the fourth quarter a number of properties in Varvsstaden, Malmö were acquired from the joint venture company Fastighets AB Centur. All in all the transactions resulted in an increase in net debt of approximately SEK 2,000 million. During the first quarter of 2025, net debt is expected to decrease by SEK 1 billion as a dividend will be distributed by Fastighets AB Centur. During the year improved earnings and lower investments in business area Industry had a positive effect on net debt. Net debt includes project financing of the unsold part of our own housing developments while they are in production. The unsold part amounted to SEK 2,237 million (2,685). Interest-bearing receivables was SEK 1,643 million (2,638). The amount includes a capital claim of SEK 1,067 million (1,067) on Unibail-Rodamco-Westfield according to the arbitration decision announced on June 30, 2023. For more information, see note 20. The average interest rate in the loan portfolio, including derivatives, was 5.1 percent (5.7) on December 31, 2024.

Group liquid funds according to IFRS, including unutilized credit facilities but excluding project financing, were SEK 8,822 million at the end of the year compared to SEK 6,410 million on December 31, 2023.

As a consequence of Peab consolidating Swedish tenant-owner associations according to IFRS, surety for tenant-owner associations under production is not reported. When homebuyers take possession of their apartments and the tenant-owner association is no longer consolidated in Peab's accounts, Peab then reports the part of surety that covers unsold homes. Peab has a guarantee obligation to acquire unsold homes six months after completion. Group contingent liabilities, excluding joint and several liabilities in trading and limited partnerships, amounted to SEK 2,179 million at the end of the year compared to SEK 2,428 million on December 31, 2023. Surety for credit lines in tenant-owner associations regarding the unsold part after deconsolidation made up SEK 508 million of contingent liabilities compared to SEK 328 million on December 31, 2023.

## Net debt

MSEK	Dec 31 2024	Dec 31 2023
Bank loans	3,790	5,380
Commercial papers	642	523
Bonds	3,722	3,047
Financial leasing liabilities	733	837
Project financing, unsold part of housing projects	2,237	2,685
Other interest-bearing liabilities	1,115	85
Interest-bearing receivables	-1,643	-2,638
Liquid funds	-1,478	-1,243
<b>Net debt, segment reporting</b>	<b>9,118</b>	<b>8,676</b>
Additional leasing liabilities according to IFRS 16	1,460	1,420
Project financing, sold part of housing projects	675	4,441
<b>Net debt, IFRS</b>	<b>11,253</b>	<b>14,537</b>

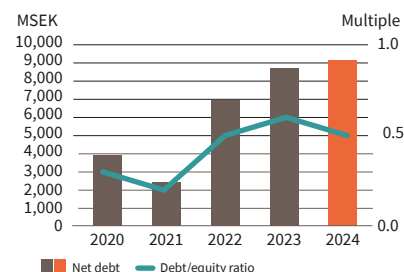
## Investments and divestments

Tangible and intangible fixed assets according to IFRS were net invested in 2024 for SEK 1,048 million (1,702).

Tangible and intangible fixed assets according to segment reporting were net invested in 2024 for SEK 764 million (1,488). The investments mainly refer to investments in machines in business area Industry. Last year included investments in the construction of production facilities for prefab operations in business area Industry as well.

Net investments in 2024 in project and development properties according to IFRS totaled SEK 320 million. Last year net divestments in project and development properties totaled SEK 1,096 million.

## Net debt and debt/equity ratio, segment reporting



## Net debt/equity ratio

Net debt in relation to equity according to segment reporting.

TARGET: 0.3–0.7

OUTCOME 2024: 0.5

Net investments in 2024 in project and development properties according to segment reporting were SEK 2,471 million (1,608). The investments included acquisition of building rights in Nacka through the acquisition of Sickalön Bygg Invest AB in the first quarter. During the fourth quarter investment property and development property in Varvsstaden, Malmö worth approximately SEK 2,000 million were acquired.

**Cash flow**

Cash flow from current operations according to IFRS amounted during the year to SEK million 5,499 (3,916), of which cash flow from changes in working capital was SEK 1,836 million (631).

Cash flow from current operations according to segment reporting amounted during the year to SEK 1,356 million (-56), of which cash flow from changes in working capital was SEK -1,617 million (-2,357). The improved cash flow is linked to business areas Industry and Project Development. In business area Project Development cash flow from changes in working capital has been affected by the acquisition of development rights in, among other places, Kvarnholmen, Nacka and the acquisition of properties in Varvsstaden in Malmö.

Cash flow from investment activities according to IFRS was SEK 1,245 million (-1,261).

Cash flow from investment activities according to segment reporting was SEK 1,245 million (-1,261). Cash flow has been positively affected by the divestiture of the shares in the joint venture company Tornet Bostadsproduktion in business area Project Development and by repayment of interest-bearing receivables from joint venture companies. During the year the level of investment in machines in business area Industry has been lower than compared to the last year.

Cash flow before financing according to IFRS was SEK 6,744 million (2,655).

Cash flow before financing according to segment reporting improved to SEK 2,601 million (-1,317).

Cash flow from financing operations according to IFRS amounted to SEK -6 518 million (-2,921).

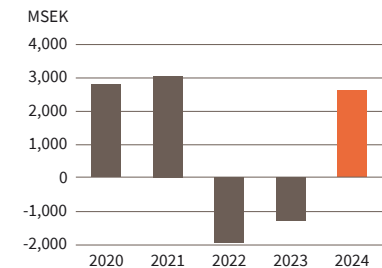
Cash flow from financing operations according to segment reporting amounted to SEK -2,375 million (1,051). During the year dividends of SEK -431 million (-1,150) were paid to shareholders. Repayment of loans amounted to SEK -1,946 million. Last year loans of SEK 2,201 million were taken out.

**Order situation**

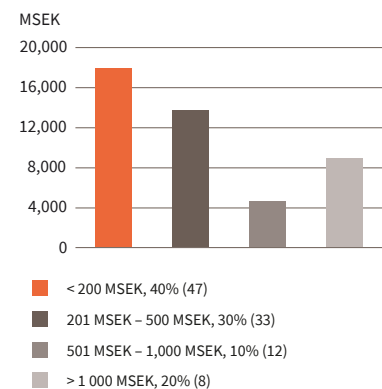
The level of orders received increased by 25 percent during 2024 and amounted to SEK 56,510 million (45,108). The level of orders received increased primarily in business area Civil Engineering but also in Industry and Project Development. Orders in business area Civil Engineering include among others developing the New Bodø Airport in Norway for NOK 3.3 billion, the Haga-Rosenlund stage of West Link in Gothenburg worth about SEK 1.5 billion, a new dock in Skellefteå for about SEK 1.1 billion and operation and maintenance contracts worth around SEK 1.1 billion. Orders increased in paving in business area Industry, above all in Finland. In Project Development we started production of several tenant-owner apartment projects/condominiums in Sweden and Finland, which has had a positive impact. The level of orders received in business area Construction was slightly lower during the year. Orders in Construction included a swimming block in Partille for about SEK 1.3 billion. The level of orders received from the public sector has continued to be good during the year.

Order backlog yet to be produced at the end of the year grew and amounted to SEK 44,906 million (39,060). Of the total order backlog, 37 percent (35) is expected to be produced after 2025 (2024). Swedish operations accounted for 79 percent (82) of the order backlog.

Cash flow before financing, segment reporting



Project allocation of order backlog, December 31, 2024



## Preliminary agreements

Operations in Construction and Civil Engineering increasingly participate in dialogues early on with customers in preparation for planned projects and we are therefore experiencing a greater number of preliminary agreements, so-called phase 1 contracts. Through the preliminary agreements Peab is contracted to arrive at, together with the customer, an optimal product with the right quality and also deal with risks and uncertainties. As of 2024, we present the potential value of the final construction contracts generated by these preliminary agreements. At the start of 2024 the potential value was approximately SEK 19 billion. During the year several projects went from phase 1 to phase 2, which meant that the projects became construction contracts and were included in Peab's orders received. At the same time new projects continue to flow into phase 1 but there are others that fall away. The value of the construction contracts generated from these preliminary agreements at the end of December was around SEK 13 billion, and these orders will potentially be received over the next two years.

## Orders received

MSEK	2024	2023
Construction	22,224	22,779
Civil Engineering	22,453	15,090
Industry	13,763	11,186
Project Development	2,213	136
Eliminations	-4,143	-4,083
<b>Group</b>	<b>56,510</b>	<b>45,108</b>

## Order backlog

MSEK	Dec 31, 2024	Dec 31, 2023
Construction	23,188	24,469
Civil Engineering	19,853	13,905
Industry	4,282	3,954
Project Development	1,536	1,620
Eliminations	-3,953	-4,888
<b>Group</b>	<b>44,906</b>	<b>39,060</b>

## Overview business areas and Group functions

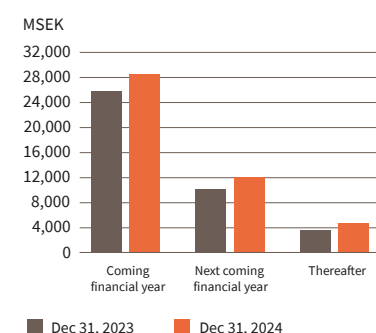
The Peab Group is presented in four different business areas: Construction, Civil Engineering, Industry and Project Development. The business areas are also operating segments. In addition to the business areas central companies, certain subsidiaries and other holdings are presented as Group functions. The central companies primarily consist of the parent company Peab AB and Peab Finans AB.

For more information regarding the differences between segment reporting and reporting according to IFRS, see note 3 and note 4.

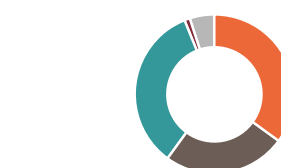
## Net sales and operating profit per business area

MSEK	Net sales		Operating profit		Operating margin	
	2024	2023	2024	2023	2024	2023
Construction	23,817	27,780	416	41	1.7%	0.1%
Civil Engineering	16,539	15,164	499	501	3.0%	3.3%
Industry	21,548	19,962	1,415	962	6.6%	4.8%
Project Development	4,270	5,722	728	304	17.0%	5.3%
- of which Property Development	686	534	823	107	120.0%	20.0%
- of which Housing Development	3,584	5,188	-95	197	-2.7%	3.8%
Group functions	1,350	1,487	-341	-299		
Eliminations	-8,827	-11,294	46	-56		
<b>Group, segment reporting excl. MoS</b>	<b>58,697</b>	<b>58,821</b>	<b>2,763</b>	<b>1,453</b>	<b>4.7%</b>	<b>2.5%</b>
Construction - effect Mall of Scandinavia (MoS)				400		
<b>Group, segment reporting</b>	<b>58,697</b>	<b>58,821</b>	<b>2,763</b>	<b>1,853</b>	<b>4.7%</b>	<b>3.2%</b>
Adjustment housing to IFRS	2,586	2,779	364	696		
IFRS 16, additional leases	-	-	36	37		
<b>Group, IFRS</b>	<b>61,283</b>	<b>61,600</b>	<b>3,163</b>	<b>2,586</b>	<b>5.2%</b>	<b>4.2%</b>
<i>Of which construction contract businesses according to segment reporting (Construction and Civil Engineering)</i>	40,356	42,944	915	542	2.3%	1.3%

## Order backlog allocated over time



## Employees per December 31, 2024



- Construction, 35% (37)
- Civil Engineering, 25% (24)
- Industry, 34% (32)
- Project Development, 1% (2)
- Group functions, 5% (5)

On December 31, 2024 the total number of employees in the Group amounted to 13,383 (14,107).



BUSINESS AREA CONSTRUCTION 2024

# Split construction market has characterized the year

With local roots close to customers business area Construction does construction work for both external and internal customers. Construction projects include everything from new production of housing, public and commercial premises to renovations and extensions as well as construction maintenance.

## Key ratios

	2024	2023
Net sales, MSEK	23,817	27,780
Operating profit excl. MoS, MSEK	416	41
Operating margin excl. MoS, %	1.7	0.1
Operating profit, MSEK	416	441
Operating margin, %	1.7	1.6
Orders received, MSEK	22,224	22,779
Order backlog, MSEK	23,188	24,469
Operating cash flow, MSEK	-3	146
Average number of employees	4,477	5,067



Operations in business area Construction are run via some 150 local offices all over the Nordic region, organized in eleven regions in Sweden, three in Norway and two in Finland. There are specialized housing production units in Stockholm, Gothenburg and the Öresund region. Construction maintenance operations are run in a nationwide organization in Sweden. Other regions are responsible for all types of construction projects in their geographic area.

## The Business 2024

The year was characterized by a split construction market. The housing market continued to be weak while the market for other building construction, above all for the public sector, was good. Many of the projects we received during the year were partnering projects that were preceded by so-called phase 1 contracts. This means that Peab was contracted at an early stage and participated in planning for the project to map out together with the customer an optimized product with the right quality and level of risk.

## Housing projects are a smaller part of operations

There have been fewer ongoing housing projects in construction operations over the past two years. The high level of construction costs and interest rates have smothered demand for new housing production. As interest rates drop construction is expected to accelerate again, even if recovery will take time. The construction contracts signed during the year reflect a high level of sustainable construction and reuse awareness in our customers. For example, Peab is building 191 rental apartments, offices and a garage in two buildings in Jönköping which will be certified according to Miljöbyggnad Silver. Another example of a housing project is the 105 new rental apartments in Visby, three apartment buildings in Espoo and 97 new apartments in Helsinki.

Interest in renovating homes instead of building new ones has also grown. In Ronneby we carried out Sweden's first renovation project certified according to the Swan ecolabel. The project achieved substantial climate savings by keeping the building's foundation, frame and facade intact and renovating the existing windows. We started two major renovation projects in Norwegian Tromsø comprising 146 respectively 193 apartments. In the latter project surplus material from other construction projects in Tromsø will be reused. In Finland several renovation projects are underway in Helsinki and in one of them Peab will convert an old office building into 58 apartments and a number of other premises. The building's structures, facade, roof and its technical systems will be modernized to meet current requirements for sustainable property.

## Growing number of projects in public building

The need to rebuild and build new public premises continues to be significant in the Nordic region. There was a high level of production in the countries we operate in during 2024 of different types of public projects such as schools, hospitals, sports centers and swimming pool facilities. We are also building more and more buildings with stringent security and protection requirements.

In Skåne we signed contracts for three new elementary schools during the year, all of which will be certified according to Miljöbyggnad Silver. In addition, we were commissioned to convert a property in Malmö into a school that will gather together three

high schools with around 1,100 students. In Jönköping Peab is building middle school Djupadal School and in Bergen we are expanding Langhaugen High School with a new school building.

Many swimming pool facilities in the Nordic area have reached the end of their technical lives and need renovation. Some municipalities are even choosing to build completely new swimming pool facilities to improve service and appeal to residents. In Helsinki Peab is renovating Finland's oldest swimming pool facility that was originally built in 1928. The renovation includes improving energy efficiency and strengthening fire safety. During the year the Malung-Sälen Swimming Pool was inaugurated as well as the Rimner Swimming Pool Facility in Uddevalla. Peab is building an entire swimming pool block in Partille with a swimming pool, apartments, premises and parking. The swimming pool facility, which will be run on solar energy, will strengthen Partille's position as one of Sweden's premiere sports cities.

Peab has been contracted to build Gothenburg's new station building which will be the biggest of the three halls in the Västlänken station Centralen. The project is clearly focused on sustainability and minimizing climate impact. For example, the frame and joists of the station will be made largely of wood and the facade will be built with reused brick. ECO-Betong (ECO-Concrete), recycled steel and other material with lower climate impact will be used as far as possible. The upper level of the station will contain offices certified according to Breeam Outstanding, a certification level with very stringent environmental demands.

## Northern Sweden is leading the transition

There are a number of major industrial investments underway in northern Sweden and Peab has long been a strong local presence in the area. During the year Peab and LKAB strengthened their strategic partnership around several planned industrial projects linked to the green transition. For example, the partners signed a letter of intent concerning construction of a hydrogen plant in Gällivare and a construction contract regarding building a demonstration plant for critical minerals in Luleå.

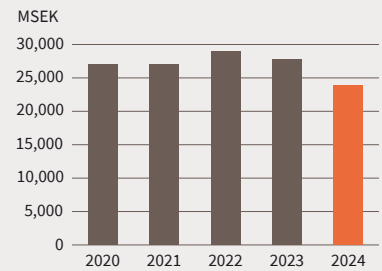
Construction of the Arctic Center of Energy in Skellefteå has commenced, commissioned by Skellefteå Municipality. This competence center will work to accelerate electrification of society.



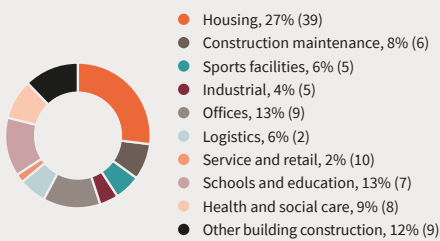
**Net sales**

Net sales for 2024 decreased by 14 percent and amounted to SEK 23,817 million (27,780). The decrease is due to less activity in new housing production that has not been fully compensated by other types of projects and has been experienced in all the countries we operate in. The portion of other building construction, primarily for the public sector, has increased in net sales. Housing accounted for 27 percent (39) of net sales for the full year 2024.

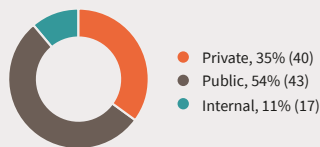
**Net sales**



**Per product area, 2024**



**Per customer type, 2024**



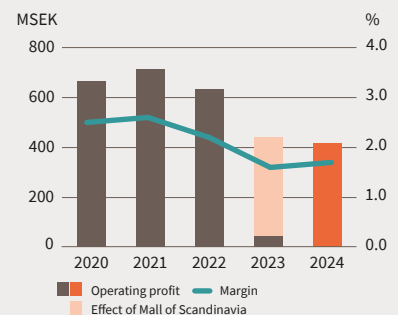
**Per geographic market, 2024**



**Profit**

Operating profit amounted to SEK 416 million (41 excl. MoS) and the operating margin was 1.7 percent (0.1 excl. MoS). Last year the operating profit was charged with provisions and write-downs of a total of SEK -465 million, of which goodwill write-downs were SEK -125 million. Last year included a positive effect of SEK 400 million from the outcome of the arbitration in the case between Peab and Unibail-Rodamco-Westfield regarding the construction contract Mall of Scandinavia (MoS) in Solna. Operating profit for 2023 amounted to SEK 441 million and the operating margin was 1.6 percent.

**Operating profit and margin**

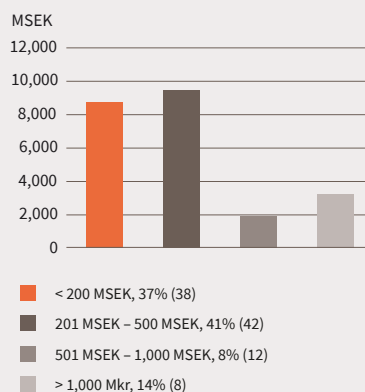


**Orders received and order backlog**

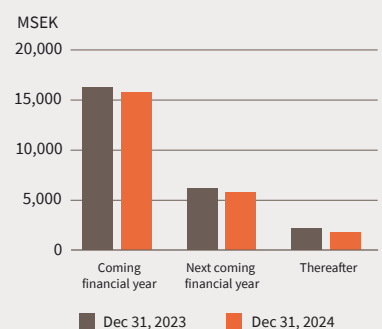
The level of orders received during 2024 amounted to SEK 22,224 million (22,779), among them a new swimming pool block with a swimming pool facility, homes, commercial premises and parking space in Partille worth of around SEK 1.3 billion and construction of Gothenburg's new station building for SEK 870 million. In addition, orders received from the public sector for other building construction continued to be good.

Order backlog on December 31, 2024 amounted to SEK 23,188 million (24,469). There is a large portion of other building construction for the public sector in order backlog. The proportion of housing projects at the end of the year was 29 percent (32).

**Project allocation of order backlog, December 31, 2024**



**Order backlog allocated over time**



BUSINESS AREA CIVIL ENGINEERING 2024

# Major public investments in the Nordic region

Business area Civil Engineering is a leading actor in Sweden and one of the larger players in Norway. Civil Engineering works with landscaping and pipelines, builds and maintains roads, railroads, bridges and other infrastructure as well as does foundation work. Operations are organized in seven geographic regions, one region for foundations and one specialized nationwide region in Sweden for operation and maintenance.

## Key ratios

	2024	2023
Net sales, MSEK	16,539	15,164
Operating profit, MSEK	499	501
Operating margin, %	3.0	3.3
Orders received, MSEK	22,453	15,090
Order backlog, MSEK	19,853	13,905
Operating cash flow, MSEK	697	698
Average number of employees	3,235	3,356



Local market works with landscaping, streets, pipelines, foundation work as well as construction of different kinds of facilities and water and pipeline systems. Infrastructure and heavy construction builds roads, railroads, bridges, tunnels and ports. Operation and maintenance handles national and municipal highways and street networks, tends parks and outdoor property as well as operates water and wastewater networks.

### The Business 2024

Demand on the civil engineering market continued to be good during the year. Public investments and the ongoing climate transition have contributed to a great deal of activity. The level of orders received was at an all-time high including several large projects that will take years to complete. Many of the projects are partnering projects that were preceded by so-called phase 1 contracts where Peab was contracted to map out together with the customer an optimized product with the right quality and level of risk.

Our customers continue to make increasingly comprehensive climate and environmental demands in their projects while we continuously develop to reduce our climate impact. Last autumn Peab introduced yet another product to our ECO portfolio: ECO-Piles for foundation work. They are made of climate-improved concrete for demanding geotechnical conditions and currently come in three different variants with up to a third of reduced carbon emissions compared to traditional piles.

### Local market

Nordic water and sewer networks as well as wastewater treatment plants are in considerable need of renovation and expansion. Many networks are old and need to be updated and expanded to meet the growing demands in communities. During the year Peab signed several new contracts concerning water and wastewater in both Sweden and Norway. Among them is the construction of the Uddebo Wastewater Treatment Plant in Luleå, building the drinking water reservoir in Lund and the extension of the water and sewer network in Borlänge. Lucerna Wastewater Treatment Plant in Västerвик will be added on to and extended considerably. The result will be a state-of-the-art facility using the latest in cleansing technology that will contribute to improving the situation in the Baltic Sea as well. Peab was contracted to build Överby Water Treatment Plant in Trollhättan. This is part of a partnering project that has been underway for several years with a number of sub-projects. Water and sewer network projects are also being undertaken in Norwegian municipalities Nittedal and Bærum. The project in Bærum will separate rainwater and waste water and rehabilitate municipal pipelines. The logistics are challenging and the contract contains stringent environmental demands, one being machines with zero carbon emissions.

Two major city development projects are being carried out in Gothenburg, Masthugg Dock and Centralen in collaboration with the Development Department of Gothenburg City. Both projects comprise everything from street and water and sewer work to landscaping as well as district heating and electricity. Several new phases were put into production during the year.

### Roads and infrastructure

There is a substantial need for better infrastructure in the Nordic region, especially considering the ongoing sustainability transition in our communities. Peab received several commissions from the Swedish Transport Administration during the year, among them building a railroad tunnel for the Västlänken Haga-Rosen-

lund stage in Gothenburg. Also in the Gothenburg area, Peab will build a siding in Lärje and put in a center guardrail and new lanes in a stretch of Highway E20 at Mariestad.

During the first half of 2024 Peab worked on the considerable task of restoring E6 in Stenungsund after it was destroyed by a major landslide. In total 90,000 tons of excavation soil and 8,000 tons of asphalt were trucked from the area. It took three months of landslide protection work before the 400 meter long critical artery could be reconstructed. It reopened for traffic in July, which was earlier than expected.

Peab is building a new road and railroad for Polar Structure in Boden. The project entails in part constructing a railroad that will connect Boden Industrial Park to the main line and in part roads and pedestrian and bicycle paths to the industrial area. Boden Industrial Park covers 550 acres and is expected to be one of the world's greenest industrial areas. There are good opportunities onsite to generate green electricity and establish space-intensive operations that can contribute to climate transition.

Renovation or construction of bridges are often part of an infrastructure project. In Härnosand Peab is building a new bridge that connects Hårn Island with the mainland with a swing section that allows marine traffic to pass through. In Stockholm Peab received the commission to completely renovate Danvik Bridge for SL.

At Bodø Airport Peab is working together with Avinor to build a new landing runway, taxi runways and parking space for airplanes. The project, which is expected to be completed in June 2028, went from the planning phase to the implementation phase during the year and is now under production.

### Ports and seas

Part of the ongoing climate transition entails more environmentally-adapted freight carriage to and from ports. In Skellefteå Peab is building a 7,700 square meter dock that will be a key part of the municipality's community development. The dock will make it possible for larger ships to dock at the port, a necessity for the major industrial investment being made in Skellefteå and the entire region. Because the project has a clear sustainable profile ECO-Betong (ECO-Concrete) with lower climate impact will be used as well as piles made from SSAB Zero, which is steel based on recycled scrap steel and produced almost completely without fossil carbon emissions.

Peab is rebuilding the lock canal in Södertälje while the canal remains open for marine traffic. The project includes replacing the Sluss Bridge with an openable bridge, the lock gates will be exchanged and the canal will become broader and longer.

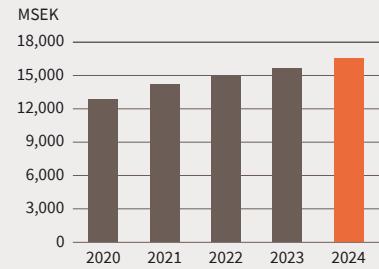
### Operation and maintenance

Continuous operation and maintenance of roads and streets is vital for safety and passability. During the year Peab won operation contracts for road maintenance in Krokoms, Malung, Dalsland, Enköping and Kalmar from the Swedish Transport Administration for a total of more than 6,000 kilometers of federal roads. These will be run by Peab for four years with an option for another two. This means snow plowing and anti-icing in the winter and in the bare ground road season repairing roads, fixing drainage and installing road signs and road barriers. Peab also won several municipal operation and maintenance contracts during the year, among them winter maintenance in Huddinge Municipality.

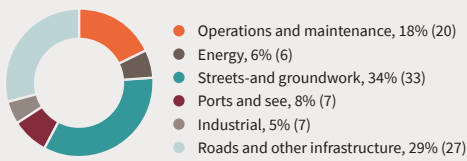
## Net sales

Activity was high during 2024 in business area Civil Engineering in both Sweden and Norway. Public investments in the form of infrastructure and water and wastewater facilities as well as the ongoing climate transition have had a positive impact. Net sales increased by nine percent to SEK 16,539 million (15,164). Adjusted for divested operations and exchange rate effects, net sales increased by ten percent.

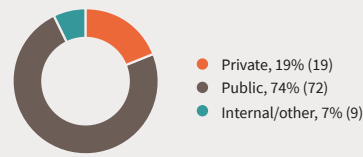
## Net sales



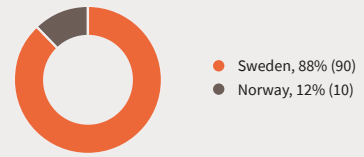
## Per product area, 2024



## Per customer type, 2024



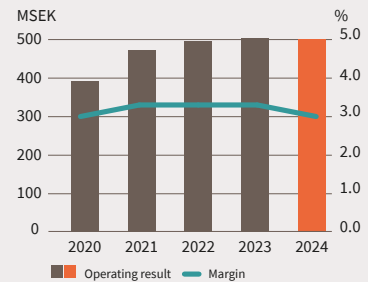
## Per geographic market, 2024



## Profit

Operating profit was SEK 499 million (501) and the operating margin was on a stable level at 3.0 percent (3.3).

## Operating profit and margin

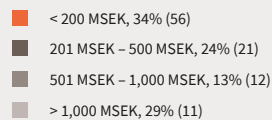
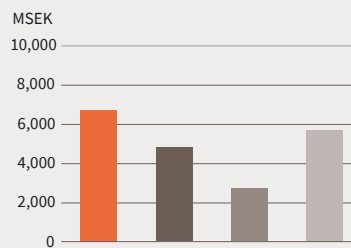


## Orders received and order backlog

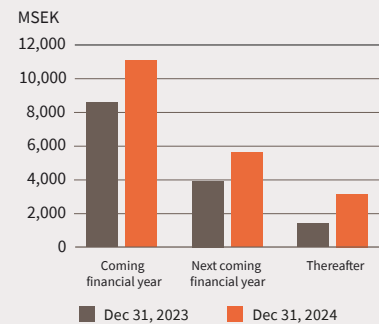
The level of orders received during 2024 has been record high and amounted to SEK 22,453 million (15,090). The year included among others the Haga-Rosenlund stage of the West Link in Gothenburg worth around SEK 1.5 billion, a new dock in Skellefteå worth about SEK 1.1 billion, operation and maintenance contracts for about SEK 1.1 billion and New Bodø Airport worth NOK 3.3 billion.

The high order level means that we have extended the duration of the order backlog. Order backlog on December 31, 2024 was SEK 19,853 million (13,905). Roads and other infrastructure make up the largest portion of the order backlog at 38 percent (28).

## Project allocation of order backlog, December 31, 2024



## Order backlog allocated over time



BUSINESS AREA INDUSTRY 2024

# Larger volumes in paving contributed positively

Business area Industry provides products and services needed to carry out construction and civil engineering projects on the Nordic market that are more sustainable and cost-efficient. With local roots we work with both external and internal customers.

## Key ratios

	2024	2023
Net sales, MSEK	21,548	19,962
Operating profit, MSEK	1,415	962
Operating margin, %	6.6	4.8
Orders received, MSEK	13,763	11,186
Order backlog, MSEK	4,282	3,954
Capital employed at the end of the year, MSEK	9,920	10,699
Operating cash flow, MSEK	2,324	1,012
Average number of employees	4,441	4,485
Concrete, thousands of m <sup>3</sup> <sup>1)</sup>	916	1,104
Paving, thousands of tons <sup>1)</sup>	6,671	5,511
Mineral Aggregates, thousands of tons <sup>1)</sup>	27,830	24,784

<sup>1)</sup> Refers to sold volume



Business area Industry offers everything from mineral aggregates, concrete, paving and temporary electricity to prefabricated concrete elements and frame assembly. The business area also assists with crane, barrack and machine rental, distribution of binder to the concrete industry, transportation and recycles surpluses from the construction and civil engineering industry as well. The business area is run in six product areas: mineral aggregates, paving, concrete, transportation and machines, rentals and construction system.

Business area Industry contains a number of brands such as Swerock, Peab Asphalt, Lambertsson, Byggelement and Smidmek.

### The Business 2024

Developments in the Nordic construction and civil engineering market impact operations in business area Industry. The strong demand on the civil engineering market resulted in larger volumes during the year in paving and mineral aggregates while the weaker housing market led to smaller volumes in, primarily, concrete and crane rental.

Peab's ECO-products are essential to our efforts to reduce greenhouse gases. ECO-Asfalt, ECO-Betong (ECO-Concrete), ECO-Prefab and ECO-Stomme (ECO-Frame) are examples of products that are gaining terrain on the Nordic market. During the year Peab decided to make ECO-Betong the standard in our Swedish construction and civil engineering operations. This means that carbon emissions will be reduced in every project by at least ten percent compared to traditional concrete where the sole binder is cement. The ongoing transition to more electric vehicles and machines is also a vital part of Peab's contribution to sustainable construction.

### Larger volumes in paving

Peab has a strong position in paving on the Nordic markets. Volumes increased as a result of higher public budgets for building and maintaining roads, particularly in Finland and Denmark. In Norway we received our largest paving commission so far for the stretch of road between Nordland and Troms. This is a three year project that starts in 2025 and comprises around 180,000 tons asphalt in total.

A growing number of projects are using ECO-Asfalt which is available throughout the Nordic region. In our production we use a large portion of reclaimed asphalt where our Danish operations used the highest amount of reclaimed asphalt pavement at 34 (35) percent in 2024, with Sweden and Finland close behind.

Supported by the Swedish Construction Industry's Development Fund (SBUF) Peab Asphalt is leading a three-year project focused on increasing the use of the natural binder in wood, lignin, in asphalt. During the year we carried out new lignin tests with good results in both Sweden and Finland.

### Mineral aggregates important resource for infrastructure

The high activity in paving operations and the ongoing infrastructure investments are even positive for mineral aggregates operations, which also delivered increased volumes last year. In mineral aggregates we continuously work to ensure availability of raw mate-

rials. We have our own quarries strategically placed throughout the Nordic region and C&D Recycling Wash Plants that recycle surplus material from construction and civil engineering projects. The C&D Recycling Wash Plants contribute to Peab's climate work and sustainable building by preventing waste creation and promoting circular flows. With ECO-Ballast (ECO-Mineral aggregates), which has both an environmental and health declaration, we offer products with properties equivalent to virgin mineral aggregates.

### ECO-Betong (ECO-Concrete) as standard concrete

Peab through Swerock is one of Sweden's largest concrete supplier and we also operates in Finland. As a result of the weaker construction market volumes continued to contract during the year.



Nonetheless, customers' demand for ECO-Betong, which has been on the market for five years, continues to grow. In ECO-Betong, which is now standard in our Swedish construction and civil engineering operations, part of the cement, which is negative for the climate, is replaced with slag. This reduces carbon emissions by up to 50 percent. Peab produces slag under the brand Merit and manufactured more than 202,000 (162,000) tons in 2024. Each ton Merit reduces carbon emissions by 600-800 kilos depending on the kind of replaced cement. This makes us less dependent on cement which aids both the environment and reliable deliveries.

### Increased production capacity of prefab products

Construction System's climate improved ECO-Prefab and ECO-Stomme (ECO-Frame) are firmly rooted on the market. Peab's investment of around SEK 500 million to automate the manufacture of concrete elements and halve the need for cement in the plants in Ucklum and Hallstahammar was completed at the beginning of 2024. The investment doubled production capacity and everything is produced with at least 50 percent alternative binder. This significantly reduces our climate footprint compared to standard products and the automated production also improves the working environment for employees.

### Rental operations in transition

The number of rentals in Peab's rental operations declined during the year, especially crane rentals. Transition is progressing by renting out more electric machines and increasing digital services for more resource and energy efficiency. Electric machines and low energy construction barracks are part of Peab's ECO-construction site offer of a construction site with less climate impact.

### More electric vehicles in transportation and machines

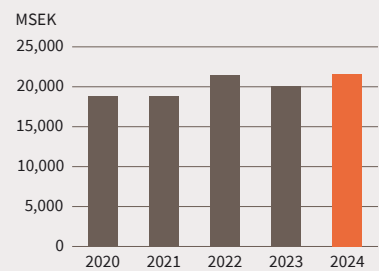
Part of our climate responsibility is to reduce carbon emissions generated by our vehicles and machines. During the year we invested in more electric vehicles in production, including two new electric trucks, and we tested different hybrid and electric machines. In addition to lowering carbon emissions this improves the environment for both drivers and the surroundings.



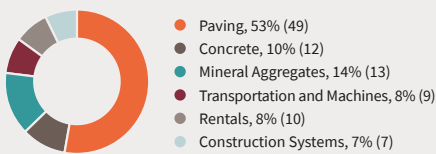
**Net sales**

Net sales during 2024 increased by eight percent and amounted to SEK 21,548 million (19,962). The increase is primarily due to paving, above all in Finland. Concrete, construction system and rental operations have been affected by the weak housing market and reported a lower level of activity compared to the last year.

**Net sales**



**Per product area, 2024**



**Per geographic market, 2024**



**Share of net sales, 2024**

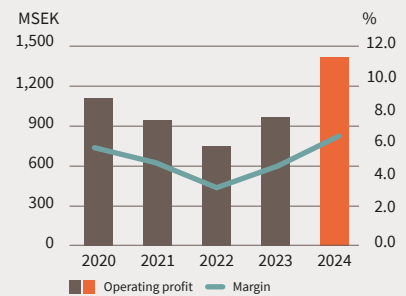


**Profit**

Operating profit increased during the year and amounted to SEK 1,415 million (962). The operating margin improved to 6.6 percent (4.8), which is primarily due to higher earnings in paving, above all in Finland linked to the Finnish government's extra funds for road maintenance in 2024. Concrete, construction system and rental operations reported lower operating profit as a result of the weaker housing market. There were minor changes in profit in the business area's other product areas during the year.

Capital employed at the end of the year decreased and was SEK 9,920 million compared to SEK 10,699 million at the end of last year. The decrease is due to a lower investment rate and an improvement in working capital.

**Operating profit and margin**



**Orders received and order backlog**

The level of orders received during 2024 increased and amounted to SEK 13,763 million (11,186). The increase is mainly related to paving contracts, particularly in Finland. Order backlog per December 31, 2024 was SEK 4,282 million (3,954).

BUSINESS AREA PROJECT DEVELOPMENT 2024

# Weak demand on the Nordic housing market

Business area Project Development, which comprises Housing Development and Property Development, creates sustainable and vibrant urban environments with residential, commercial and public property.

## Key ratios

	2024	2023
Net sales, MSEK	4,270	5,722
<i>of which Property Development</i>	686	534
<i>of which Housing Development</i>	3,584	5,188
Operating profit, MSEK	728	304
<i>of which Property Development</i>	823	107
<i>of which Housing Development</i>	-95	197
Operating margin, %	17.0	5.3
<i>of which Property Development</i>	120.0	20.0
<i>of which Housing Development</i>	-2.7	3.8
Capital employed at the end of the period, MSEK	19,767	18,093
Orders received, MSEK	2,213	136
Order backlog, MSEK	1,536	1,620
Operating cash flow, MSEK	422	-2,254
Average number of employees	155	222



Project Development is responsible for the Group's property acquisitions and divestitures as well as project development which generates contract work for the other business areas. Project Development works through wholly owned projects or in collaboration with other partners in joint ventures.

Peab's ambition is to be a forerunner in sustainable urban development which means focusing on safe neighborhoods, climate and environmentally adapted buildings, sustainable communications and nurturing places where people can meet in residential areas. We strive to simplify everyday life where people live and work by making it easy to live sustainably. Our new, own developed apartment buildings in Sweden are certified according to the Swan ecolabel, in Finland according to EU's Taxonomy Directive and in Norway measures are taken to increase energy efficiency and reduce climate impact. In addition, the Group is working on

developments in energy, construction material and construction tech solutions so that we can offer products and services that reduce our climate impact.

Peab is one of the largest housing developers in Sweden and has a strong position on the market. Operations are spread throughout the country which provides good local and regional knowledge about the different market conditions in Sweden. In Finland Peab is represented in Helsinki and a number of other large regional cities. In Norway operations are located in the Oslo area, Tromsø and Ålesund.

Property Development develops offices, premises and sometimes whole city boroughs in collaboration with municipalities and other partners. The business is primarily focused on the big city areas throughout the Nordic region.

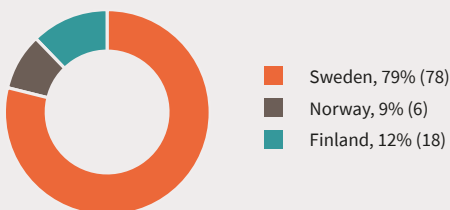
### Net sales and profit

Net sales in Project Development contracted during 2024 and amounted to SEK 4,270 million (5,722). The decrease is attributable to Housing Development. Operating profit amounted to SEK 728 million (304) and the operating margin was 17.0 percent (5.3).

Capital employed in Project Development at the end of the year amounted to SEK 19,767 million (18,093).

### Net sales

Per geographic market, 2024



### Capital employed

MSEK	Dec 31 2024	Dec 31 2023
Operations property	34	146
Investment property	36	36
Project and development property	17,017	14,603
<i>of which housing development rights</i>	9,344	7,981
<i>of which commercial development rights</i>	1,671	901
<i>of which unsold part of ongoing housing projects</i>	1,979	2,461
<i>of which ongoing rental projects</i>	761	1,712
<i>of which ongoing commercial projects</i>	115	489
<i>of which completed property</i>	2,212	165
<i>of which other</i>	935	894
Participation in joint ventures	2,880	2,820
Loans to joint ventures	484	1,498
Working capital and other	-684	-1,010
<b>Total</b>	<b>19,767</b>	<b>18,093</b>
<i>of which Property Development</i>	6,165	5,034
<i>of which Housing Development</i>	13,602	13,059

## Housing Development

Peab offers a broad range of housing forms including apartment buildings with tenant-owner apartments, condominiums and apartments for rent.

The housing market was marked by continued low activity and uncertainty due to high construction costs and interest rate development. Sales levels of homes to consumers and investors have been low in every region and country, although they maintained an even rate and we noted an increase in interest during the year. There were few production starts in housing in 2024. Some examples are a project in Finnish Turku and in Norwegian Sandefjord. In Sweden we started production of Brf Havtornet on Tjörn, which is a 14 story tower in the middle of the archipelago environment and a new housing project in Lund.

A substantial portion of our large housing projects are part of urban development projects. In Malmö we continue to develop Varvstaden where Peab is sole owner of properties and development rights after acquiring them from the partly owned company Fastighets AB Centur in November 2024. The acquisition included development properties with approximately 280,000 square meters of planned building rights, which meant that the number of development rights in our own balance sheet increased by around 1,700. Peab will be operating in this area for many years to come since around 2,500 new homes along with offices and service centers are planned for construction. Development is done in close cooperation with Malmö City and the projects in Varvstaden have a clear sustainability and climate profile. Among other things, we are reusing material and sections of buildings from the old shipyard are being widely preserved. In our latest housing project, Brf Västra Vakten, in the frame we used concrete with an alternative binder and a new technique in casting that resulted in almost 70 percent less carbon emissions per square meter.

Peab has been developing homes on Kvarnholmen in Nacka since 2013. In January 2024 we closed the acquisition of Folksam's shares in Sicklaön Bygg Invest AB which meant that Peab increased its ownership from 50 to 100 percent. The acquisition included more than 270 zoned development rights on 26,000 square meters gross area. Also included were 50 percent of the shares in Kvarnholmen Utveckling AB which has an ongoing zoning process for more than 120,000 square meters housing development rights and half of them will belong to Peab. In January 2025 105 homes were production started in the project Kvarnholmshöjden.

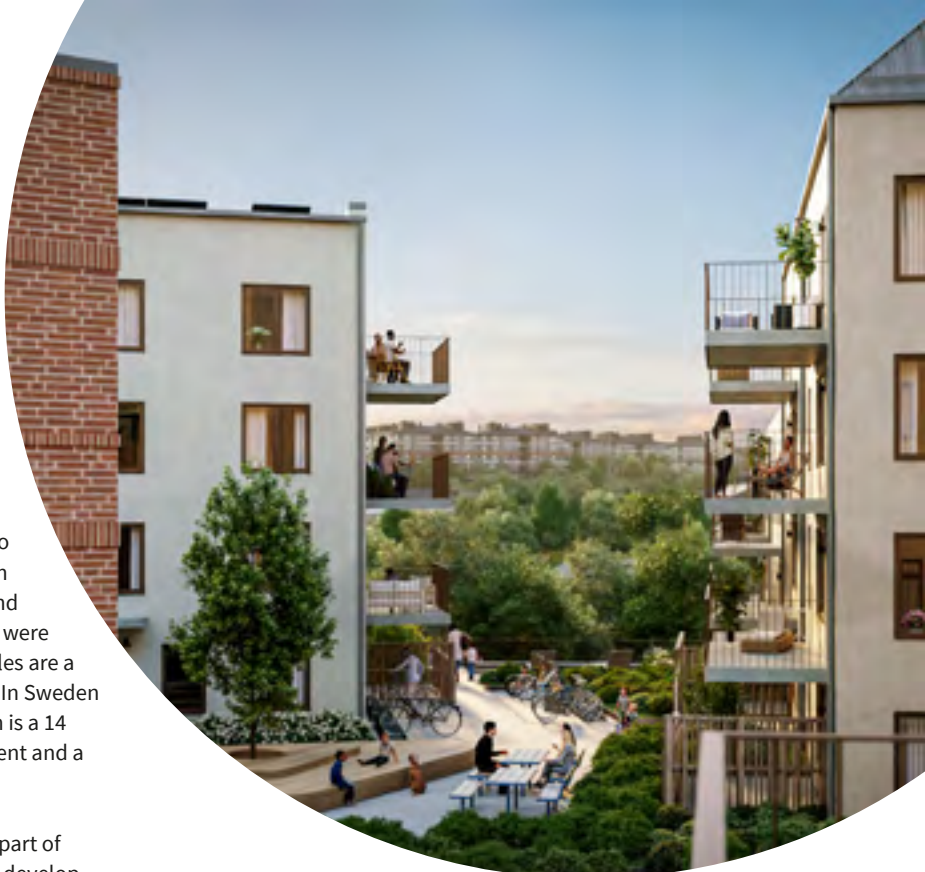
The district Riksten in Botkyrka is being developed on the old Air Force Base F18 Tullinge together with Botkyrka Municipality. The district currently has around 3,000 inhabitants and when construction in the area is completed it will have between 12,000 and 14,000 inhabitants. This kind of urban development project

allows Peab to offer new homes in attractive locations over many years. The environment and climate are essential considerations in the projects in Riksten and several of Peab's ECO-products are being used such as ECO-Betong (ECO-Concrete) and ECO-Ballast (ECO-Mineral aggregates).

In Lilla Essinge in Stockholm Peab is developing the city block Primus. The target is to build around 275 apartments, a nursing home and other community service facilities for residents in the coming years.

In Sweden Riksbanken lowering interest rates improved conditions for selling and production starting new homes even though recovery is expected take time. During the fourth quarter, we both started new projects and converted rental apartment projects from our own balance sheet to tenant-owner apartments/condominiums. This illustrates the continuing trend that sales opportunities increase as the project approaches completion. For this reason we are further developing the strategy of starting projects on our own balance sheet to then convert them into tenant-owner apartments. This entails more tied-up capital and deferred effects on profits compared with our traditional method of advance sales before production starts of our own developments.

There is an underlying need for new housing although aspects like high construction costs and downward revised forecasts regarding population growth make it harder to assess demand in the medium-term. As far as Peab is concerned we have a well-dimensioned development rights portfolio in attractive locations and in anticipation of market recovery we are further developing and preparing projects for start-ups in the future.



**Net sales and profit**

Continued weak demand on the housing market throughout the Nordic region is clearly noticeable in Housing Development. Net sales decreased to SEK 3,584 million (5,188). Operating profit amounted to SEK -95 million (197) and the operating margin was -2.7 percent (3.8).

A total of 615 (727) own developed homes were started during the year, all of them tenant-owner apartments/condominiums, of which 167 were converted from rental apartments. Last year production started on 121 tenant-owner apartments/condominiums, of which 85 were converted from rental apartments and 606 were homes in rental apartment projects on our own balance sheet. The number of sold homes was 1,008 (934), of which 710 (542) were tenant-owner apartments/condominiums and 298 (392) were homes in rental apartment projects.

The total number of homes in production at the end of the year was 1,550 (3,694), of which 1,056 (2,392) were tenant-owner apartments/condominiums and 494 (1,302) were homes in rental apartment projects. The portion of sold tenant-owner apartments/condominiums in ongoing production was 45 percent (68). The number of repurchased homes per December 31, 2024 was 224 (252) and approximately half of them were in Finland.

Capital employed increased and amounted to SEK 13,602 million (13,059) at the end of the year. The increase is primarily due to investments in development rights in, among other places, Kvarnholmen in Nacka and Varvsstaden in Malmö.

**Own housing development construction**

	Jan-Dec 2024	Jan-Dec 2023
<b>Tenant-owner associations, ownership and residential limited companies</b>		
Number of production-started homes during the year	615 <sup>1)</sup>	121 <sup>1)</sup>
Number of sold homes during the year	710	542
Total number of homes under production, at the end of the year	1,056	2,392
Portion of sold homes under production, at the end of the year	45%	68%
Number of repurchased homes on our balance sheet, at the end of the year	224	252
<b>Rentals</b>		
Number of production-started homes during the year	-	606
Number of sold homes during the year	298	392
Number converted to tenant-owner associations during the year	167	85
Total number of homes in production, at the end of the year	494 <sup>2)</sup>	1,302 <sup>2)</sup>
Number of homes completed, at the end of the year	306	-

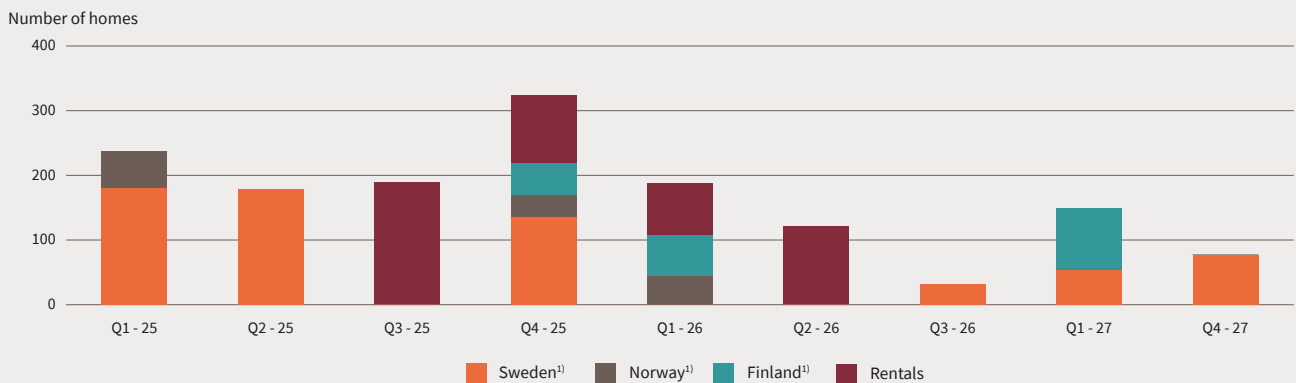
<sup>1)</sup> Includes 167 (85) homes that have been converted from rentals

<sup>2)</sup> Of which 80 (365), respectively 16 (28) percent, are under contract to be sold upon completion

**Housing development rights**

	Dec 31 2024	Dec 31 2023
<b>Number, approx.</b>		
Development rights on our own balance sheet	24,000	22,000
Development rights via joint ventures	3,700	4,700
Development rights via options etc.	7,400	7,400
<b>Total</b>	<b>35,100</b>	<b>34,100</b>

**Timepoint for completion of ongoing own housing development projects**



<sup>1)</sup> Refers to Swedish tenant-owner associations and own single homes, Norwegian condominiums and share housing and Finnish residential limited companies.



## Property Development

Property Development refines and develops locations and land for commercial building. It is primarily geared to run development projects based on development rights on our own balance sheet. Collaboration with partners via joint ventures may occur at different times during a project or encompass long-term development of an area. Property Development also develops various public buildings independent of whether the investor is public or private.

The rental market for office buildings in Nordic big city regions has been cautious due to uncertainty on many markets and higher interest rates. Nonetheless there is still a demand for highly flexible office space in the right locations. For example, in Gothenburg the office building Gamlestads Smedja is emerging and will become part of the new city district Gamlestan. The project encompasses 13,000 square meters and during the year leases have been signed and some companies have moved in.

In January 2024 Peab divested its share of 33.3 percent in Tornet Bostadsproduktion to the other two owners, Folksam and Fastighets AB Balder. Peab has been part owner of Tornet Bostadsproduktion since 2009. The company owns and manages around 2,200 rental apartments and has some 650 rental apartments in production in a number of Swedish cities.

Peab and Fastighets AB Balder have jointly owned Fastighets AB Centur for a number of years. In November 2024 a division of assets was carried out in the joint venture company Fastighets AB Centur, where Peab and the other owner, Fastighets AB Balder, acquired the majority of the property portfolio. Peab acquired four investment properties in Varvstaden, Malmö with a net operating income of SEK 43 million for SEK 784 million and development properties with about 280,000 square meters of planned development rights for SEK 1,239 million. Also included was an ongoing development project, Hall 259 with 11,000 square meters leasable area and 550 parking spaces, which will be completed in 2027. Peab also acquired an investment property in the Kirseberg-Östervärn area in Malmö for SEK 68 million. A zoning plan process is underway intended to enable development of around 55,000 square meters building rights for both residential and office space in the area. All in all the total value of the acquisitions were SEK 2,091 million. At the same time Fastighets AB Centur divested investment property to Fastighets AB Balder for SEK 5,228 million. As noted in the section Housing Development, Peab will be operating in Varvstaden for years to come.

During the year we completed and turned over an office building in Jönköping and a logistics facility in Södertälje.

### Net sales and profit

Net sales were SEK 686 million (534) and operating profit was SEK 823 million (107) in 2024. Capital gains from property divestitures amounted to SEK 440 million (96) in total, of which the divestiture of the shares in Tornet Bostadsproduktion contributed by SEK 220 million. Profit contributions from joint venture companies amounted to SEK 441 million compared to SEK 77 million last year, of which profit contributions from Fastighets AB Centur amounted to SEK 417 million where SEK 367 million were related to the transaction in November 2024.

The transactions concerning Tornet Bostadsproduktion and Fastighets AB Centur had a major impact on profit in 2024. These are not transactions that reoccur annually but they exhibit our

ability to build value over time in Property Development, both on our own balance sheet and together with partners in joint venture companies.

At the end of 2024 the capital employed in Property Development was SEK 6,165 million (5,034). The increase is due to the acquisition of properties from Fastighets AB Centur. A large part of the capital employed consists of shares in joint venture companies and loans to joint venture companies.

The table below presents larger property projects per December 31, 2024.

### Property projects

Type of project	Location	Rentable area in m <sup>2</sup>	Degree rented, %	Recognized value, MSEK	Adopted investment, MSEK	Completion time point	Completion level, %
<b>Ongoing</b>							
Retail, office building and parking	Malmö	11,000	13	79	592	Q3-2027	13
<b>Completed</b>							
Office building	Gothenburg	12,900	40	532			
Apartment hotel	Malmö	4,200	100	138			
Office building	Malmö	2,500	100	145			
Office building	Malmö	3,600	100	135			
Office building	Malmö	4,900	100	267			
<b>Total</b>							

## Significant joint ventures

Peab's significant joint venture companies Fastighets AB Centur, Fastighets AB ML4, Point Hyllie Holding AB and Skiab Invest AB are developing well and via them Peab has built up considerable indirect holdings in investment property and development property for both commercial and residential purposes. Regular returns are in the form of shares in the profit from joint ventures recognized in operating profit and interest income on lending. Changes in market values that affect booked values in the joint venture companies are not included in Peab's accounts.

### Fastighets AB Centur

Own, manage and develop commercial property and housing. In November 2024 Peab and the other owner, Fastighets AB Balder, acquired most of the existing property portfolio from Centur. Only a few properties remain in Fastighets AB Centur. After the transactions Fastighets AB Centur is no longer classified as a significant joint venture in Peab. For more information, see Property Development above and the section Other information, Significant events during the year.

### Fastighets AB ML4

Own and manage the research facility Max IV. The facility is rented to Lund University.

**Peab's share:** 50 percent

**Partner:** Wihlborgs

**Geography:** Lund

**Recognized value on properties December 31, 2024:** SEK 1,840 million (1,890)

**Major ongoing projects:** No major ongoing projects

### Point Hyllie Holding AB

Own and manage the office property The Point as well as own and manage the hotel property Vårdshuset 5 (Operator Quality Hotel View).

**Peab's share:** 50 percent

**Partner:** Volito

**Geography:** Hyllie, Malmö

**Recognized value on properties December 31, 2024:** SEK 1,344 million (1,379)

**Major ongoing projects:** No major ongoing projects

### Skiab Invest AB

Develop, own and manage commercial property and housing in the Scandinavian mountains.

**Peab's share:** 50 percent

**Partner:** SkiStar

**Geography:** Scandinavian mountains

**Recognized value on properties December 31, 2024 <sup>1)</sup>:** SEK 2,157 million (2,149)

**Peab's portion of unrecognized fair value exclusive tax <sup>1)</sup>:** SEK 59 million (40)

**Major ongoing projects:** No major ongoing projects

<sup>1)</sup> Valued at market price in joint venture companies. The time point when the market valuations take place can differ between the companies. The market prices on properties that affect the recognized values in the joint venture companies are not included in Peab's accounts.

## Key ratios 2024 significant joint ventures <sup>1)</sup>

MSEK	Fastighets AB Centur	Fastighets AB ML4	Point Hyllie Holding AB	Skiab Invest AB
Net sales	471	194	115	120
Profit for the year	278	33	-4	19
Total assets	3,020	2,173	1,384	2,334
- of which recognized value of properties	495	1,840	1,344	2,157
Peab's portion of unrecognized fair value exclusive tax				59

<sup>1)</sup> Refers to the recognized value of joint venture companies for January – December 2024 and per December 31, 2024. Since Fastighets AB Centur and Skiab Invest AB apply the market value of properties, the values in the table above differ from the values presented in the Peab Group for joint venture companies in note 18.

# Risks and risk management

**Proactive and structured risk management on all levels creates resilience to risks, ensures a long-term sustainable business and builds our ability to take advantage of opportunities.**



## **Established processes for managing risks**

Risk management, clear delegation of responsibility and an established risk culture are cornerstones of Peab's governance and control, operatively and strategically. Peab's risk management is both forward looking, in order to identify new or changed risks and looks back to learn from past experience. The ability to systematically identify, evaluate and manage risks is crucial for Peab to achieve its targets and ensure a long-term sustainable business.

Risks are identified on various levels – from project level to business area and Group level. The work on structured risk management is led by Group function Risk and Insurance. Every identified risk is categorized and assessed and a risk management plan is drawn up. Almost all risks are managed on the local level but the most substantial risks are consolidated on Group level. These risks are presented in the illustration on material risks below and are thereafter described more in detail as well as in note 33, Financial risks and Finance Policy.

Peab has updated the process for identifying sustainability-related risks based on the CSRD framework. Material risks from this analysis have been integrated into the overall risk management process to ensure systematic work with risks and cohesive risk

management in the organization. There is a risk register on both business area and Group levels with the associated ownership and risk management plans. Risk management work, which follows an annual calendar, includes monitoring incurred events and implementing management plans.

Executive management is ultimately responsible for risk management and reports the comprehensive risk spectrum to the Board of Directors. Clear guidelines and systems steer operations into following set processes in different areas to limit risks.

Risk management is built on a strong risk culture that is well-rooted in the Group. Our risk culture is built on decentralized delegation of responsibility, process and governance documents as well as control and monitoring.

## **Continuity planning and preparedness for crisis management**

An integrated part of Peab's risk management is continuity planning and preparedness for crisis management. Peab has analyzed how operations could be impacted based on different scenarios and produced measures and action plans to ensure continuity in the organization.



Continuity planning focuses on ensuring that critical functions can be maintained or quickly restored after a potential disturbance. This includes having reserve plans for key people, supply chains and technical systems. The continuity administration makes regular checks to ensure that continuity leaders can act quickly when necessary.

Peab has an incident management plan that describes how an incident can escalate depending on the degree of severity. Crises are dealt with by Peab's crisis organization.

By integrating crisis management and continuity planning into risk management we have created a platform for long-term stability.

### Risks in Peab

Peab's business is exposed to several different types of risks but Peab's presence in four Nordic countries, operations in four business areas and customers in the private and public sectors provide the foundation for spreading risks well. Some risks lie outside of Peab's control but can in different ways impact the conditions for running our business. Some of these are developments in the economy, interest rate developments, customer behavior, climate impact and political decisions. Peab can affect other risks in different ways by reducing the impact of them or eliminating them completely. These are primarily risks in operations that are handled in the line organization in the business areas based on established procedures, processes and governance systems.

Group risks are divided into four risk categories: operative risks, financial risks, strategic risks as well as compliance risks.

There are always operative risks in a project-related business like Peab and managing these risks is a continuous process due to the large number of projects the Group is always starting up, carrying out and completing. Peab's project operations work with a number of different contract forms where risk levels vary depending on the type of contract. However, with any type of contract ambiguities can arise concerning the terms, which can lead to delimitation issues that create a dispute with the customer.

Financial risks are primarily associated with the company's need for capital, tied-up capital and access to financing. Financial risks are managed on Group level.

Strategic risks like, for example, the political turbulence in the world around us create an uncertain macroeconomic environment. Since Russia invaded Ukraine the global situation has changed dramatically. In addition to the terrible tragedy for the people the war touches, the situation risks further hampering macroeconomic growth in the world. The construction industry is affected through greater uncertainty and cautiousness concerning investments and continued high material and energy prices. Peab is not directly exposed to Russia, Ukraine or Belarus but may be indirectly affected through material suppliers. We follow developments carefully to continually assess any effects on Peab. In recent years there has been a significant rise in the price of materials and energy. However, during the past year we have noticed that material prices have stagnated and there has even been a slight decline in prices, mainly regarding energy. We follow developments carefully and continually work to adapt and streamline production all the while expecting continued high construction costs. High construction costs make it harder for calculations to come out ahead, which dampens demand on the construction market throughout the Nordic region.

Compliance risks concern, for example, lack of compliance with laws, contracts or internal regulations and guidelines. Other examples are involvement in corruption or improper competition. Compliance risks are not only found in Peab's own organization but in our supply chains as well. The consequences of compliance risks include fines, damaged trust, failed projects and exclusion from procurements.

### Arbitration judgement Mall of Scandinavia

A decision in the case between Peab and Unibail-Rodamco-Westfield regarding the contract for Mall of Scandinavia in Solna was handed down in Peab's favor on June 30, 2023. Thereafter Unibail-Rodamco-Westfield petitioned the Swedish Court of Appeal to set aside the judgment in its entirety in a so-called protest action. After a thorough legal trial through arbitration lasting nearly seven years Peab cannot see any grounds for a protest action. In the further process Peab will counter the protest action. During the process the arbitration judgement is suspended and thereby unenforceable, which defers the time of payment. For details see note 20.



## Forward looking risks and their management

In Peab's risk management process Peab has chosen to group risks into four categories: operative risks, financial risks, strategic risks as well as compliance risks. These risks can separately or in combination have a material negative impact on Peab's business, strategy, financial outcome,

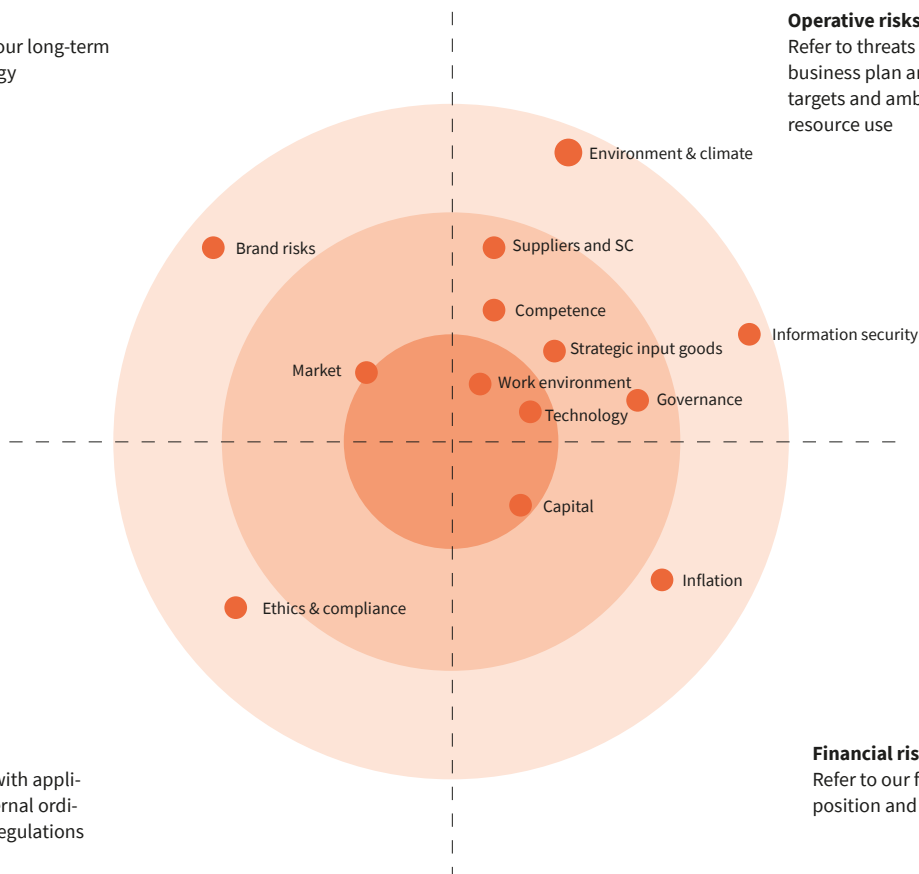
cash flow, share value or repute. The illustration below visualizes the most material risks for Peab. Risks closer to the center of the illustration have a higher probability of impacting Peab negatively. The risks are described in more detail in the following text table.

### Strategic risks

Refer to our mission, our long-term targets and our strategy

### Operative risks

Refer to threats to implementing our business plan and other short-term targets and ambitions or efficient resource use



### Compliance risks

Refer to compliance with applicable legislation, external ordinances and internal regulations

### Financial risks

Refer to our financial position and our assets

Strategic risks	Description	Action
<b>Market</b>	Customer behavior and demands can change at such a rate that Peab cannot adapt to these changes quickly enough. At the same time many new regulations are currently being introduced, among them concerning sustainability, that impact Peab's operations in different ways. The political landscape also has a significant influence on how we act. We can risk investing in the wrong markets or market segments. There is also a risk that Peab cannot compete with other actors on equal terms.	Peab has a broad market offer for both the public and private sectors comprising the entire production chain from manufacturing construction material to producing complete buildings and roads. Peab always strives to offer customers a comprehensive solution through close collaboration between Group companies. By reallocating Group resources Peab can quickly adapt to market needs. We constantly work on developing our employees, construction methods and new climate smart construction material in order to supply the market of the future. We continuously follow the market to comprehend changes in politics, new regulations and new standards that impact our operations. Peab is also active in social debate and strives to highlight barriers to streamlining community building in the countries we operate in.
<b>Brand risks</b>	Brand risk is an indirect risk and arises from other risks that can occur. A badly managed risk can result in substantial damage to a brand and a credibility crisis on the market. Information spreads rapidly with today's technology and that makes quick, correct and efficient communication vital.	Peab primarily handles brand risks through actively working with our culture which is founded on our ingrained core values. Our Code of Conduct provides employees with concrete guidance in their daily work. In addition, Peab has a communication organization close to operations. This way risks can be identified early on and managed based on the situation. At the same time our organization model ensures that Peab's overarching communication plan is followed.
Operative risks	Description	Action
<b>Work environment</b>	Serious events at Peab's workplaces can lead to employees or subcontractors being injured or in the worst case die. These events can even have legal consequences and damage confidence in the company. Another risk area is shortcomings in the organizational and social work environment that entail unhealthy stress and victimization that can lead to mental health problems. The industry has seen an increase in threats and violence towards employees, particularly in roadway environments.	Peab has a zero vision for workplace accidents and we are active in the industry's network for zero fatal accidents. Accidents are prevented through planning and risk assessments at an early stage. In addition, we continually follow up reported risk observations and investigations into incidents and accidents. Risk observations are the basis of organizational learning about where, when and why risks occur. Peab trains employees in equal treatment and has procedures to prevent discrimination and victimization. In dealing with threats and violence directed at employees Peab works with competence reinforcement, industry collaboration and monitoring reported events.
<b>Technology</b>	Technical developments in the construction sector are moving fast with new materials and methods. Peab is part of that development and we must be sure to use the right material, resources and methods to ensure quality and achievement our financial and non-financial targets. These are important elements in both the calculation and production phases.	Peab has our own R&D departments that work with product and method development of future construction processes. For instance, in our concrete operations we are reducing the amount of cement as a binder, increasing recycled material in new production and optimizing the durability of concrete to enable building constructions that require less concrete. We always strive to focus intensely on calculations, reconciliations and follow-up to understand how the construction process is affected by new technology. Peab is also in the process of building up a more comprehensive expertise within project management in order to improve our control over risks in construction and planning.
<b>Strategic input goods</b>	Access to certain raw material is crucial to our operations and in some cases there are only a few suppliers which entails risks for our business. Sanctions can quickly upturn established supply chains. Examples of critical raw materials with few suppliers are cement for our concrete production and bitumen for our asphalt production.	Peab has a policy for strategic input goods aimed at proactively working to secure access to these materials. We have been working on our own alternative binders for our concrete production for quite a while as well as the possibility of importing cement and bitumen to manage the risk. Peab has also a strategy with alternative suppliers to safeguard access to critical raw material.

Operative risks	Description	Action
<b>Competence</b>	There is competition for certain talent on the labor market. There is a risk that the industry is not considered attractive, especially in the current economic situation or that the industry will fail in increasing gender equality and diversity. Peab is dependent on attracting and keeping talent in order to reach our targets. There are also challenges with new areas of skills such as the field of sustainability. In some parts of our operations we are dependent on certain key people and we risk losing vital information that impacts our business if an employee for some reason cannot work or leaves Peab.	Peab works strategically with both recruitment and developing our power of attraction as an employer. Positions in our company have clear career paths and we continually update our succession plans. Peab works with diversity and equal opportunity and we have set targets for gender equality recruitment. Since 2023 we run the trainee program The Construction Year, in an effort to bring more women into the construction industry. As a community builder Peab strives constantly to create new recruitment channels together with schools and colleges, internal education and our own high school, the Peab School.
<b>Governance</b>	Governing-related risks refer to both overriding Group governance and project steering. Since Peab's business is largely project-related this means many risks are linked to carrying out projects. Many of these risks are related to mistakes and shortcomings in calculations with mistakes in amount computations can lead to incorrect bids or losses in projects. The increasing number of regulatory requirements from lawmakers and customers requires an intense focus on compliance with internal and external regulations. The consequences of a realization of these risks include fines, legal sanctions, damaged credibility, failed projects and exclusion from procurements.	Peab manages governance-related risks by establishing and routinely monitoring targets and checkpoints as well as by using management systems to strengthen Group and project steering. We work actively to promote efficient governance and skills development, especially at strategic levels. We make structured risk assessments and have established processes and procedures like our Tender Council through which we ensure that risks are identified and dealt with before we submit a tender. Dialogue with, and advice to, our customers is customized to meet changes in project needs. In addition, sustainable targets are integrated into business strategies and project planning, which guarantees that environmental and social aspects will be taken into account in all our decisions.
<b>Suppliers and subcontractors (SC)</b>	Flaws in control of the supply chain is a major risk. Choosing the wrong supplier/SC can lead to quality defects and delivery disruptions. Suppliers/SCs who defy laws, contracts or go against Peab's Code of Conduct create unacceptable risks. There are also risks connected to dependence on one or a few suppliers. In the current economic downturn there is also a higher risk for Suppliers/SCs going bankrupt.	Peab's Suppliers Code of Conduct is one of the enclosures used in procurements of suppliers/SCs. We continually develop procedures to monitor the work environment, work conditions, safe supply chains and environment and climate demands. We are focused on blocking rogue suppliers/ SCs from being procured. In Sweden Peab has third party checks on our workplaces and audits selected suppliers/SCs to minimize risks in projects. To further reduce vulnerability Peab works with strategic supply plans. Peab also takes various steps to note early signs of suppliers/SCs struggling to pay their bills and be prepared for a bankruptcy.
<b>Information security</b>	Information is an important asset and access to information is crucial to Peab's ability to run its business. External developments have raised the risk of direct cyberattacks or indirect attacks via digital supply chains that have consequences for operations. This area is also subject to legislation that makes demands on data protection, personal integrity and information security in general.	Peab's information security work is risk-based and systematic, focused on preventative protection and security measures in step with company development. Our employees are trained for heightened awareness of risks that can affect our information resources while organizational risk minimizing guidelines are continually implemented and improved. Managing information security risks is an integrated part of Peab's continuity planning and crisis management.
<b>Environment &amp; climate</b>	Climate change with extreme weather can entail everything from direct consequences with physical risks to our construction projects to more indirect consequences in the form of material, raw material and energy shortages. A lack of competence or adjusting too slowly by Peab or our suppliers/SCs can lead to Peab's products and services not meeting future demands and expectations. Laws and regulations are becoming more and more extensive regarding the environment and climate requiring new systems and processes and there is always a risk that we do not meet our environmental and climate targets.	Risk prevention comes under the Group's three prioritized environmental aspects which are also targets; climate neutrality, resource efficiency and phasing out environmentally and health hazardous products. We have also solidified our transition plan in a development program we call the "Climate Road Map". Peab offers the market a broad range of ECO-products that have been created for construction and civil engineering production with a lower climate impact. Peab has identified climate risks supported by the framework TCFD and works with climate targets in projects and reports according to EU Taxonomy. Peab also implements climate risk and vulnerability analyses for our production units. Reoccurring extreme weather requires adapting production methods and other measures to limit the risks for damages to, for example, construction contracts and real estate.

Compliance risks	Description	Action
<b>Ethics and compliance</b>	Peab faces regulation compliance risks that entail non-compliance with laws, contracts, Peab's Code of Conduct and policies. There are further risks regarding involvement in corruption or improper competition as well as transgressions of human rights in our own company and in our supply chain. The consequences of these risks include fines, legal sanctions, damaged credibility, failed projects and exclusion from public procurements.	Peab handles regulation compliance risks through a governance framework that includes our Code of Conduct, Suppliers' Code of Conduct, policies and guidelines that describe how employees act sustainably, responsibly and efficiently. This framework includes frequent education and set consequences for transgressions. Peab's management system is a key tool in supporting daily operations. Issues concerning ethics and regulation compliance are dealt with in the Group function Corporate governance and compliance, which is also part of Peab's Ethical Council. Peab's whistleblower system allows internal and external parties to report irregularities. Peab's purchasing department has an important role in minimizing risks in the supply chain by ensuring responsibility, conducting risk assessments and audits.
Financial risks	Description	Action
<b>Capital</b>	Financial risk-taking is connected to the business' capital and investment needs which are different in Peab's various operations. Construction contract operations normally have a positive working capital that contributes to financing the other operations. Business area Industry binds more capital in fixed assets with an ongoing need for investments. Business area Project Development binds capital through investments in land and development rights.	Peab's financial targets are the overriding means by which the Group governs financial risk-taking. Tied-up capital in construction contract operations is managed through payment balance requirements. Large tenders are handled according to set investment procedures where the Tender Council decides. For business areas Industry and Project Development tied-up capital is managed through set frameworks. All major investments in Peab go through an established investment procedure where decisions are made by a Group investment team.
<b>Inflation</b>	Dramatically rising inflation can get central banks to raise the policy rate which affects our customers' investment appetite. Inflation has been stable and low for many years but rose steeply during 2022-2023, in part due to the effects of the pandemic and Russia's invasion of Ukraine. As a result of this construction costs have increased in recent years. High construction costs dampen demand on the construction market.	Inflation impacts Peab's profitability in different ways. The good span Peab has between different kinds of projects and operations in several countries as well as customers in both the private and public sectors has a dampening effect.
<b>Other financial risks</b>	The Group is exposed to financial risks such as interest rate risks, liquidity risks, refinancing risks, raw material risks, currency risks and credit risks.	Peab's Finance Policy is adopted by Peab's Board of Directors and creates a framework for risk mandates and limits. The Treasury function is centrally organized. For further information on financial risks, see note 33.
<b>Financial report</b>	Since Peab applies recognition over time as a project is completed for most of our ongoing projects, erroneous project forecasts can entail that recognition and monitoring can be misleading. A number of balance items, including project and development property, are valued based on estimations and assessments. This value can be affected by, for example, the current market, interest rates and customers' preferences, which can lead to impairment.	A prerequisite for correct recognition over time is reliably forecasting the outcome. Well-developed procedures and system support for monitoring each project is crucial to limiting the risk of erroneous revenue recognition. The recognized value of project and development property has been calculated as the lowest of the purchase price and the net sales price based on current price levels in the respective locations. Peab regularly tests the values of project and development property through an internal model. In addition, external market values are annually obtained for some of the properties.

### Sensitivity analysis

Peab's operations are sensitive to changes in, among other things, volumes and margins. The sensitivity analysis below describes how pre-tax profit according to segment reporting is affected by changes in some of the important Group variables.

MSEK	Calculation basis	Change	Pre-tax profit effect
<b>Segment reporting</b>			
Volume (operating margin constant)	58,697	+/- 10%	+/- 276
Operating margin (volume constant)	4.7%	+/- 1 percentage point	+/- 587
Production costs	41,580	+/- 1%	+/- 416
<b>Financial</b>			
Average effective interest rate <sup>1)</sup>	5.1%	+/- 1 percentage point	+/- 80

<sup>1)</sup> The sensitivity analysis shows the effect of a change in interest on Group pre-tax profit based on an assumption of unchanged net debt. The calculated net debt of SEK 7,954 million is based on net debt according to IFRS reduced by liabilities for Swedish tenant-owner associations and additional leases according to IFRS 16. It is further assumed that a change in interest would directly affect the interest Peab pays respectively receives on liabilities and receivables with a floating interest rate. Activating interest is not taken into account in the sensitivity analysis. For more information about net debt, see note 33.

## Peab's sustainability work



For Peab sustainability entails running a business that takes responsibility for both its own impact and the impact of the entire value chain upstream and downstream, as well as working for the good community. Working sustainably is a strategic matter for us, completely integrated into our business model and operations. We make it clear that every employee should promote sustainable development in their role based on Peab's core values, business concept, mission, strategic targets and Code of Conduct.

Our four business areas collaborating locally give us better control over the supply chain and thereby the conditions for us to transition to a more sustainable business. Our employees ensure that we as far as possible use local resources in the form of our own personnel, our own input goods and subcontractors. Together with our engagement in the community and integrated climate and environmental work this is the basis of our sustainability work and what we call locally produced community building. Our material sustainability aspects are summarized in two of our four strategic targets: Best workplace and Leader in social responsibility.

Regarding Peab's climate impact our material use is a particularly important area where our operations generate carbon emissions. This is why we try to husband resources and to greater extent use our own and local material as well as develop more climate-improved material. Our investments in ECO-Betong (ECO-Concrete)

and ECO-Asfalt are two practical examples where we both reuse material and mix in alternative binder to reduce our carbon footprint. Peab is also a driving force in several development initiatives to optimize material and verify quality. In 2021 we became the first Swedish construction and civil engineering company to partner with SSAB in fossil free steel, which means that as of 2026 we will begin to use steel that has been produced fossil free in our construction and civil engineering projects. But in some projects we have already used both the fossil free produced steel and the recycled steel SSAB Zero, which is both fossil free produced and transported. Collaboration with SSAB is an example that shows how we together with customers and material suppliers can transition to sustainable construction.

During the year Peab launched ECO-Byggarbetsplatsen (ECO-Construction site), a concept for construction workplaces aimed at reducing the environmental impact of construction sites through solutions for energy, waste, water consumption, logistics and construction equipment.

### Research and development

The purpose of Peab's R&D is to provide society, our customers and other stakeholders with added value. We do this by collaborating with universities, colleges and trade organizations and actively participating in many industry projects. We take part

in strategic, innovative and operative programs to be able to take responsibility in both a current and long-term perspective. Through new discoveries we can improve or develop new products, services and production processes. One of the purposes of the function Research and Innovation at Peab is to support our business in its transition to climate-adapted products and with investments in new technology. Peab's investment in our ECO-products is important where, for instance, ECO-Betong (ECO-Concrete) has been developed to further reduce climate impact and dependence on cement.

During 2024 we started up several new R&D projects concerning circular material where we, for example, have studied how soil and old, crushed cement can be reused in new material and projects. In connection with this we investigated old tried and true methods like using natural clay in construction material and buildings. In digitalization we have worked with several projects within autonome measuring and monitoring material and production on construction sites. We have also continued with our far reaching project on storing carbon dioxide in building materials.

Several research projects ended in 2024 such as climate-improved concrete, logistics, energy savings and energy calculations. In addition, we have continued to develop our collaboration with the Swedish start-up CemVision where we have carried out tests and test castings with the company's climate-improved cement.

During the year we have worked with the industry-wide VINNOVA program Betcrete 3 for a climate neutral cement and concrete industry. We have also worked with Luleå University of Technology in our long-term strategic partnership in sustainable construction, digitalization and resource efficiency. At Chalmers in Gothenburg we participate in the research program "Future Transportation Infrastructure" and at The Faculty of Engineering, LTH, in Lund we are active in the "Center for construction robotics". Together with The KTH Royal Institute of Technology in Stockholm we collaborate on a project in road technology and geotechnical engineering. We also participate in other forms of collaboration such as LFM30 (Local roadmap for a climate neutral construction and civil engineering sector in Malmö 2030), Infrasweden 2030 (conditions for competitive and climate neutral transportation infrastructure by 2030), Smart Built Environment (innovation for the community building sector) and Mistra Carbon Exit (research for climate neutrality by 2045).

In accordance with the Annual Reports Act chapter 6 paragraph 11 Peab has chosen to present the statutory Sustainability Report outside of the Board of Directors' Report. The parts required in a sustainability report can be found in sections The Sustainability Report on pages 36-106 and the Corporate governance report on pages 211-225.





## Other information

### Operations with permit and notification obligations

Operations required to have permits or notify authorities in our Nordic operations are sub-groups Swerock, Byggelement, Peab Asfalt, Peab Anläggning and Peab Bostad. Legislation differs somewhat from country to country in the Nordic region.

Operations required to have permits refer to actions taken in contaminated areas, intermediate storage and recycling of excavated soil, work in/next to protected areas/objects, water operations/management, extraction of mineral aggregates and production of polymer modified bitumen (PMB). These operations primarily impact the environment through the extraction of finite resources, future land use, impact on ecosystems, emissions local damming and noise.

Operations required to notify authorities are concrete manufacturing, production of prefabricated concrete elements, permanent and mobile asphalt plants, bitumen depots, actions taken in contaminated areas, intermediate storage of excavated soil and waste, recycling of excavated soil (including recycling of concrete, asphalt, brick, park and garden scrap (permits are required in some cases)) water operations/management and transportation of waste and hazardous waste.

Renewal and supplementation of permits as well as submitting notifications is ongoing.

### Significant events during the year

*Peab reiterated its external targets at Capital Markets Day*

In connection with Peab's Capital Markets Day in February 2024 Peab communicated that the nine external targets adopted in 2021 are still relevant and therefore remain unchanged. The targets are both financial and non-financial and are categorized under the strategic targets; Most satisfied customers in the industry, Most profitable company in the industry, Best workplace in the industry and Leader in social responsibility in the industry. Peab's President and CEO Jesper Göransson and the rest of Peab's execu-

tive management presented an update on Peab's business situation and strategic focus going forward. At the same time Peab also reported a potential level of orders received of about SEK 19 billion in total over the next two years due to more preliminary agreements, so-called phase 1 contracts, in construction contract operations.

### *Green bond issue*

On June 13, 2024 Peab issued bonds for a total value of SEK 1,500 million. The bonds mature in 3 respectively 4.5 years. With a maturity of 3 years SEK 900 million were issued with a variable interest rate of 3 months Stibor (the Stockholm Interbank Offered Rate) plus 2.30 percentage points. With a maturity of 4.5 years SEK 600 million were issued with a variable interest rate of 3 months Stibor plus 2.70 percentage points. Funds from the issue will be used to finance investments in green buildings, energy ECO efficient and circular products and production processes, clean transportation as well as water and pollution management. The green bonds were issued within the framework of Peab's Swedish MTN program and the newly updated Green Finance Framework.

### *Peab acquired property and development rights in Malmö and divested partly owned investment property*

On November 1, 2024 Peab acquired four investment properties in Varvstaden, Malmö with a net operating income of SEK 43 million for SEK 784 million and about 280,000 square meters of planned development rights for SEK 1,239 million. Also included was an ongoing development project, Hall 259 with 11,000 square meters leasable area and 550 parking spaces, which will be completed in 2027. Peab has developed homes and offices in Varvstaden for several years and will continue to operate in the area for a long time to come.

Peab also acquired an investment property in the Kirseberg-Östervärn area in Malmö for SEK 68 million. A zoning plan process is underway intended to enable development of around 55,000 square meters development rights for both residential and office space in the area.



In conjunction with this Fastighets AB Centur divested the majority of its investment properties to the other co-owner Fastighets AB Balder for SEK 5,228 million. After this Centur will have a few remaining properties with a total booked value of about SEK 600 million. The deal had a positive effect on Peab's profit of about SEK 400 million in the fourth quarter 2024, of which SEK 367 million in business area Project Development and SEK 33 million as a positive effect of eliminations.

The transactions entailed an increase in Peab's net debt by around SEK 2 billion in the fourth quarter 2024 and a calculated decrease of SEK 1 billion in the first quarter 2025 when a dividend from Fastighets AB Centur will be distributed. All in all, net debt increased through the transactions over the years by around SEK 1 billion.

As a result of the transactions Peab divested partly owned, completed properties in the management phase and invested in development rights for future development as well as a number of completed properties in Varvsstaden.

#### *Nomination Committee*

According to the "Principles for the Nomination Committee's appointment and instructions for the Nomination Committee", adopted by the Annual General Meeting on May 6, 2024, the Nomination Committee is appointed by the three largest shareholders of the company per the final banking day in June, i.e. June 28, 2024, that want to appoint a member of the Nomination Committee as well as the Chairman of the Board. If one of the three largest shareholders decline to appoint a member of the Nomination Committee, the right to appoint a member will be offered to the shareholder that, based on the number of allotted votes, is next in line. This process will continue until the Nomination Committee consists of three members as well as the Chairman of the Board.

The two largest shareholders per June 28, 2024, Ekhaga Utveckling AB and AB Axel Granlund, have agreed to appoint a member to Peab's Nomination Committee. Mats and Fredrik Paulsson with families, Peab's Profit-Sharing Foundation, Vanguard and Kamprad Family Foundation, which were per June 28, 2024 in terms of votes the third to the sixth largest shareholders in Peab, have when asked replied that they do not wish to appoint a member to the Nomination Committee for the Annual General Meeting 2025. Handelsbanken Funds, which was the next largest shareholder, has agreed to participate in the Nomination Committee.

The Nomination Committee for the Annual General Meeting 2025 therefore consists of the following members:

- Anders Sundström, Ekhaga Utveckling AB
- Ulf Liljedahl, AB Axel Granlund
- Suzanne Sandler, Handelsbanken Funds
- Anders Runevad, Chairman of the Board of Peab AB

The Nomination Committee has appointed Anders Sundström to be Chairman of the Nomination Committee.

#### **Significant events after the end of the year**

No significant events occurred after the end of the year.

#### **The Peab share**

At the end of 2024 Peab's share capital amounted to SEK 1,583,866,056 divided among a total of 296,049,730 shares, resulting in a nominal value of SEK 5.35 per share. Of the shares, 34,319,957 are A shares with ten votes per share, and 261,729,773 are B shares with one vote per share. All shares carry equal rights to participation in the company's assets, profits and dividends. There are no restrictions in the articles of association concerning transferring shares or the disposal of votes at the Annual General Meeting.

On December 31, 2024 there were approximately 63,000 shareholders in Peab. The Group is subject to considerable influence by Mats Paulsson and Fredrik Paulsson together with families, children and companies. Most of the Paulsson families' indirect holdings are gathered into the company Ekhaga Utveckling AB, which is controlled by Fredrik Paulsson. Ekhaga Utveckling AB had 21.6 percent of the capital and 49.0 percent of the votes. Mats and Fredrik Paulsson together with families had 5.5 percent of capital and 11.2 percent of the votes. In addition, the Mats Paulsson's foundations had 1.3 percent of the capital and 0.6 percent of the votes at the end of 2024. The company has no knowledge of any agreements between shareholders that can result in a restriction of the right to transfer shares.

Peab's Annual General Meeting decided on May 6, 2024 to authorize the Board to decide until the next Annual General Meeting on new issues of B shares with rights for current shareholders to participate in the issue or without preferential rights for current shareholders to participate in the issue in connection with acquisitions. The authorization may be used on one or more occasions and correspond to, at the most, a total of 10 percent of the registered share capital at the time of the authorization. During the year the Board has not decided to issue any new shares.

In 2007 Peab established a profit-sharing foundation. According to the foundation's placement policy its capital should be placed primarily in Peab shares. On December 31, 2024 the foundation owned 13,628,300 B shares in Peab, corresponding to 4.7 percent of the total number of shares.

#### **Holdings of own shares**

At the beginning of 2024 Peab's own B shareholding was 8,597,984 which corresponds to 2.9 percent of the total number of shares. On May 6, 2024 Peab's Annual General Meeting decided to continue authorization of the Board of Directors until the next Annual General Meeting to repurchase a number of shares so that the company's holding of its own shares after the repurchasing does not exceed one tenth of all shares in the company. During 2024 Peab has not repurchased or divested any of its own shares. Therefore at the end of the year Peab's holding of own shares amounted to 8,597,984 B shares.

#### **Performance Share Program and transfer of own shares**

The Annual General Meeting on May 6, 2024 resolved to approve the Board's proposal of Performance Share Program 2024 and transfer of a maximum of 2,785,324 B shares. The purpose of the Performance Share Program is to tie key employees' rewards closer to the company's long-term earnings and value development. For more information, see note 9.

## Corporate governance

For a detailed description of the work of the Board of Directors, corporate governance and systems for internal control see the Corporate governance report on pages 211-225.

## Remuneration policy for executive management

For information on the latest adopted Remuneration Policy containing guidelines for determining salaries and other compensation to senior officers, see note 9.

The Board of Directors hereby proposes that the Annual General Meeting decide to adopt the following changes in the Remuneration Policy regarding guidelines for remuneration to senior officers:

### Basic principles

The Remuneration Policy will contribute to the company's business strategy, long-term value growth and sustainability. This is ensured through the basic principles by:

- offering remuneration based on market terms so that Peab can attract and retain competent executive management. Remuneration levels are regularly compared with other companies active in the same markets to ensure that remuneration is on market terms.
- offering long-term incentive programs and bonus programs focused on the company's business strategy, long-term goals and sustainability.
- annually reviewing individual performances and goal achievement in relation to the company's financial and non-financial targets.

The basic principles ensure that the company has the right competence in executive management through remuneration on market terms as well as incentive programs and bonus programs focused on (profit/loss metric) business strategies, a long-term perspective and sustainability.

## Expectations concerning future development

### Sweden

The Swedish GNP is believed to have grown by 0.7 percent in 2024 and growth is estimated at a bit over 2 percent in 2025. The Riksbank has successively lowered the repo rate from 4.0 to 2.25 percent. The recession in the Swedish economy will most likely continue until the end of 2026. Households, which should be the engines of recovery, are still cautious. Housing construction contracted in 2024 where the construction of single homes appeared to have declined dramatically while apartment building construction probably just leveled out. Housing construction is expected to grow in 2025 but from a low level. In other building construction it looks like private and public premise construction, including industry's building construction, grew last year. Growth is expected to continue in 2025 but at a lower rate. Building construction investments are affected positively by a slowdown in inflation, lower interest rates and the government's expansive finance policy but they are dampened by unemployment and several years of significantly higher construction costs. Civil engineering construction appears to have grown on a broad front in 2024 and this is expected to continue in 2025.

### Norway

The Norwegian mainland economy was squeezed in 2024 by high interest rates, high inflation and low international demand. Norway's GNP is believed to have grown by 0.8 percent in 2024 and calculated growth in 2025 is 1.7 percent. Gross investments have fallen while household consumption appears to have increased. Housing construction is expected to have contracted in 2024 but growth is forecasted in 2025 supported by lower interest rates. Private investments seem to have diminished in other building construction last year while the public sector grew. Total premise construction, including industry, contracted in 2024 but is expected to grow in 2025 as the economy recovers. Civil engineering construction is expected to have grown slightly in 2024 due to a recovery in roads and railroads and will likely have about the same investment volume in 2025.

### Finland

The Finnish GNP is expected to have contracted by 0.5 percent in 2024. Falling inflation, higher private consumption and a gradual increase in export demand are expected to support an anticipated growth of around 1.7 percent in 2025. Interest rates and unemployment probably reached their culmen last year and both are expected to decrease in 2025. Housing construction contracted slightly in 2024 as a result of fewer apartment buildings under construction. Both single homes and apartment buildings are expected to develop positively in 2025. Development in other building construction is splintered. Investments in office buildings and retail diminished in 2024 while industry and the public sector increased. All in all, investments are expected to have remained on the same level in 2024 as the previous year. A slight downturn is expected in 2025 due to industry, which most probably develop negatively, while weak growth is forecasted for the other segments. Civil engineering is expected to have decreased in 2024 due to fewer investments in railroads but there can be a slight upswing in 2025.

## Proposed dividend

The Board has proposed a dividend of SEK 2.75 (1.50) per share for 2024 divided into two payments. Excluding the 8,597,984 shares owned by Peab AB per December 31, 2024, which are not entitled to dividends, the proposed dividend is equivalent to a total dividend distribution of SEK 790 million (431). Calculated as a share of the Group's reported profit for the year after tax according to segment reporting, the proposed dividend amounts to 38 percent (30). The proposed dividend is equivalent to a direct return of 3.5 percent based on the closing price on December 31, 2024. The proposed record day for the first payment amounting to SEK 1.50 per share is May 8, 2025. The proposed record day for the second payment amounting to SEK 1.25 per share is October 28, 2025.

### Dividend

The target is surpass 50 percent of profit for the year. Measured according to segment reporting.

TARGET: >50%

OUTCOME 2024: 38%

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# 140 Income statement – the Group / Statement of comprehensive income – the Group

## Income statement – the Group

MSEK	Note	2024	2023
Net sales	3,4	61,283	61,600
Production costs	11	-55,402	-56,183
<b>Gross profit</b>		<b>5,881</b>	<b>5,417</b>
Sales and administrative expenses	11	-3,189	-3,164
Other operating income	6	482	357
Other operating costs	7	-11	-24
<b>Operating profit</b>	4,8,9,10,18,28	<b>3,163</b>	<b>2,586</b>
Financial income		259	584
Financial expenses		-642	-584
<b>Net finance</b>	12	<b>-383</b>	<b>0</b>
<b>Pre-tax profit</b>		<b>2,780</b>	<b>2,586</b>
Tax	13	-392	-598
<b>Profit for the year</b>		<b>2,388</b>	<b>1,988</b>
<b>Profit for the year attributable to:</b>			
Shareholders in parent company		2,392	1,988
Non-controlling interests		-4	0
<b>Profit for the year</b>		<b>2,388</b>	<b>1,988</b>
Profit per share before and after dilution, SEK	14	8.32	6.92

## Statement of comprehensive income – the Group

MSEK	Note	2024	2023
<b>Profit for the year</b>		<b>2,388</b>	<b>1,988</b>
<b>Other comprehensive income</b>			
<b>Items that have been reclassified or can be reclassified to profit for the year</b>			
Translation differences when translating foreign operations for the year		41	-145
Change for the year in fair value of cash flow hedges		13	18
Shares in joint ventures ´ other comprehensive income		-8	-4
Tax referring to items that have been reclassified or can be reclassified to profit for the year	13	-3	-4
<b>Other comprehensive income for the year</b>		<b>43</b>	<b>-135</b>
<b>Total comprehensive income for the year</b>		<b>2,431</b>	<b>1,853</b>
<b>Total comprehensive income for the year attributable to:</b>			
Shareholders in parent company		2,435	1,854
Non-controlling interests		-4	-1
<b>Total comprehensive income for the year</b>		<b>2,431</b>	<b>1,853</b>

**Balance sheet – the Group**

<b>MSEK</b>	<b>Note</b>	<b>Dec 31 2024</b>	<b>Dec 31 2023</b>
<b>Assets</b>			
Intangible assets	15	3,727	3,789
Tangible assets	16, 28	7,653	8,333
Investment property	17, 28	59	61
Participation in joint ventures	18	2,796	2,784
Securities held as fixed assets	32,33	45	46
Interest-bearing long-term receivables	20,32,33	516	1,293
Deferred tax recoverables	13	48	97
Other long-term receivables	21	48	27
<b>Total fixed assets</b>		<b>14,892</b>	<b>16,430</b>
Project and development properties	22, 28	18,342	18,061
Inventories	23	1,612	1,705
Accounts receivable	24,32,33	6,981	6,854
Interest-bearing current receivables	20,32,33	1,127	1,345
Tax assets		23	38
Worked-up not invoiced income	3	2,015	2,062
Prepaid expenses and accrued income	25	902	899
Other current receivables	21	396	539
Liquid funds	32,33	1,478	1,243
<b>Total current assets</b>		<b>32,876</b>	<b>32,746</b>
<b>Total assets</b>		<b>47,768</b>	<b>49,176</b>
<b>Equity</b>			
	26		
Share capital		1,584	1,584
Other contributed capital		2,576	2,576
Reserves		94	52
Profit brought forward including profit for the year		12,228	10,241
<b>Equity attributable to shareholders in parent company</b>		<b>16,482</b>	<b>14,453</b>
Non-controlling interests		22	17
<b>Total equity</b>		<b>16,504</b>	<b>14,470</b>
<b>Liabilities</b>			
Interest-bearing long-term liabilities	27,32,33	6,094	7,046
Interest-bearing long-term liabilities, project financing	27,32,33	53	193
Other long-term liabilities	30,32	164	257
Deferred tax liabilities	13	544	623
Provisions	29	1,493	1,748
<b>Total long-term liabilities</b>		<b>8,348</b>	<b>9,867</b>
Interest-bearing current liabilities	27,32,33	5,368	4,246
Interest-bearing current liabilities, project financing	27,32,33	2,859	6,933
Accounts payable	32,33	4,096	4,897
Tax liabilities		215	118
Invoiced income not worked-up	3	4,097	3,500
Accrued expenses and deferred income	31	3,624	3,244
Other current liabilities	30,33	2,272	1,678
Provisions	29	385	223
<b>Total current liabilities</b>		<b>22,916</b>	<b>24,839</b>
<b>Total liabilities</b>		<b>31,264</b>	<b>34,706</b>
<b>Total equity and liabilities</b>		<b>47,768</b>	<b>49,176</b>

## Report on changes in equity – the Group

MSEK	Equity attributable to owners in parent company					Total	Non-controlling interests	Total equity
	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Profit brought forward including profit for the year			
<b>Opening balance equity 2023-01-01</b>	<b>1,584</b>	<b>2,576</b>	<b>186</b>	<b>19</b>	<b>9,403</b>	<b>13,768</b>	<b>18</b>	<b>13,786</b>
<b>Total comprehensive income for the year</b>								
Profit for the year					1,988	1,988	0	1,988
Other comprehensive income for the year			-144	10		-134	-1	-135
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-144</b>	<b>10</b>	<b>1,988</b>	<b>1,854</b>	<b>-1</b>	<b>1,853</b>
Cash flow hedge transferred to cost of inventory				-24		-24		-24
Tax on cash flow hedge				5		5		5
<b>Contribution from, and value transferred to, owners</b>								
Cash dividend					-1,150	-1,150		-1,150
<b>Total contribution from, and value transferred to, owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1,150</b>	<b>-1,150</b>	<b>-</b>	<b>-1,150</b>
<b>Closing balance equity 2023-12-31</b>	<b>1,584</b>	<b>2,576</b>	<b>42</b>	<b>10</b>	<b>10,241</b>	<b>14,453</b>	<b>17</b>	<b>14,470</b>
<b>Opening balance equity 2024-01-01</b>	<b>1,584</b>	<b>2,576</b>	<b>42</b>	<b>10</b>	<b>10,241</b>	<b>14,453</b>	<b>17</b>	<b>14,470</b>
<b>Total comprehensive income for the year</b>								
Profit for the year					2,392	2,392	-4	2,388
Other comprehensive income for the year			41	2		43	0	43
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>2</b>	<b>2,392</b>	<b>2,435</b>	<b>-4</b>	<b>2,431</b>
Cash flow hedge transferred to cost of inventory				-1		-1		-1
Tax on cash flow hedge				0		0		0
<b>Contribution from, and value transferred to, owners</b>								
Cash dividend					-431	-431		-431
New issues							9	9
Share-based payments settled with equity instruments					26	26		26
<b>Total contribution from, and value transferred to, owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-405</b>	<b>-405</b>	<b>9</b>	<b>-396</b>
<b>Closing balance equity 2024-12-31</b>	<b>1,584</b>	<b>2,576</b>	<b>83</b>	<b>11</b>	<b>12,228</b>	<b>16,482</b>	<b>22</b>	<b>16,504</b>

**Cash flow statement – the Group**

<b>MSEK</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Current operations</b>	37		
Pre-tax profit		2,780	2,586
Adjustments for non-cash items		1,117	1,172
Income tax paid		-234	-473
<b>Cash flow from current operations before working capital changes</b>		<b>3,663</b>	<b>3,285</b>
<b>Cash flow from changes in working capital</b>			
Increase (-) /Decrease (+) project and development properties		1,184	862
Increase (-) /Decrease (+) inventories		114	-152
Increase (-) /Decrease (+) current receivables		8	1,269
Increase (+) /Decrease (-) current liabilities		530	-1,348
<b>Cash flow from changes in working capital</b>		<b>1,836</b>	<b>631</b>
<b>Cash flow from current operations</b>		<b>5,499</b>	<b>3,916</b>
<b>Investment operations</b>			
Sale of subsidiaries/businesses, net effect on liquid funds		28	50
Acquisition of intangible assets		-17	-64
Acquisition of tangible assets		-579	-1,256
Sale of tangible assets		245	254
Acquisition of investment property		-	-3
Acquisition of financial assets		-336	-397
Sale of financial assets		1,904	155
<b>Cash flow from investment operations</b>		<b>1,245</b>	<b>-1,261</b>
<b>Cash flow before financing</b>		<b>6,744</b>	<b>2,655</b>
<b>Financing operations</b>			
Raised loans		3,393	6,719
Loan amortization		-5,728	-6,613
Raised bonds		1,500	514
Bond amortization		-850	-200
Leasing liabilities amortization		-721	-703
Raised loans Swedish tenant-owner associations		1,766	2,962
Loan amortization Swedish tenant-owner associations		-5,558	-4,806
Change in issued commercial papers		109	356
Shareholder contribution non-controlling interest		2	-
Dividend distributed to shareholders in parent company		-431	-1,150
<b>Cash flow from financing operations</b>		<b>-6,518</b>	<b>-2,921</b>
<b>Cash flow for the year</b>		<b>226</b>	<b>-266</b>
Cash at the beginning of the year		1,243	1,506
Exchange rate differences in cash		9	3
<b>Cash at year-end</b>		<b>1,478</b>	<b>1,243</b>

## Note 1 Accounting principles

The consolidated accounts comprise the parent company Peab AB, its subsidiaries and joint arrangements. Peab AB is a Swedish registered limited company domiciled in Båstad. Peab AB's shares are registered on Nasdaq Stockholm. Its headquarters are located at Margretetorp svägen 84, 269 73 Förslöv, Sweden.

### Compliance with standards and legislation

The consolidated accounts have been drawn up in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) which have been adopted by EU. In addition, the Council for Sustainability and Financial Reporting Board recommendation RFR 1 Supplementary accounting rules for groups has also been applied.

The Annual Report and the consolidated accounts have been approved of by the Board of Directors and Chief Executive Officer for publication on March 28, 2025. The Group consolidated income statement and balance sheet and the parent company income statement and balance sheet will be presented for adoption by the AGM on May 6, 2025.

The Group describes the most important accounting principles together with each note in order to provide greater comprehension of the respective accounting area. The Group focuses on describing the accounting choices that it has made within the framework for the applicable IFRS standard and avoids repeating paragraph text from the standard unless it is considered material to understanding the contents of the note. See the table below to see in which note the respective accounting principle can be found, along with the applicable IFRS standard that is considered to have a material impact.

### Valuation basis

Assets and liabilities are recognized at historical acquisition values except for certain financial assets and liabilities which are assessed at fair value. Financial assets and liabilities valued at fair value consist of derivatives, contingent considerations and shares and holdings that are not subsidiaries or joint arrangements.

### Classification

Fixed assets consist of amounts which are expected to be recovered or paid more than twelve months after the balance sheet date. Long-term liabilities consist of amounts which are due for payment more than twelve months after the balance sheet date as well as other amounts the company has an unconditional right to defer payment on until a point in time more than twelve months after the balance sheet date. Other assets and liabilities are recognized as current assets and current liabilities. Inventories in the form of project and development properties with a normal operating cycle that is longer than twelve months are also recognized as current assets.

Liabilities attributable to our own developed property projects with a normal operating cycle that is longer than twelve months are recognized as current assets.

### Consolidation principles

The consolidated accounts comprise the parent company Peab AB, its subsidiaries and joint arrangements. In addition, the consolidated accounts also comprise Swedish tenant-owner associations and our own housing developments, Norwegian condominiums and share housing and Finnish residential limited companies up to the time the final homebuyers take over their apartments.

### Functional currency and translation of foreign currency

The parent company's functional currency is the Swedish krona, which is also the currency in which the accounts of the parent company and the Group are reported. Unless otherwise indicated all amounts are rounded off to the nearest million.

### Transactions in foreign currency

Transactions in foreign currency are translated to the functional currency at the exchange rate on the transaction date. Exchange rate differences referring to operations are net recognized in other operating income or other operating costs. Exchange rate differences referring to receivables and liabilities are net recognized as financial income or financial costs.

### Foreign company financial reports

Assets and liabilities in foreign entities including goodwill and other Group deficit and surplus values are translated from the foreign company's functional currency to the Group's reporting currency, Swedish kronor, at the exchange rate on balance sheet day. Revenue and costs in a foreign entity are translated to Swedish kronor at an average rate that approximates the rates on the respective transaction dates. Translation differences arising when translating the currency of foreign companies are recognized in other comprehensive income and are accumulated in a separate component in equity as a translation reserve.

### Net investment in a foreign company

Translation differences arising from the translation of a foreign net investment are recognized via other comprehensive income in the translation reserve in equity. Translation differences also comprise exchange rate differences from loans which form a part of the parent company's investment in foreign subsidiaries (so-called extended investment). When a foreign subsidiary is divested, the accumulated translation differences attributable to the company are reclassified from equity to profit/loss for the year.

### Property

Group property holdings are recognized as follows:

- Operations property among fixed assets, see note 16. This refers to property used in Group operations and consists of office and production buildings and other operations property.
- Investment property among fixed assets, see note 17.
- Project and development properties as inventory among current assets, see note 22.

### Amended accounting principles

#### Changed IFRSs applied as of 2024

Group accounting principles are unchanged compared to the annual accounts for 2023. The amended IFRSs applied as of 2024 have not had any material effect on Group accounting.

### Coming changes in accounting principles

#### New IFRSs and interpretations that have not yet been applied

##### IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024 the IASB issued IFRS 18 which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation in the income statement, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses in the income statement into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.



In addition, narrow scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method from 'profit or loss' to 'operating profit or loss' and removing the optionality in classification of cash flows from dividends and interest. As a result of this there are consequential amendments to several other standards.

IFRS 18 and the amendments to the other standards apply for reporting periods beginning on or after January 1, 2027 but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all the consequences the amendments will have on the primary financial statements and notes to the financial statements.

#### Other

New and amended IFRSs together with interpretations that have been adopted by IASB are not expected to have any material effect on Group accounting.

Accounting principles	Note		IFRS-standard
Revenue	3	Revenue	IFRS 15, IFRS 16
Operating segments	4	Operating segments	IFRS 8
Business combinations	5	Business combinations	IFRS 3
Remuneration to employees	9	Employees, personnel costs and remuneration to senior officers	IAS 19
Share-related remuneration	9	Employees, personnel costs and remuneration to senior officers	IFRS 2
Borrowing costs	12	Net financial income/expenses	IAS 23
Taxes	13	Taxes	IAS 12
Intangible assets	15	Intangible assets	IAS 38
Tangible assets	16	Tangible assets	IAS 16
Investment property	17	Investment property	IAS 40
Information on participations in other companies	18	Participation in joint ventures	IFRS 12
Information on participations in other companies	19	Joint operations	IFRS 12
Inventories	22	Project and development properties	IAS 2
Inventories	23	Inventories	IAS 2
Leasing agreement	28	Leasing	IFRS 16
Provisions	29	Provisions	IAS 37
Financial instruments	32	Classification and valuation of financial assets and liabilities	IFRS 9
Financial instruments	33	Financial risks and Finance Policy	IFRS 9
Contingent liabilities	35	Pledged assets, contingent liabilities and contingent assets	IAS 37

## Note 2 Important estimates and assessments

Executive management has together with the Board of Directors discussed developments, choices and disclosures regarding the Group's important accounting principles and assessments, as well as the application of these principles.

The sources of uncertainty in estimations and critical assessments that have been identified and which fulfil these criteria are presented with the items that they might have an impact on. The table below shows where these description are found.

Peab's operative operations are sensitive to changes in, among other things, volumes and margins. The financial risks are associated with tied up capital, the need for capital, the interest rate risk and the currency risk in operations. Peab's business is also exposed to risks linked to the environment and climate. For more information see the section Risks and risk management in The Board of Directors' Report and Climate risks in the Climate Change section on pages 52-58 (ESRSE1). Peab's assessment is that there is no significant risk to the reported values of assets and provisions related to environmental and climate risks in the coming financial year.

For information on how changes in important variables affect the Group's result, see the sensitivity analysis in Risks and risk management in The Board of Directors' Report.

Important estimates and assessments	Note	
Construction contracts recognized over time	3	Revenue
Impairment tests of goodwill	15	Intangible assets
Project and development property	22	Project and development property
Arbitration decision in the case Mall of Scandinavia	20	Interest-bearing receivables
Disputes	29	Provisions

## Note 3 Revenue

### Accounting principles

The Group recognizes revenue when the Group meets a performance obligation, which happens when a promised product or service is delivered to the customer and the customer takes control over the product or service. Control of a performance obligation can be transferred over time or at a certain point in time. The revenue consists of the amount the Group expects to receive as compensation for the transferred goods or services. The Group's revenue primarily consists of the following revenue flows: Construction contracts, Sales of goods, Sales of property projects, Transportation services, Rent revenue and Other revenue. Rent revenue is recognized according to IFRS 16 while the other revenue flows are recognized according to IFRS 15.

Revenue recognition requires assessing the facts and relationships in each contract at the same time legal aspects must be taken into account. These assessments primarily concern identification of one or more performance obligations, any variable compensation and whether or not the revenue is recognized over time or at one point in time and at what point in time the revenue is recognized.

The following principles are applied on each revenue flow.

#### Construction contracts

Revenue from construction contracts comes from business areas Construction, Civil Engineering and from parts of business area Industry.

A contract exists when enforceable rights and obligations occur for the Group as well as the customer. These rights and obligations normally occur when both parties sign the contract. In the case of a framework agreement without guaranteed volumes a contract exists with a customer first when the customer places an order or makes a call-off based on the framework agreement's terms since it is at that point in time enforceable rights and obligations occur for the Group and the customer. In certain situations two or more contracts are combined into one contract if they are negotiated as a package with a single commercial purpose, if the price in one contract is dependent on the price or performance in the other contract or if the goods and services promised in the contracts constitute a single performance obligation.

Recognition of revenue due to contract changes related to changes or additional work, compensation for shortcomings in procurement conditions and such does not begin until enforceable rights and obligations occur between the Group and the customer. This normally occurs when both parties have agreed on a change in the contract and there is a legal right to payment. Contract changes are normally recognized as if they were a part of the existing contract.

A determination is made for every contract or combined contract on whether one or more performance obligations exist. Some contracts include several different performance obligations such as a construction contract and operation and maintenance contract. Since operation and maintenance are not dependent on the construction contract that is recognized as a separate performance obligation. In cases where the contracts contain several performance obligations the transaction price is divided into each separate performance obligation based on their stand-alone sales prices. Normally a construction contract constitutes only one performance obligation.

In certain transactions two contracts are signed between Peab and the customer at the same time, a sale of land contract and a construction contract. Both these contracts are contingent on each other and treated in accounting as a single contract. The combined contract comprises a single performance obligation where land and construction are input in the process of delivering a completed new building.

The transaction price in each contract with the customer consists normally of fixed amounts, variable amounts or a combination thereof. To the extent that the transaction price includes variable compensation amounts the transaction price consists of an estimated anticipated value. Variable compensation is only recognized when it is very likely that a material reversal of accumulated income will not occur when uncertainty ceases and the compensation sum becomes definite.

Revenue from construction contracts is recognized over time since Peab performs the work on the customer's land or the asset or service does not create any alternative use for Peab and where Peab has the right to compensation including a margin for the performance reached at specific points in time. This means that control is transferred over time which is why the income is recognized over time. In addition to construction contracts some other contracts for services such as operation contracts exist. Control is also transferred over time in these contracts since the customer consumes the service at the same time it is received. This revenue is primarily recognized through the input method based on the worked-up rate in each project. This means that expenses are recognized as costs when they occur and the worked-up rate is determined on the basis of project costs in relationship to the project's calculated total expenses, which mirrors how control is transferred to the buyer and how the Group's lowest right to compensation including a margin from customers is worked-up. This is the basis of revenue recognition. For some parts of business area Industry revenue from construction contracts is recognized according to the output method after units are delivered.

Recognition over time entails some uncertainty since unforeseen events can occur leaving the final level of profit/loss higher or lower than expected. The degree of uncertainty is higher at the start of a project, particularly in projects spanning over a long period of time. Reviews of a project's total estimated revenue and expenses are performed regularly during the entire production period.

Fearful losses are charged to income as soon as they become known, and these amounts charge profit/loss.

Construction contracts are recognized on the balance sheet project by project either as Worked-up not invoiced revenue under current assets or as Invoiced revenue not worked-up under current liabilities. Projects with higher worked-up revenue than invoiced are recognized as assets while projects which have been invoiced in excess of the worked-up revenue are recognized as liabilities. The not worked-up part of a feared loss is recognized as a provision.

No financial component is presumed to exist at the point in time of invoicing since credit periods are normally short. Payment is usually due in 30 days. The Group's obligation to remediate errors and shortcomings regarding finished projects are recognized as provisions. The warranty period is normally two to five years.

#### Sales of goods

Revenue from the sales of goods comes primarily from business area Industry and is recognized at the point in time the product is transferred to the customer.

#### Sales of property projects

##### Own housing development projects

Own housing development projects are tenant-owner associations and our single homes in Sweden, Norwegian condominiums and share housing and Finnish residential limited companies that are consolidated in Group accounting until the construction contracts are completed, the final inspection conducted and the final homebuyers take over their apartments. Consolidation means that expenses in the housing projects are recognized as work-in-progress on the Group's balance sheet under Project and development property and loans to finance housing projects are recognized as interest-bearing liabilities (project financing). When consolidation ends revenue is recognized based on the sold, and by the final customer, taken over apartments. By gaining access to an apartment acquired from Peab the final customer takes control over it. Revenue is therefore recognized at the point in time each final customer takes over their apartment. Apartments not sold or repurchased by Peab according to contracted guarantees regarding repurchasing are recognized as Project and development property at the Group cost.

**Sales of property**

In this revenue flow revenue is recognized from project and development property, operations property and investment property, primarily in business area Project Development. These sales are either direct sales of the asset or via the sale of shares. The underlying sales value of project and development property sold in the form of a company via shares is recognized as net sales. The net profit effect from the sales of operations property or investment property is recognized as Other operating income or Other operating costs.

Revenue from the sales of property is recognized at one point in time, normally on the takeover date when control is transferred to the customer. The transaction price is fixed although there can be instances of variable compensation such as rent guarantees in the case of unrented space and operation guarantees.

**Transportation services**

Revenue from transportation services comes primarily from business area Industry and is recognized at the point in time the transportation/service is carried out.

**Rent revenue**

Rent revenue from investment property as well as from cranes and machinery is recognized linearly over the contract period. Rent rebates are spread linearly as a reduction in rent over the contract period, except for rebates given because certain factors temporarily curtail a renter's ability to fully utilize an already rented premise (for example, delayed customization to a renter). These rebates are recognized during the period the curtailment exists.

**Other revenue**

Other revenue refers to administrative revenue as well as various other revenue. This revenue is recognized both over time and at one point in time based on when control is transferred from Peab to the customer.

**Differences in segment reporting and reporting according to IFRS**

For information regarding differences in accounting principles see note 4 Operating segments.

**Important estimates and assessments****The most important sources of uncertainty in estimates**

The recognized profit/loss in an ongoing construction project is produced over time based on the project's degree of completion. This requires that project income and project costs can be reliably calculated. This requires well-functioning systems for calculations, forecasting and monitoring projects. The forecast for the project's final outcome is a critical assessment

that is material for profit/loss reporting during the course of the project. Project forecasts are regularly evaluated during the course of the project and adjusted as needed. Evaluations are made quarterly at the least. There is a risk that the final result for the project can deviate both positively and negatively from the reported result over time.

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Jan-Dec 2024, MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles <sup>1)</sup>	Group IFRS
<b>Allocation per external/internal</b>									
External sales	21,290	15,384	17,725	4,243	55		58,697	2,586	61,283
Internal sales	2,527	1,155	3,823	27	1,295	-8,827	-		-
<b>Total</b>	<b>23,817</b>	<b>16,539</b>	<b>21,548</b>	<b>4,270</b>	<b>1,350</b>	<b>-8,827</b>	<b>58,697</b>	<b>2,586</b>	<b>61,283</b>
<b>Allocation per country</b>									
Sweden	18,405	14,510	12,299	3,363	1,075	-7,975	41,677	2,166	43,843
Norway	2,872	2,028	1,549	372	131	-535	6,417	403	6,820
Finland	2,540	1	6,248	535	143	-314	9,153	17	9,170
Denmark			1,440		1	-3	1,438		1,438
Other			12				12		12
<b>Total</b>	<b>23,817</b>	<b>16,539</b>	<b>21,548</b>	<b>4,270</b>	<b>1,350</b>	<b>-8,827</b>	<b>58,697</b>	<b>2,586</b>	<b>61,283</b>
<b>Allocation per type of customer</b>									
Public sector	12,884	12,222	7,045	382	45		32,578		32,578
Private customers	8,406	3,162	10,680	3,861	10		26,119	2,586	28,705
Internal customers	2,527	1,155	3,823	27	1,295	-8,827	-		-
<b>Total</b>	<b>23,817</b>	<b>16,539</b>	<b>21,548</b>	<b>4,270</b>	<b>1,350</b>	<b>-8,827</b>	<b>58,697</b>	<b>2,586</b>	<b>61,283</b>
<b>Allocation per point in time</b>									
At one point in time	66	26	6,227	1,599	58	-1,141	6,835	5,127	11,962
Over time	23,738	16,499	13,288	2,561	1,065	-6,124	51,027	-2,541	48,486
Rent revenue <sup>2)</sup>	13	14	2,033	110	227	-1,562	835		835
<b>Total</b>	<b>23,817</b>	<b>16,539</b>	<b>21,548</b>	<b>4,270</b>	<b>1,350</b>	<b>-8,827</b>	<b>58,697</b>	<b>2,586</b>	<b>61,283</b>
<b>Allocation per type of revenue</b>									
Construction contracts	23,738	16,499	13,288	2,561	38	-5,097	51,027	-2,541	48,486
Sales of goods			4,890			-817	4,073		4,073
Sales of property projects				1,573			1,573	5,127	6,700
Transportation services			1,218			-290	928		928
Administrative services					1,027	-1,027	-		-
Rent revenue <sup>2)</sup>	13	14	2,033	110	227	-1,562	835		835
Other	66	26	119	26	58	-34	261		261
<b>Total</b>	<b>23,817</b>	<b>16,539</b>	<b>21,548</b>	<b>4,270</b>	<b>1,350</b>	<b>-8,827</b>	<b>58,697</b>	<b>2,586</b>	<b>61,283</b>

<sup>1)</sup> Refers to differences in accounting principles regarding our own housing development projects. In segment reporting revenue is recognized over time while in reporting according to IFRS it is at the time of possession.

<sup>2)</sup> Rent revenue is recognized according to IFRS 16.

Jan-Dec 2023, MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Differences in accounting principles <sup>1)</sup>	Group IFRS
<b>Allocation per external/internal</b>									
External sales	23,195	13,786	16,086	5,695	59		58,821	2,779	61,600
Internal sales	4,585	1,378	3,876	27	1,428	-11,294	-		-
<b>Total</b>	<b>27,780</b>	<b>15,164</b>	<b>19,962</b>	<b>5,722</b>	<b>1,487</b>	<b>-11,294</b>	<b>58,821</b>	<b>2,779</b>	<b>61,600</b>
<b>Allocation per country</b>									
Sweden	20,250	13,692	12,272	4,331	1,169	-9,633	42,081	857	42,938
Norway	4,236	1,472	1,588	357	159	-749	7,063	261	7,324
Finland	3,294		4,934	1,034	158	-910	8,510	1,661	10,171
Denmark			1,145		1	-2	1,144		1,144
Other			23				23		23
<b>Total</b>	<b>27,780</b>	<b>15,164</b>	<b>19,962</b>	<b>5,722</b>	<b>1,487</b>	<b>-11,294</b>	<b>58,821</b>	<b>2,779</b>	<b>61,600</b>
<b>Allocation per type of customer</b>									
Public sector	12,047	10,847	5,475	47	47		28,463	-32	28,431
Private customers	11,148	2,939	10,611	5,648	12		30,358	2,811	33,169
Internal customers	4,585	1,378	3,876	27	1,428	-11,294	-		-
<b>Total</b>	<b>27,780</b>	<b>15,164</b>	<b>19,962</b>	<b>5,722</b>	<b>1,487</b>	<b>-11,294</b>	<b>58,821</b>	<b>2,779</b>	<b>61,600</b>
<b>Allocation per point in time</b>									
At one point in time	51	20	6,387	1,785	84	-1,129	7,198	6,807	14,005
Over time	27,717	15,131	11,392	3,820	1,193	-8,490	50,763	-4,028	46,735
Rent revenue <sup>2)</sup>	12	13	2,183	117	210	-1,675	860		860
<b>Total</b>	<b>27,780</b>	<b>15,164</b>	<b>19,962</b>	<b>5,722</b>	<b>1,487</b>	<b>-11,294</b>	<b>58,821</b>	<b>2,779</b>	<b>61,600</b>
<b>Allocation per type of revenue</b>									
Construction contracts	27,717	15,131	11,392	3,820	77	-7,374	50,763	-4,028	46,735
Sales of goods			5,036			-790	4,246		4,246
Sales of property projects				1,743			1,743	6,807	8,550
Transportation services			1,205			-273	932		932
Administrative services					1,116	-1,116	-		-
Rent revenue <sup>2)</sup>	12	13	2,183	117	210	-1,675	860		860
Other	51	20	146	42	84	-66	277		277
<b>Total</b>	<b>27,780</b>	<b>15,164</b>	<b>19,962</b>	<b>5,722</b>	<b>1,487</b>	<b>-11,294</b>	<b>58,821</b>	<b>2,779</b>	<b>61,600</b>

<sup>1)</sup> Refers to differences in accounting principles regarding our own housing development projects. In segment reporting revenue is recognized over time while in reporting according to IFRS it is at the time of possession.

<sup>2)</sup> Rent revenue is recognized according to IFRS 16.

## Remaining performance obligations

	Coming financial year	Next financial year	Thereafter	Total
<b>2024-12-31, MSEK</b>				
Construction	15,723	5,688	1,777	23,188
Civil Engineering	11,065	5,610	3,178	19,853
Industry	3,145	1,137	0	4,282
Project Development	1,082	429	25	1,536
Eliminations	-2,740	-1,000	-213	-3,953
<b>Total, segment reporting</b>	<b>28,275</b>	<b>11,864</b>	<b>4,767</b>	<b>44,906</b>
Adjustment housing	157	-273	379	263
<b>Total, IFRS</b>	<b>28,432</b>	<b>11,591</b>	<b>5,146</b>	<b>45,169</b>
<b>2023-12-31, MSEK</b>				
Construction	16,186	6,181	2,102	24,469
Civil Engineering	8,575	3,938	1,392	13,905
Industry	3,191	763	-	3,954
Project Development	1,405	215	0	1,620
Eliminations	-3,791	-1,014	-83	-4,888
<b>Total, segment reporting</b>	<b>25,566</b>	<b>10,083</b>	<b>3,411</b>	<b>39,060</b>
Adjustment housing	2,002	980	-	2,982
<b>Total, IFRS</b>	<b>27,568</b>	<b>11,063</b>	<b>3,411</b>	<b>42,042</b>

## Worked-up not invoiced income

MSEK	2024	2023
Worked-up income on incomplete contracts	32,824	40,519
Invoiced sales on incomplete contracts	-30,809	-38,457
<b>Total</b>	<b>2,015</b>	<b>2,062</b>

## Invoiced income not worked-up

MSEK	2024	2023
Invoiced sales on incomplete contracts	53,082	47,555
Worked-up income on incomplete contracts	-48,985	-44,055
<b>Total</b>	<b>4,097</b>	<b>3,500</b>

## Change in contract balances

	2024		2023	
MSEK	Worked-up not invoiced income	Invoiced income not worked-up	Worked-up not invoiced income	Invoiced income not worked-up
Income recognized in the period included in invoiced income not worked-up at the beginning of the period		3,500		4,033
Invoiced during the year, reduced by amounts recognized as income during the year		-4,097		-3,500
Transferred from worked-up not invoiced income at the beginning of the period to accounts receivable	-2,062		-2,301	
Worked-up during the year, reduced by amounts invoiced during the year	2,015		2,062	
Exchange rate differences	-3	-1	-17	-30

Income recognized during the report period from performance obligations met during previous periods was SEK -355 million (-751).

## Note 4 Operating segments

### Accounting principles

Group operations are divided into operating segments based on how the company's highest executive decision-makers, i.e. the Board and executive management, monitor the business. Segment reporting is the model that best describes Peab's internal steering and risk profile for the business areas and the Group as a whole. The Group reports in the four business areas Construction, Civil Engineering, Industry and Project Development. The business areas are also operating segments. The Group's internal reporting is built up so that executive management monitors every business area up to and including operating profit and the operating margin. In business areas Industry and Project Management executive management also monitors development in employed capital and the return on employed capital.

Segments' operating profit includes directly attributable items and items that can be reasonably and reliably allocated to a segment. Non-allocated items consist of financial income and expenses, and taxes.

Internal prices between the Group's various segments are set according to the principle of "an arms-length distance", i.e. between parties that are independent of each other, well informed and have an interest in carrying out the transaction.

Other accounting principles than IFRSs are to some extent applied in segment reporting, as described below.

#### Differences in segment reporting and reporting according to IFRS

In Peab's construction contract operations Construction and Civil Engineering revenue and profit are recognized over time in both segment reporting and reporting according to IFRS. In business area Industry revenue and profit are both recognized over time and at one point in time and the accounting is the same in both segment reporting and reporting according to IFRS. In business area Project Development in the unit Housing Develop-

ment revenue and profit are recognized as the housing projects are successively completed in segment reporting. This is to create clarity and provide the market with the opportunity to monitor Peab's development regarding our own housing developments. This concerns Swedish tenant-owner associations and our own housing developments, Norwegian condominiums and share housing and Finnish residential limited companies. In reporting according to IFRS housing projects are recognized at the point in time the final homebuyers take over their apartments. In business area Project Development in the unit Property Development revenue and profit/loss are recognized at one point in time in both segment reporting and reporting according to IFRS.

In segment reporting leasing fees for the lessee are recognized linearly over the leasing period for leasing contracts that by the counterparty (lessor) are classified as operational leasing contracts. IFRS 16 Leases is applied in the consolidated accounts according to IFRS which entails that the lessee recognizes depreciation and interest attributable to leasing assets respectively leasing liabilities. Leasing contracts that by the counterparty (lessor) are classified as financial leasing contracts are recognized in Peab's segment reporting according to the principles that correspond with those for the lessee according to IFRS 16.

#### Financial key ratios in segment reporting

Financial key ratios such as capital employed, balance sheet total, equity, equity/assets ratio, net debt, net debt/equity ratio, cash flow before financing and earnings per share are reported in segment reporting taking into consideration the above prerequisites. Net debt according to segment reporting includes the unsold portion of housing projects in ongoing production. This is because Peab has a guarantee obligation to acquire unsold homes six months after completion.

### Operating segments

The Group consists of the following operating segments:

- **Construction:** Business area Construction comprises Group resources in construction related services. Construction works for both external and internal customers. The external customers are in both the private and public sectors. Operations are run through eleven regions in Sweden, three in Norway and two in Finland. Specialized housing production units are located in Stockholm, Gothenburg and the Öresund region. Construction maintenance operations are run in a nationwide organization in Sweden focused on the big city regions. The other regions perform all kinds of construction projects within their geographic area.
- **Civil Engineering:** Business area Civil Engineering works with the construction of large infrastructure and civil engineering projects, foundation work and smaller projects on the local market. Civil Engineering also operates and maintains roads and municipal facilities. The operations are run in geographical regions in Sweden and Norway. Customers are the Swedish Transport Administration, municipalities and local businesses.
- **Industry:** Business area Industry offers everything from mineral aggregates, concrete, paving and temporary electricity to prefabricated concrete elements. Industry also rents out cranes and equipment, distributes binder to the concrete industry, provides transportation as well as recycles construction waste and excavation soil. The business is run in six product areas; mineral aggregates, paving,

concrete, transportation and machines, rentals and construction system. All of them operate on the Nordic construction and civil engineering market. Customers are public clients and Nordic construction and civil engineering companies.

- **Project Development:** Business area Project Development comprises Peab's development of housing as well as commercial property and public buildings in Sweden, Norway and Finland. The business is run in two units, Housing Development and Property Development. Housing Development develops all kinds of housing such as tenant-owner, condominium and rental apartment buildings as well as single homes. Operations in Property Development revolve around the acquisition, development and divestiture of commercial properties. The business area has projects in wholly owned companies and joint ventures. Joint ventures include Peab's holdings in Fastighets AB Centur, Fastighets AB ML4, Skiab Invest AB and Point Hyllie Holding AB. Projects in wholly owned subsidiaries consist of a large number of holdings that include everything from land for development where zoning is in progress to completed projects ready for divestiture. Net sales and operating profit from operations are derived from running our wholly owned property, shares in the profit from joint ventures as well as capital gains from the divestiture of completed property and participations in joint ventures.

Central companies, certain subsidiaries and other holdings are reported as Group functions. Central companies consist mainly of the parent company Peab AB and Peab Finans AB.

								Differences in accounting principles <sup>1)</sup>	
	2024, MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Elimination	Group Segment	Group IFRS
1									
2									
3	External sales	21,290	15,384	17,725	4,243	55		58,697	61,283
4	Internal sales	2,527	1,155	3,823	27	1,295	-8,827	-	-
5	<b>Total revenue</b>	<b>23,817</b>	<b>16,539</b>	<b>21,548</b>	<b>4,270</b>	<b>1,350</b>	<b>-8,827</b>	<b>58,697</b>	<b>61,283</b>
6	Operating costs	-23,404	-16,052	-20,285	-3,840	-1,690	8,861	-56,410	-58,591
7	Other operating income	4	17	164	299	1	2	487	482
8	Other operating costs	-1	-5	-12	-1	-2	10	-11	-11
9	<b>Operating profit</b>	<b>416</b>	<b>499</b>	<b>1,415</b>	<b>728</b>	<b>-341</b>	<b>46</b>	<b>2,763</b>	<b>3,163</b>
10	<b>Operating margin, %</b>	<b>1.7</b>	<b>3.0</b>	<b>6.6</b>	<b>17.0</b>			<b>4.7</b>	<b>5.2</b>
11	Financial income							259	259
12	Financial expenses							-597	-642
13	<b>Pre-tax profit</b>							<b>2,425</b>	<b>2,780</b>
14	Tax							-345	-392
15	<b>Profit for the year</b>							<b>2,080</b>	<b>2,388</b>
16	Depreciation	-24	-68	-1,219	-7	-87	0	-1,405	-1,763
17	Write-downs in operating profit	-3	-22	-36	-34	1	-	-94	-101
18	Profit from Joint ventures	0	0	3	389	-4	48	436	435
19	Capital gains/losses	3	12	115	298	0	13	441	436
20	Other significant non-cash items	111	-15	-253	-124	-159	280 <sup>4)</sup>	-160	-124
21	Capital employed (closing balance)	-215	-370	9,920	19,767	-103 <sup>4)</sup>		28,999	30,878
22	Total assets							45,226	47,768
23	Equity							16,760	16,504
24	Equity/assets ratio, %							37.1	34.6
25	Net debt							9,118	11,253
26	Cashflow before financing	-3 <sup>6)</sup>	697 <sup>6)</sup>	2,324 <sup>6)</sup>	423 <sup>6)</sup>	-840 <sup>7)</sup>		2,601	6,744

<sup>1)</sup> For more information about the allocation of revenue and profit items see note 3 and the section Overview business areas and Group functions in Board of Directors' Report.

<sup>2)</sup> Refers to IFRS 16, additional leases SEK 41 million and housing projects SEK -2,222 million.

<sup>3)</sup> Refers to IFRS 16, additional leases SEK -45 million.

<sup>4)</sup> Unallocated to Group Segment.

<sup>5)</sup> Divided between IFRS 16, additional leases SEK 1,411 million and housing projects SEK 1,131 million.

<sup>6)</sup> Refers to operational cash flow. For definition, see section Alternative key figures and definitions.

<sup>7)</sup> Unallocated cash flow.



2023, MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Elimination	Group Segment	Differences in accounting principles <sup>1)</sup>	Group IFRS
External sales	23,195	13,786	16,086	5,695	59		58,821	2,779	61,600
Internal sales	4,585	1,378	3,876	27	1,428	-11,294	-		-
<b>Total revenue</b>	<b>27,780</b>	<b>15,164</b>	<b>19,962</b>	<b>5,722</b>	<b>1,487</b>	<b>-11,294</b>	<b>58,821</b>	<b>2,779</b>	<b>61,600</b>
Operating costs	-27,347	-14,728	-19,223	-5,433	-1,808	11,238	-57,301	-2,046 <sup>2)</sup>	-59,347
Other operating income	11	76	250	17	24	-21	357		357
Other operating costs	-3	-11	-27	-2	-2	21	-24		-24
<b>Operating profit</b>	<b>441</b>	<b>501</b>	<b>962</b>	<b>304</b>	<b>-299</b>	<b>-56</b>	<b>1,853</b>	<b>733</b>	<b>2,586</b>
<b>Operating margin, %</b>	<b>1.6</b>	<b>3.3</b>	<b>4.8</b>	<b>5.3</b>			<b>3.2</b>		<b>4.2</b>
Financial income							584		584
Financial expenses							-542	-42 <sup>3)</sup>	-584
<b>Pre-tax profit</b>							<b>1,895</b>	<b>691</b>	<b>2,586</b>
Tax							-481	-117	-598
<b>Profit for the year</b>							<b>1,414</b>	<b>574</b>	<b>1,988</b>
Depreciation	-23	-72	-1,190	-5	-73	-2	-1,365	-372	-1,737
Write-downs in operating profit	-127	-	-21	-20	1	-	-167		-167
Profit from Joint ventures	1	0	5	89	-6	-12	77	75	152
Capital gains/losses	7	60	176	17	0	-1	259		259
Other significant non-cash items	148	-13	-36	-43	-54	316 <sup>4)</sup>	318	3	321
Capital employed (closing balance)	-985	-173	10,699	18,093	5 <sup>4)</sup>		27,639	5,249	32,888
Total assets							44,295	4,881 <sup>5)</sup>	49,176
Equity							15,082	-612	14,470
Equity/assets ratio, %							34.0		29.4
Net debt							8,676	5,861	14,537
Cashflow before financing	146 <sup>6)</sup>	698 <sup>6)</sup>	1,012 <sup>6)</sup>	-2,254 <sup>6)</sup>	-919 <sup>7)</sup>		-1,317	3,972	2,655

<sup>1)</sup> For more information about the allocation of revenue and profit items see note 3 and the section Overview business areas and Group functions in Board of Directors' Report.

<sup>2)</sup> Refers to IFRS 16, additional leases SEK 37 million and housing projects SEK -2,083 million.

<sup>3)</sup> Refers to IFRS 16, additional leases SEK -42 million.

<sup>4)</sup> Unallocated to Group Segment.

<sup>5)</sup> Divided between IFRS 16, additional leases SEK 1,386 million and housing projects SEK 3,495 million

<sup>6)</sup> Refers to operational cash flow. For definition, see section Alternative key figures and definitions.

<sup>7)</sup> Unallocated cash flow.

### Comments on the tables

Group net sales for 2024 according to segment accounting amounted to SEK 58,697 million (58,821). Operating profit for 2024 was SEK 2,763 million (1,853) and the operating margin was 4.7 percent (3.2). During the year business area Project Development carried out two major transactions that contributed a total of SEK 620 million to the Group. The fourth quarter last year was charged with provisions, write-downs and restructuring costs totaling SEK 525 million, of which goodwill write-downs were SEK 125 million. Of the SEK 525 million, SEK 465 million was charged to business area Construction and SEK 60 million to Group functions. Last year included a positive effect of SEK 400 million in business area Construction resulting from arbitration in the case between Peab and Unibail-Rodamco-Westfield regarding the construction contract for Mall of Scandinavia in Solna.

In business area Construction net sales decreased by 14 percent and amounted to SEK 23,817 million (27,780). The decrease is due to less activity in new housing production that has not been fully compensated by other types of projects. Operating profit amounted to SEK 416 million (441) and the operating margin was 1.7 percent (1.6). In business area Civil Engineering net sales increased to SEK 16,539 million (15,164) and the

operating margin was 3.0 percent (3.3). Activity was high during 2024 in business area Civil Engineering in both Sweden and Norway. In business area Industry net sales increased by eight percent and amounted to SEK 21,548 million (19,962). Operating profit was SEK 1,415 million (962) and the operating margin was 6.6 percent (4.8). The improvement is due to higher earnings in paving, above all in Finland linked to the Finnish government's extra funds for road maintenance in 2024. Net sales in business area Project Development contracted and amounted to SEK 4,270 million (5,722). The decrease is related to Housing development. Operating profit amounted to SEK 728 million (304) and the operating margin was 17.0 percent (5.3). Capital gains from the divestiture of the shares in Tornet Bostadsproduktion contributed by SEK 220 million and profit contributions from joint venture company Fastighets AB Centur amounted to SEK 417 million.

### Geographic areas

Income from external customers is related to the countries customers are located in. The information concerning intangible and tangible assets is divided into the countries the assets are located in. The table below shows the amounts allocated per geographic region according to IFRS.

MSEK	Sweden		Norway		Finland		Denmark		Other markets		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
External sales	43,843	42,938	6,820	7,324	9,170	10,171	1,438	1,144	12	23	61,283	61,600
Fixed assets <sup>1)</sup>	9,784	10,075	1,322	1,677	2,848	2,922	281	293	0	0	14,235	14,967

<sup>1)</sup> Fixed assets include intangible and tangible fixed assets, investment property and shares in joint ventures

## Note 5 Business combinations

### Accounting principles

#### Business combinations

Business combinations are recognized using the purchase accounting method. The method is applied from the point in time the Group has a controlling interest over the acquisition. The purchase accounting method means acquisitions are regarded as transactions through which the Group indirectly acquires the assets of the subsidiary and takes over its liabilities. The consolidated acquisition value is calculated in an acquisition analysis in conjunction with the acquisition. The analysis establishes the acquisition value of the participations or the business and the fair value on acquisition date of the acquired identifiable assets and the liabilities taken over. If ownership and controlling interest is successive a remeasuring of previous holdings to fair value at the point in time the company gets controlling interest over the acquisition is performed and this change in value is recognized in profit/loss.

Goodwill is calculated as the sum of payment for the participations or the business in step acquisitions together with the fair value of previously acquired shares less the fair value of the subsidiary's identifiable assets and overtaken liabilities. When the difference is negative this is recognized directly in profit/loss for the year. Transaction costs for business combinations are charged upon acquisition.

Contingent considerations are measured at fair value at the time of acquisition and subsequent changes are recognized in other operating income and other operating costs.

Net assets attributable to holdings of non-controlling interest (the minority) are recognized in the Group either as the fair value of all net assets excluding goodwill or the fair value of all assets including goodwill. The choice of principle is made for each acquisition individually.

When controlling interest has been achieved the change in ownership is recognized as a transfer in equity between the parent company and the non-controlling interest, without remeasuring the subsidiary's net assets.

If partial disposal of a subsidiary results in the loss of controlling interest any residual holding is revalued to fair value and the change in value is recognized in other operating income and other operating costs.

#### Asset acquisition

A transaction where the fair value of the acquired assets in essence consists of one asset or a group of similar assets is recognized, through a simplified estimation, as an asset acquisition. When acquisitions of subsidiaries involve the acquisition of net assets without significant processes, the acquisition cost of each identifiable asset and liability is divided up based on its fair value at the time of acquisition. The fair value initially includes contingent consideration as well. Transaction costs are added to the purchase price of the acquired net assets when assets are acquired. Changes of the estimated value of contingent consideration after acquisition are added to the purchase price of the acquired assets. If the acquisition of a subsidiary is successive and is an asset acquisition no remeasuring of previous acquisitions is performed when controlling interest occurs. If the holding diminishes through partial divestiture of shares in subsidiaries and is an asset divestiture, unlike a transfer of operations, the remaining holdings are not remeasured if the remaining holdings constitute a joint venture or associated company. Holdings of non-controlling interest in subsidiaries recognized as asset acquisitions are recognized according to the same principles as for business combinations but without the inclusion of goodwill.

#### 2024

There have been no business combinations in 2024.

#### Asset acquisition

On January 1, 2024 Peab acquired 50 percent of the shares in Sicklaön Bygg Invest AB that partly and wholly owns development rights in Kvarnholmen in Nacka. Peab thereby increased its ownership from 50 to 100 percent. Sicklaön Bygg Invest AB has more than 270 zoning approved, wholly owned development rights for a gross area of 26,000 m<sup>2</sup>. In addition, the company owns 50 percent of the shares in Kvarnhomen Utveckling AB that has an ongoing zoning process for more than 120,000 m<sup>2</sup> housing development rights.

On November 1, 2024 Peab acquired four investment properties in Varvstaden, Malmö for SEK 784 million and development properties with about 280,000 m<sup>2</sup> of planned development rights for SEK 1,239 million. The acquisition also included an ongoing development project, Hall 259 with 11,000 m<sup>2</sup> leasable area and 550 parking spaces, which will be completed in 2027. Peab also acquired an investment property in Kirseberg-Östervärn area in Malmö for SEK 68 million. All in all the acquisitions amounted to SEK 2,091 million.

These two acquisitions resulted in a cash flow of SEK 208 million.

#### 2023

There have been no business combinations in 2023.

During the year assets have been acquired through share acquisitions (asset acquisitions that are not business combinations) which resulted in a cash flow of SEK -106 million and primarily refer to project and development properties with development rights in Sweden and Norway.

#### Acquisitions after the balance sheet date

No substantial acquisitions have been made during 2025 as of the presentation of these financial reports.

## Note 6 Other operating income

MSEK	2024	2023
Capital gains from shares sold in businesses/joint ventures	309	60
Change in fair value of contingent purchase price	-	13
Insurance compensation	9	20
Profit from sales of fixed assets	131	209
Government grants	1	21
Profit from participation in joint ventures	3	5
Other	29	29
<b>Total</b>	<b>482</b>	<b>357</b>

**Note 7 Other operating costs**

MSEK	2024	2023
Loss from sales of fixed assets	-4	-10
Exchange loss from receivables/liabilities relating to operations	-6	-6
Other	-1	-8
<b>Total</b>	<b>-11</b>	<b>-24</b>

**Note 8 Government grants**

Government grants received in 2024 in the Group amounted to SEK 20 million (22). Of these, SEK 18 million (-) has reduced the reported value of assets in the balance sheet. In the income statement SEK 1 million (1) has reduced costs and SEK 1 million (21) has been reported as other operating income.

**Note 9 Employees, personnel costs and remuneration to senior officers****Accounting principles**

Remuneration to employees and the Board of Directors consists of salaries, Board remuneration, variable remuneration, benefits, pensions and share-related remuneration.

**Share-related remuneration**

A share-related incentive program makes it possible for employees to receive shares in the company. The fair value of the allotted shares is reported as a personnel cost with a corresponding increase in equity. The fair value is calculated at the point in time the shares are allotted and is spread out over the earning period. The recognized cost corresponds to the fair value of an estimated number of shares expected to be earned, taking into consideration performance conditions that are not market conditions. This cost is adjusted in the following periods to ultimately reflect the actual number of shares earned.

Employers' contributions referring to share-related instruments for employees as remuneration for performed services are expensed over the periods the services are rendered. Provisions for employers' contributions are based on the fair value of the shares at the point in time they are reported.

**Pensions****Defined contribution pension plans**

The Group's obligations concerning contributions to defined contribution plans are expensed in profit/loss for the year as they are earned by the employee performing work for the company during the period.

**Defined benefit pension plans**

Pension plans that are not defined contribution plans are defined benefit plans, which means the employer is obligated to pay pension fees on a certain benefit level. The Group's defined benefit plans consist of the Swedish ITP 2 Plan for Salaried Staff which is managed through insurance with Alecta. The ITP 2 pension plan, which is secured through insurance from Alecta, is recognized as a defined benefit plan that encompasses several employers. However, the plan is recognized as a defined contribution plan since Alecta cannot provide the necessary information required for each member company to report its proportional share of the plan obligations, assets and expenses. There are no other defined benefit pension plans.

**Pension plans with endowment insurance**

There are pension plans where the Group has acquired endowment insurance which is hedged in favor of employees through pledges. The employees in question only have the right to compensation equal to the value of the endowment insurance at redemption. These pension plans are classified and recognized as defined contribution plans. Provisions for special payroll tax are reserved calculated on the fair value of the endowment insurance, except in cases where the contract stipulates that the endowment insurance covers special payroll tax.

**Costs for remuneration to employees**

MSEK	2024	2023
Salaries and remuneration etc.	8,481	8,578
Costs for share-related remuneration	26	-
Pension costs, defined contribution plans	984	939
Social security	2,192	2,206
<b>Total</b>	<b>11,683</b>	<b>11,723</b>

**Average number of employees**

	No. of employees 2024	Percent of which were women 2024	No. of employees 2023	Percent of which were women 2023
Sweden	9,465	15	10,197	15
Norway	1,426	11	1,674	11
Finland	1,689	13	1,633	14
Denmark	317	9	301	8
Poland	2	100	3	100
<b>Group</b>	<b>12,899</b>	<b>14</b>	<b>13,808</b>	<b>14</b>

**Gender distribution in boards and other senior officers**

	Percentage of women 2024	Percentage of women 2023
Boards <sup>1)</sup>	44	43
Other senior officers <sup>2)</sup>	27	16

<sup>1)</sup> Refers to the Board of Directors in the parent company and boards in subsidiaries.

<sup>2)</sup> Other senior officers in the Group refers to executive management along with business area management.

## Salaries and other remuneration as well as pension costs for senior officers

MSEK	Board of Directors and senior officers (16 persons)	Board of Directors and senior officers (16 persons)
	2024	2023
Salaries and other remuneration	55	41
– of which variable remuneration	12	1
Pension costs	30	20
– of which pension costs for variable remuneration	13	5

## Salaries and other remuneration for senior officers in 2024

Thousands, SEK	Basic pay/Board remuneration	Variable remuneration	LTI-program <sup>1)</sup>	Other benefits/ remunerations	Pension costs	Total
Chairman of the Board, Anders Runevad	1,415					1,415
<b>Other members of the Board</b>						
Karl-Axel Granlund	790					790
Lars Sköld	795					795
Fredrik Paulsson	790					790
Kerstin Lindell	708					708
Liselott Kilaas	707					707
Malin Persson	625					625
Magdalena Gerger	708					708
<b>Board of Directors fees, remuneration from the parent company</b>	<b>6,538</b>					<b>6,538</b>
CEO, Jesper Göransson	9,900	6,930	938	572	5,498 <sup>2)</sup>	23,838
Other senior officers, remuneration from the parent company	14,290	8,574	1,130	1,082	6,878 <sup>3)</sup>	31,954
Other senior officers, remuneration from subsidiaries	11,040	6,624	872	814	4,210 <sup>4)</sup>	23,560
<b>Total</b>	<b>41,768</b>	<b>22,128</b>	<b>2,940</b>	<b>2,468</b>	<b>16,586</b>	<b>85,890</b>
Remuneration from the parent company	30,728	15,504	2,068	1,654	12,376	62,330
Remuneration from subsidiaries	11,040	6,624	872	814	4,210	23,560

<sup>1)</sup> Estimated cost for 2024, which will be adjusted until the allocation of shares in 2027. For more information see Performance Share Program.

<sup>2)</sup> Includes fees for endowment insurance of SEK 722 thousand.

<sup>3)</sup> Includes fees for endowment insurance of SEK 543 thousand.

<sup>4)</sup> Includes fees for endowment insurance of SEK 164 thousand.

## Salaries and other remuneration for senior officers in 2023

Thousands, SEK	Basic pay/Board remuneration	Variable remuneration	LTI-program	Other benefits/ remunerations	Pension costs	Total
Chairman of the Board, Anders Runevad	1,360					1,360
<b>Other members of the Board</b>						
Karl-Axel Granlund	760					760
Lars Sköld	765					765
Fredrik Paulsson	760					760
Kerstin Lindell	680					680
Liselott Kilaas	680					680
Malin Persson	600					600
Magdalena Gerger	680					680
<b>Board of Directors fees, remuneration from the parent company</b>	<b>6,285</b>					<b>6,285</b>
CEO, Jesper Göransson	9,041	1,808	–	269	4,931 <sup>1)</sup>	16,049
Other senior officers, remuneration from the parent company	13,485	2,697	–	798	6,444 <sup>2)</sup>	23,424
Other senior officers, remuneration from subsidiaries	9,598	2,032	–	786	3,588 <sup>3)</sup>	16,004
<b>Total</b>	<b>38,409</b>	<b>6,537</b>	<b>–</b>	<b>1,853</b>	<b>14,963</b>	<b>61,762</b>
Remuneration from the parent company	28,811	4,505	–	1,067	11,375	45,758
Remuneration from subsidiaries	9,598	2,032	–	786	3,588	16,004

<sup>1)</sup> Includes fees for endowment insurance of SEK 572 thousand.

<sup>2)</sup> Includes fees for endowment insurance of SEK 445 thousand.

<sup>3)</sup> Includes fees for endowment insurance of SEK 129 thousand.

**Comments on the tables**

From time to time the CEO and other senior officers may be offered variable remuneration. Other benefits and remuneration refer primarily to company cars and vacation pay. Pension costs refer to costs charged to the year. In both 2024 and 2023 the group senior officers consisted of eight persons, of which five were in the parent company.

**The Board of Directors**

The 2024 AGM decided on a remuneration to members of the Board of SEK 6,538 thousand (6,285), of which SEK 5,625 thousand (5,400) refers to Board work and SEK 913 thousand (885) refers to committee work. Compensation for work as Chairman of the Board was SEK 1,250 thousand (1,200) and SEK 4,375 thousand (4,200) was divided among the other Board members. Compensation for work on the Remuneration Committee was SEK 248 thousand (240), SEK 248 thousand (240) for work on the Finance Committee and SEK 417 thousand (405) for work on the Audit Committee.

Remuneration is not paid to members of the Board who are permanent employees of the Group. There are no agreements for future pension/leaving remuneration or other benefits either for the Chairman of the Board or for other members of the Board.

**Principles for remuneration to senior officers**

The group senior officers is comprised of the eight senior officers who are members of executive management. The principles for remuneration to senior officers were adopted by the 2024 AGM.

Remuneration to the CEO and other senior officers consists of basic pay, any short-term incentives, extra health insurance and those benefits otherwise enjoyed by other Peab employees as well as pension. All pension obligations are defined contribution pensions. The total remuneration paid to each senior officer is based on market terms and the responsibilities and qualifications of the senior officer.

From time to time, senior officers may be offered short-term incentives. Short-term incentives may not exceed 70 percent of the basic pay of the CEO and 60 percent of the basic pay of the other members of executive management and are primarily based on the Peab Group's profitability and, from time to time, important Group targets. In 2024 Group targets were linked to Peab's external financial and non-financial targets. Short-term incentives are determined for each financial year. Short-term incentives are set for each financial year.

Short-term incentives for 2024 were maximized at SEK 6,930 thousand (5,424) for the CEO and a total of SEK 15,198 thousand (14,185) for the other senior officers.

Short-term incentives are settled the year after being earned and may either be paid out as salary or placed as pension in financial instruments connected to the Peab share. If they are paid out as a one-off defined pension contribution, adjustments are made so as to neutralize the total cost for Peab.

For the period 2021-2023 senior officers were offered to participate in a long-term incentive (LTI) program. For senior officers and the CEO the upper limit (excluding social security) was 40 percent of their annual basic pay. The result of the LTI program was placed in a pension savings in a financial instrument connected to the Peab share. The LTI program was concluded in 2024.

There is a LTI program for the period 2024-2026 for the CEO, the other members of executive management and senior managers and specialist positions in the Peab Group. The LTI program is a Performance Share Program where participants can be allocated Peab shares under the condition that Peab achieve certain predetermined performance targets by the end of the program. At the start of the program share rights were allocated to the CEO corresponding to 50 percent of his basic pay and 45 percent of their basic pay to the other members of executive management. For more information about the Performance Share Program see below.

The period of notice from Peab is, at the most, 24 months and the period of notice from senior officers is, at the most, 6 months. If severance pay is paid the total remuneration for salary during the period of notice and severance pay may not exceed 24 months wages.

**Chief Executive Officer**

The CEO of Peab AB, Jesper Göransson, has in 2024 received a salary and other remuneration, including benefits, totaling SEK 10,472 thousand (9,310). In addition, he has received short-term incentives for 2024 of SEK 6,930 thousand (1,808) as well as expensed remuneration of SEK 938 thousand related to the LTI program. Pension contributions including fees for endowment insurance for the year were SEK 5,498 thousand (4,931).

The CEO has the right to retire from the age of 62. Annual pension contributions of 47 percent of basic pay are paid to meet this pledge. These are defined contribution pensions.

Notice on the part of Peab is twelve months with a reduction for any salary from a new employer combined with a severance pay of twelve months salary. Notice on the part of the CEO is six months combined with severance pay consisting of six months salary.

**Other senior officers**

The term other senior officers refers to the seven other persons in addition to the CEO that make up Peab's executive management. Salary and other remuneration including benefits for other senior officers amounted to SEK 27,226 thousand (24,667). In addition, short-term incentives for 2024 were SEK 15,198 thousand (4,729) which were placed in pension savings in endowment insurance connected to the Peab share, alternatively paid in cash. For 2024 remuneration of SEK 2,002 thousand related to the LTI program was expensed. Pension contributions including fees for endowment insurance during the year amounted to SEK 11,088 thousand (10,032).

The pension policy for senior officers means that pension contributions are defined contributions, entailing that the total contribution was 35-47 percent of basic pay. Certain senior officers have an agreement with Peab that their employment ends the month they turn 62 years old. The other senior officers have an agreement that their employment ends the month they turn 65 years old.

Notice on the part of Peab is twelve months with a reduction for any salary from a new employer combined with severance pay consisting of six-twelve months salary. Notice on the part of the other senior officers is six months combined with severance pay consisting of six months salary.

**Performance Share Program (LTI program)**

The 2024 AGM decided in accordance with the Board of Directors' proposal for a Performance Share Program, LTI 2024, for the period 2024-2026. The program comprises around 600 people who are either in executive management, senior managers or have a specialist position in the Peab Group. The program is intended to promote achievement of Peab's strategic targets and long-term value creation.

Each nominated participant is allocated a number of share rights at the start of LTI 2024 based on their basic pay and participant category. After the vesting period the participants will receive shares in Peab free of charge contingent on meeting certain conditions. The right to receive performance shares requires that the participant has continued to be employed in the Peab Group during the vesting period.

Allocation is contingent on achievement of the target levels set by the Board for the financial years 2024-2026 regarding earnings per share (EPS) according to segment reporting and reduced carbon dioxide emissions. The performance target of earnings per share amounts to 90 percent of the performance target and is measured accumulatively over the period 2024-2026. If the minimum level in the interval for performance target EPS is not achieved the share rights do not entitle allocation of performance shares while every share right entitles to one performance share if the maximum level is achieved. Performance shares are allocated linearly between the minimum and maximum levels. The performance target of reduced carbon dioxide emissions amounts to 10 percent of the performance target and a predetermined reduction must be achieved.

By recommendation of the Board and after a decision by the AGM Peab intends to start a new three-year program annually.

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**Performance Share Program 2024-2026**

Vesting period	May 2024-May 2027
Performance target:	Formula for calculating the outcome:
1. Earnings per share according to segment reporting	Based on the outcome for period 2024-2026: SEK 13.50 generates 0% outcome, SEK 20 generates 100% outcome, linear allocation in between.
2. Carbon dioxide emissions	Less than 155,000 tons CO <sub>2</sub> e calculated on direct (Scope 1) and indirect emissions (Scope 2) based on calculation principles from the GHC protocol.
<b>Fair value per share right</b>	<b>69.45</b>

Fair value is calculated as the share price per the program's allocation date.

**Changes in the number of outstanding share rights is as follows:**

Number of share rights, performance program 2024-2026	2024
Allocated, during the period	2,217,711
Entitled to	-45,023
<b>Per December 31</b>	<b>2,172,688</b>

**Outstanding share rights at the end of the year have the following maturity date and are redeemable only after the maturity date**

Maturity date	2024
Maj 2027	2,172,688

**Cost of Performance Share Program**

MSEK	2024		
	Cost of Share program	Social security	Total
Program, 2024-2026	26	8	34
	<b>26</b>	<b>8</b>	<b>34</b>

For 2024, compensation related to LTI programs of SEK 26 million has been expensed. Provisions for social security per closing day amount to SEK 8 million.

**Profit-sharing foundation**

In 2007, Peab founded a profit-sharing foundation. The object of the profit-sharing foundation is to create greater participation through employee co-ownership and to better employees' financial situation after retirement. Individual annual shares in profits are related to the employee's profit-sharing entitling work hours. Upon retirement shareholders can withdraw their share in the foundation. Under the foundation's investment policy, its assets must be mainly invested in shares in Peab. Peab made a provision of SEK 110 million for 2024 for the profit-sharing foundation. The amount, less payroll tax, will be paid in for the employees who are part of the foundation in 2025. No provisions were made for the profit-sharing foundation for 2023.

Senior officers and other employees with other short-term incentives are not entitled to benefits from the profit-sharing foundation.

**Pensions**

**Defined benefit pension plans**

ITP 2 defined benefit plan obligations for old age pension and family pension obligations for white-collar workers in Sweden are managed through insurance from Alecta. According to a statement from the Council for Sustainability and Financial Reporting Board, UFR 10 Reporting pension plan ITP 2 which is financed through insurance from Alecta, this is a defined benefit plan that encompasses several employers. For the financial year of 2024 the company did not have the necessary information required to recognize its proportional share of the plan's obligations, plan assets and expenses which has made it impossible to recognize this plan as a

defined benefit plan. Therefore the ITP 2 pension plan which is secured through insurance from Alecta is recognized as a defined contribution plan. Premiums for the defined benefit old age and family plans are calculated individually taking into account salary, previously earned pension and anticipated remaining employment period. Anticipated premiums for the next report period for ITP 2 insurance that are covered by Alecta amount to SEK 138 million (122). The Group's share of total premiums for the plan and the Group's share of the total number of active members of the plan are 0.87 percent (0.86) respective 0.65 percent (0.68).

The collective consolidation level is made up of the market value of Alecta's assets as a percentage of the insurance obligations calculated in accordance with Alecta's insurance methods and adjustment assumptions, which are not in accordance with IAS 19. Normally the collective consolidation level is permitted to vary between 125 and 175 percent. If Alecta's collective consolidation level is less than 125 percent or exceeds 150 measures must be taken aimed at returning the consolidation level to the normal interval. If the consolidation level is low one measure may be raising the agreed price for new subscriptions and expanding existing benefits. If the consolidation level is high one measure may be implementing premium reductions. At the end of 2024, Alecta's surplus in the form of the collective consolidation level amounted to 162 percent (158).

**Defined contribution plans**

The Group has defined contribution plans which are entirely paid for by the companies. Payments to these plans are made on a current basis according to the rules of each plan.

MSEK	2024	2023
Expenses for defined contribution plans	984	939
<i>Of which ITP 2 plans financed in Alecta</i>	143	155

## Note 10 Fees and cost remuneration to accountants

MSEK	2024	2023
<b>Ernst &amp; Young AB</b>		
Audit work	20	21
Other additional audit-related work	1	1
<b>Total</b>	<b>21</b>	<b>22</b>

Audit work refers to the statutory review of the Annual Report and consolidated accounting, management by the Board of Directors and the CEO as well as auditing and other reviews performed according to agreements or contracts. This includes other work normally done by a company accountant as well as advice and other assistance stemming from observations made in connection with the above reviews or the performance of other similar work.

## Note 12 Net financial income/expenses

### Accounting principle

#### Financial income and expenses

Financial income and expenses consist of interest income on cash in bank, receivables and interest-bearing securities, interest expenses on liabilities, dividend revenues, changes in fair value of financial investments and changes in fair value of derivatives used within the financial business.

Interest income on receivables and interest expenses on liabilities are calculated in accordance with the effective interest rate method. The effective interest rate is the exact discount rate for estimated future payments and disbursements during the expected life of the financial instrument at the recognized gross value of a financial asset or the accrued acquisition value of a financial liability. Interest income and interest expenses include accrued transaction costs as well as possible discounts or premiums.

Dividend income is recognized when the right to payment is established. The results of sales of financial investments are recognized on the trade date.

Interest costs are charged to profit/loss during the period to which they refer except to the extent that they are included in an asset's acquisition value. An asset for which interest is included in the acquisition price is an asset which must necessarily require considerable time to prepare for the intended use or sale.

## Note 11 Operating costs divided by type

MSEK	2024	2023
Production costs <sup>1)</sup>	43,613	44,384
Personnel expenses	12,493	12,350
Depreciation	1,763	1,737
Write-downs	101	167
Other operating costs	621	709
<b>Total</b>	<b>58,591</b>	<b>59,347</b>

<sup>1)</sup> Included in production costs are purchased material, sub-contractors, expenses for property projects and other production costs.

MSEK	2024	2023
Interest income <sup>1)</sup>	257	583
Dividends received related to financial assets valued at fair value via profit/loss	1	0
Change in value of financial assets valued at fair value via profit/loss:		
Change in value currency swaps	1	1
<b>Financial income</b>	<b>259</b>	<b>584</b>
Interest expenses <sup>2)</sup>	-612	-518
Net exchange rate fluctuation	-1	-7
Increase during the year in discounted amounts of provisions for restoration costs	-1	0
Change in value of financial assets valued at fair value via profit/loss:		
Unlisted funds	-1	-26
Change in value currency swaps	0	-3
Other items	-27	-30
<b>Financial expenses</b>	<b>-642</b>	<b>-584</b>
<b>Net financial income/expenses</b>	<b>-383</b>	<b>0</b>

<sup>1)</sup> Refers to items valued at accrued acquisition value. In 2024 SEK 130 million (452) is related to the judgement in Mall of Scandinavia.

<sup>2)</sup> Refers to items valued at accrued acquisition value. Interest has been capitalized of SEK 383 million (523), which has reduced the item interest expenses.

## Note 13 Taxes

### Accounting principle

#### Taxes

Income tax consists of current tax and deferred tax. Income tax is recognized in profit/loss for the year except when the underlying transaction is recognized in other comprehensive income or equity, in which case the relevant tax is recognized in other comprehensive income respectively in equity.

Deferred tax is calculated according to the balance sheet method based on temporary differences between the reported and fiscal values of assets and liabilities. Valuation of deferred tax is based on how the underlying value of assets or liabilities is expected to be realized or regulated. Temporary differences for the difference generated by recognition of consolidated goodwill or the temporary difference from the acquisition of subsidiaries that are so-called asset acquisitions are not taken into account.

When shares in subsidiaries are acquired such acquisitions are either business combinations or an asset purchase. An asset purchase refers to, for example, acquiring a company that only owns one or more properties

with tenancy agreements but the acquisition does not comprise the processes required to operate a business. In business combinations deferred tax is recognized at the nominally valid tax rate with no discount according to the principles presented above. When an asset is acquired deferred tax is not recognized at the time of acquisition. Instead the asset is recognized at a purchase value corresponding to the asset's fair value after deductions for a discount received in the transaction for the current value of the fiscal value of future fiscal deductions regarding the difference between recognized and fiscal value that do not materialize. After the acquisition only deferred tax on temporary differences that occur after the acquisition is recognized.

Deferred tax assets in the form of deductible temporary differences and tax loss carry-forwards are recognized only when use of them is probable. The value of deferred tax assets is reduced when use of them is deemed no longer probable.

### Recognized in the income statement

MSEK	2024	2023
<b>Current tax expenses/income</b>		
Tax expenses for the year	-403	-372
Adjustment of tax attributable to previous years	2	-3
	<b>-401</b>	<b>-375</b>
<b>Deferred tax expenses/income</b>		
Temporary differences	-13	-180
Capitalized tax value of loss carry-forwards during the year	22	1
Utilisation of capitalized tax value of loss carry-forwards	-2	-7
Revaluation of recognized deferred tax values	2	-37
	<b>9</b>	<b>-223</b>
<b>Total recognized tax expenses in the Group</b>	<b>-392</b>	<b>-598</b>

### Tax attributable to other comprehensive income

	Pre-tax	Tax	After tax	Pre-tax	Tax	After tax
MSEK	2024			2023		
Translation difference for the year foreign operations	41	-	41	-145	-	-145
Joint ventures other comprehensive income	-8	-	-8	-4	-	-4
Cash flow hedges	13	-3	10	18	-4	14
<b>Other comprehensive income</b>	<b>46</b>	<b>-3</b>	<b>43</b>	<b>-131</b>	<b>-4</b>	<b>-135</b>

### Reconciliation of effective tax

MSEK	2024		2023	
Pre-tax profit	2,780	%	2,586	%
Tax in accordance with tax rate for the parent company	-573	20.6	-533	20.6
Effect of other tax rates for foreign subsidiaries	9	-0.3	10	-0.4
Non-deductible expenses	-34	1.2	-71	2.8
Tax exempt income	162	-5.8	82	-3.2
Deductible non profit-influencing items	46	-1.6	-5	0.2
Revaluation of recognized deferred tax values	2	-0.1	-37	1.4
Utilized non-capitalized loss carry-forwards	8	-0.3	3	-0.1
Tax attributable to previous years	2	-0.1	-3	0.1
Increase in loss carry-forwards without corresponding capitalization of deferred tax	-103	3.7	-76	2.9
Effect net profit of joint ventures	89	-3.2	32	-1.2
<b>Recognized effective tax</b>	<b>-392</b>	<b>14.1</b>	<b>-598</b>	<b>23.1</b>



**Reported on the balance sheet, deferred tax recoverables and tax liabilities**

MSEK	Deferred tax recoverables		Deferred tax liabilities		Net		Changes recognized in profit/loss for the year	
	2024	2023	2024	2023	2024	2023	2024	2023
Intangible assets			-68	-91	-68	-91	23	3
Tangible assets			-824	-854	-824	-854	26	-27
<i>Of which rights of use</i>			-402	-435	-402	-435	33	-42
Investment property			-6	-6	-6	-6	0	-1
<i>Of which rights of use</i>			-4	-4	-4	-4	0	0
Financial fixed assets	4	4			4	4	0	2
Project and development properties			-682	-1,265	-682	-1,265	562	190
<i>Of which rights of use</i>			-39	-34	-39	-34	-4	33
Inventories	0	0			0	0	0	-5
Accounts receivable	16	27			16	27	-11	9
Worked-up not invoiced income		85	-18		-18	85	-104	12
Other receivables	33	9			33	9	24	-9
Interest-bearing liabilities	907	1,714			907	1,714	-800	-366
<i>Of which rights of use</i>	436	468			436	468	-34	7
Provisions for pensions	223	193			223	193	30	-14
Provisions	169	201			169	201	-32	67
Invoiced income not worked-up			-37	-127	-37	-127	90	51
Other liabilities	231	110			231	110	121	-192
Loss carry-forwards	142	118			142	118	22	-32
Tax allocation reserves			-601	-644	-601	-644	43	88
Safety reserve					-	-	-	1
Capitalized remaining negative net interest	15				15	-	15	-
<b>Tax recoverables/tax liabilities</b>	<b>1,740</b>	<b>2,461</b>	<b>-2,236</b>	<b>-2,987</b>	<b>-496</b>	<b>-526</b>		
Offset	-1,692	-2,364	1,692	2,364	-	-		
<b>Net</b>	<b>48</b>	<b>97</b>	<b>-544</b>	<b>-623</b>	<b>-496</b>	<b>-526</b>	<b>9</b>	<b>-223</b>

**Unrecognized deferred tax recoverables regarding loss carry-forwards**

Ongoing correspondence with the Swedish Tax Authorities as well as assessments made together with external experts on the deductibility of individual deductions have been taken into consideration when evaluating deferred tax recoverables. The judgement per 2024-12-31 as well as 2023-12-31 is that there are no uncertainties regarding the deductibility of loss carry-forwards in Sweden and because of that tax recoverables of loss carry-forwards are recognized as assets without any adjustments.

In the Norwegian operations the ability to use loss carry-forwards of SEK 1,437 million (1,168) remains uncertain. They have not been capitalized. The fiscal value of the non-capitalized loss carry-forward is SEK 316 million (257).

In the Danish operations the ability to use loss carry-forwards of SEK 30 million (48) is uncertain. They have not been capitalized. The fiscal value of the non-capitalized loss carry-forward is SEK 7 million (10).

**Pillar Two**

OECD's Model Rules for Pillar Two apply to the Group. Pillar Two legislation has been adopted in Sweden January 1, 2024 where Peab AB is domiciled. The Group applies the temporary exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, provided in the amendments to IAS 12 issued in May 2023. According to this legislation the Group is required to pay an additional tax for the difference between the effective tax rate calculated according to GloBE rules for each jurisdiction and the minimum tax rate of 15%.

Peab does not operate in low-tax countries and in all the countries where Peab does operate the tax rate is at least 19%. Peab can apply the temporary relief rules in the regulations. The Group does not anticipate any additional tax.

## Note 14 Earnings per share

### Earnings per share

	IFRS		Segment reporting	
	2024	2023	2024	2023
Profit for the year attributable to shareholders in parent company, MSEK	2,392	1,988	2,084	1,414
Average number of shares	287,451,746	287,451,746	287,451,746	287,451,746
Earnings per share before and after dilution, SEK	8.32	6.92	7.25	4.92

### Average number of outstanding shares

Number of shares	2024	2023
Total number of outstanding shares, January 1	287,451,746	287,451,746
<b>Total number of outstanding shares, December 31</b>	<b>287,451,746</b>	<b>287,451,746</b>
<b>Average number of outstanding shares during the year</b>	<b>287,451,746</b>	<b>287,451,746</b>

## Note 15 Intangible assets

### Accounting principle

#### Goodwill

Goodwill is valued at acquisition value minus any accumulated write-downs. Goodwill is divided between cash-generating units and is tested at least once a year for write-down needs. Goodwill stemming from the acquisition of joint ventures and associated companies is included in the recognized value of participations in joint ventures and associated companies.

#### Balanced development costs

Development costs are primarily derived from developing IT systems and are reported as an asset on the balance sheet, if the application is technically or commercially useful and the Group is believed to have adequate resources for completing development and then applying the intangible asset. The recognized value includes all directly attributable expenses, for example for software, purchased services, personnel and, in cases where projects run for more than twelve months, loan costs. Other development costs are reported in profit/loss for the year as costs as they arise. Balanced development costs are recognized on the balance sheet at cost less accumulated depreciation and possible write-downs.

#### Other intangible assets

Other intangible assets refer to acquired assets recognized at acquisition value less accumulated depreciation and write-downs. These intangible assets consist of:

- Brands
- Customer relations and customer contracts
- Utilization rights, primarily gravel and rock quarries
- Other, primarily acquired external IT systems

#### Depreciation policies

Depreciation is linearly recognized in profit/loss for the year over the estimated useful life of the intangible asset. Goodwill and other intangible assets with an indeterminate useful life are not depreciated but are tested

for impairment annually or as soon as there are indications that the asset in question has declined in value. Depreciable intangible assets are depreciated from the date when the asset became available for use.

The estimated useful lives are:

Brands that refer to business area Industry when repurchased by Peab 2008	20 years
Brands, other	5-10 years
Customer relations	3-5 years
Customer contracts / order backlog	Remainder of contract period
Balanced development costs	5-10 years
Rights of use	Correspond to contract period

The useful life of assets are assessed annually.

#### Impairment losses

The recognized value of Group assets is checked every balance sheet day to assess whether there is a write-down requirement. If an impairment is indicated, the recovery value of the asset is estimated according to IAS 36. Moreover, the recovery value of goodwill, other intangible assets of indeterminate useful life and intangible development assets which are not yet ready for use is estimated each year. If it is not possible to establish materially independent cash flows for a certain asset, when testing for impairment the assets are grouped at the lowest level where it is possible to identify materially independent cash flows – a so-called cash-generating unit.

Write-downs are recognized when the recognized value of an asset or a cash-generating unit exceeds its recovery value. Write-downs are expensed in profit/loss for the year. Write-downs of assets attributable to a cash-generating unit, or a group of units, are first allocated to goodwill, followed by a proportional write-down of the other assets in the unit or group of units.

The recovery value is the highest of fair value minus sales costs and useful value. When calculating useful value, future cash flows are discounted by a discount factor that takes into consideration the risk-free interest rate and the risks which are associated with the specific asset.

When calculating useful value leasing payments have been handled as cash flows in operations. This means that leasing liabilities do not affect the discount rate. The cash-generating unit's reported value includes right of use assets. Leasing liabilities are deducted from the cash-generating unit's reported value since the useful value is reduced by future leasing payments.

A write-down is reversed if there are both indications that impairments no longer exist and assumptions which the calculation of the recovery value were based on have changed. However, write-downs of goodwill are never reversed. Reversing is only performed to the extent that the recognized value after reversing of the asset does not exceed the recognized value which would have been recognized deducted for depreciation where applicable, if a write-down had not been made.

### Important estimates and assessments

#### The most important sources of uncertainty in estimates

Impairment tests of goodwill entail assumptions about future circumstances in order to calculate the recovery value for cash-generating units. These are presented below and, as understood from the description, changes in 2025 in these assumptions and estimates beyond what can

feasibly be expected could have an impact on the value of goodwill. An analysis has been performed to see whether or not a negative adjustment of assumptions made for the discount rate and operating profit would result in a material write-down of goodwill. Based on that analysis there is no need for a write-down of goodwill.

2024, MSEK	Intangible assets, external purchase					Intangible assets, internally developed		Total
	Goodwill	Brands	Customer relations and customer contracts	Tenancies gravel and rock quarries	Other intangible assets	Balanced development costs		
Opening acquisition value	3,300	215	22	350	298	267	4,452	
Purchases					6	11	17	
Sales/disposals	-123		-15		-5	-8	-151	
Reclassifications					3		3	
Exchange rate differences	48	-2		1	1		48	
<b>Closing accumulated acquisition value</b>	<b>3,225</b>	<b>213</b>	<b>7</b>	<b>351</b>	<b>303</b>	<b>270</b>	<b>4,369</b>	
Opening depreciation	-	-146	-19	-176	-114	-70	-525	
Sales/disposals			15		5		20	
Depreciation		-17	-2	-20	-33	-36	-108	
Reclassifications					-2		-2	
Exchange rate differences		1					1	
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>-162</b>	<b>-6</b>	<b>-196</b>	<b>-144</b>	<b>-106</b>	<b>-614</b>	
Opening write-downs	-138	-	-	-	-	-	-138	
Sales and disposals	123						123	
Write-downs	-10	-2	-1				-13	
<b>Closing accumulated write-downs</b>	<b>-25</b>	<b>-2</b>	<b>-1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-28</b>	
<b>Closing recognized value</b>	<b>3,200</b>	<b>49</b>	<b>-</b>	<b>155</b>	<b>159</b>	<b>164</b>	<b>3,727</b>	

	Intangible assets, external purchase					Intangible assets, internally developed		Total
	Goodwill	Brands	Customer relations and customer contracts	Tenancies gravel and rock quarries	Other intangible assets	Balanced development costs		
<b>2023, MSEK</b>								
Opening acquisition value	3,334	240	166	335	318	209	4,602	
Purchases					15	49	64	
Sales/disposals	-12	-17	-147	-2			-178	
Reclassifications				21	-34	9	-4	
Exchange rate differences	-22	-8	3	-4	-1		-32	
<b>Closing accumulated acquisition value</b>	<b>3,300</b>	<b>215</b>	<b>22</b>	<b>350</b>	<b>298</b>	<b>267</b>	<b>4,452</b>	
Opening depreciation	-	-152	-160	-141	-103	-45	-601	
Sales/disposals		17	147				164	
Depreciation		-16	-3	-20	-30	-25	-94	
Reclassifications				-16	18		2	
Exchange rate differences		5	-3	1	1		4	
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>-146</b>	<b>-19</b>	<b>-176</b>	<b>-114</b>	<b>-70</b>	<b>-525</b>	
Opening write-downs	-25	-	-	-	-	-	-25	
Sales and disposals	12						12	
Write-downs	-125						-125	
<b>Closing accumulated write-downs</b>	<b>-138</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-138</b>	
<b>Closing recognized value</b>	<b>3,162</b>	<b>69</b>	<b>3</b>	<b>174</b>	<b>184</b>	<b>197</b>	<b>3,789</b>	

Depreciation is recognized in the following lines of the income statement:

MSEK	2024	2023
Production costs	-43	-43
Sales and administrative expenses	-65	-51
<b>Total</b>	<b>-108</b>	<b>-94</b>

Write-downs are recognized in the following line of the income statement:

MSEK	2024	2023
Production costs	-13	-125
<b>Total</b>	<b>-13</b>	<b>-125</b>

### Goodwill impairment testing in cash generating units

The Peab Group balance sheet 2024-12-31 included total goodwill of SEK 3,200 million (3,162). The table below shows goodwill per group of cash generating units for which goodwill is tested for impairment.

MSEK	2024	2023
<b>Construction</b>		
Construction Sweden	76	76
Construction Finland	74	71
Construction Norway	32	31
<b>Civil Engineering</b>		
Civil Engineering Sweden	121	124
Civil Engineering Norway	64	74
<b>Industry</b>		
Industry Sweden	1,416	1,416
Industry Finland	1,367	1,320
Industry Norway	11	12
Industry Denmark	25	24
<b>Project Development</b>		
Housing Development Sweden	14	14
<b>Total</b>	<b>3,200</b>	<b>3,162</b>

### Goodwill write-downs

The Group has written down goodwill in 2024 by SEK 10 million (125). Write-downs for the year mainly refer to business area Civil Engineering's Norwegian business and are due to low profitability in existing operations. For the cash generating units where a calculation of the recovery value was made and no write-down need was identified, it is executive management's assessment that there is no impending risk of a material write-down of goodwill in the coming financial year.

### Method for calculating recovery value

The recovery value for all goodwill values has been derived by calculating the useful value for the cash generating units. The calculation model is based on a discount of forecasted future cash flows compared to the unit's reported values. These future cash flows are based on five year forecasts produced by the management of the respective group of cash generating units. Goodwill impairment tests have an infinite time horizon and extrapolation of cash flow for the years after the forecast was calculated based on a growth rate from year six onwards of approximately two percent.

### Important variables when calculating useful value

The following variables are material and common to all cash generating units in calculation of useful value:

**Net sales:** The business' estimated development, expected changes in the construction and civil engineering business cycle as well as the real estate sector, general socioeconomic developments, investment plans of public and municipal customers, interest rate levels and local market conditions.

**Operating margin:** Estimated profitability levels and operative efficiency, access to key personnel and qualified manpower, access to internal resources and hikes in salary, material and subcontractor costs.

**Working capital requirements:** Individual case assessment of whether the working capital reflects the company's needs or whether it should be adjusted for the forecast period. A reasonable or cautious assumption for future development is that it parallels net sales growth. A high level of internally developed projects may entail a greater need for working capital.

**Investment needs:** The company's investment needs are assessed on the investments required to achieve the initially forecasted cash flow, i.e. not including expansion investments. When assessing replacement investments, conversion to a climate-improved operation has been taken into account.

**Tax burden:** The tax rate in forecasts is based on Peab's expected tax situation in Sweden, Norway, Finland and Denmark with regards to tax rates, loss carry-forwards etc.

**Discount rate:** Forecasted cash flows and residual values are discounted to current value applying a weighted average cost of capital (WACC). Interest rates on borrowed capital have been market adjusted to each country. The required return on equity is based on the Capital Asset Pricing Model. A weighted discount rate after tax has been used in calculating useful values. The discount rate after tax used on cash generating units in Sweden is on average 8.0 percent (8.0), in Norway 8.7 percent (8.2), in Finland 8.3 percent (8.1) and in Denmark 7.9 percent (8.0). The corresponding pre-tax discount in Sweden was on average 8.3 percent (8.3), in Norway 9.2 percent (8.6), in Finland 8.4 percent (8.5) and in Denmark 8.2 percent (8.4).

## Note 16 Tangible assets

### Accounting principle

Tangible assets are recognized in consolidated accounts at acquisition value minus accumulated depreciation and any write-downs. The acquisition value consists of the purchase price and costs directly attributable to putting the asset in place in the condition required for utilization in accordance with the purpose of the acquisition.

The value of a tangible asset is derecognized from the balance sheet upon scrapping or divestment or when no future financial benefits are expected. Any recognized values of exchanged components, or parts of components, that are not depreciated are scrapped and expensed in connection with the exchange.

Gains and losses arising from divestment or disposal of an asset consist of the difference between the sales price and the asset's recognized value less direct sales costs.

For information on accounting principles for write-downs see note 15, Intangible assets.

#### Additional costs

Additional costs are only added to the acquisition value if it is likely that the future financial benefits associated with the asset will benefit the Group and the acquisition value can be reliably estimated. Additional costs

include the cost of exchanging entire, or parts of, identifiable components as well as the cost of creating new components. Costs that do not meet asset criteria are recognized as costs as they occur.

#### Depreciation principles

Depreciation is based on the original acquisition value minus the calculated residual value. Depreciation is linear over the assessed useful life of the asset.

Buildings	25-100 years
Land improvements	25-50 years
Asphalt and concrete factories	10-15 years
Vehicles and construction machinery	5-10 years
Other equipment and inventories	3-10 years

The useful life and residual value of assets are assessed annually.

Gravel and rock quarries are written down based on substance depletion, i.e. the amount of gravel and rock removed in relation to the calculated total amount of substance deemed recoverable in the gravel and rock quarry.

For information on accounting principles regarding loan costs see note 22, Project and development properties.

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Tangible fixed assets consist of owned and leased assets.

MSEK	Note	2024	2023
Tangible fixed assets – owned		5,705	6,211
Rights of use – leased with	28	1,948	2,122
<b>Total</b>		<b>7,653</b>	<b>8,333</b>

2024, MSEK	Buildings and land	Machinery and equipment	Construction in progress	Total
Opening acquisition value	2,810	13,120	488	16,418
Purchases	57	423	99	579
Sales/disposals	-141	-479	-7	-627
Reclassifications <sup>1)</sup>	260	333	-478	115
Exchange rate differences	23	80	1	104
<b>Closing accumulated acquisition value</b>	<b>3,009</b>	<b>13,477</b>	<b>103</b>	<b>16,589</b>
Opening depreciation	- 1311	-8,873	-	-10,184
Sales/disposals	29	446	-	475
Depreciation	-101	-897	-	-998
Reclassifications <sup>1)</sup>	1	-85	-	-84
Exchange rate differences	-9	-54	-	-63
<b>Closing accumulated depreciation</b>	<b>-1,391</b>	<b>-9,463</b>	<b>-</b>	<b>-10,854</b>
Opening write-downs	-3	-20	-	-23
Sales/disposals	1	1	-	2
Write-downs	-9	-	-	-9
<b>Closing accumulated write-downs</b>	<b>-11</b>	<b>-19</b>	<b>-</b>	<b>-30</b>
<b>Closing recognized value</b>	<b>1,607</b>	<b>3,995</b>	<b>103</b>	<b>5,705</b>

2023, MSEK	Buildings and land	Machinery and equipment	Construction in progress	Total
Opening acquisition value	2,631	12,910	447	15,988
Purchases	175	697	384	1,256
Sales/disposals	-31	-681	-2	-714
Reclassifications <sup>1)</sup>	46	304	-341	9
Exchange rate differences	-11	-110	-	-121
<b>Closing accumulated acquisition value</b>	<b>2,810</b>	<b>13,120</b>	<b>488</b>	<b>16,418</b>
Opening depreciation	-1,249	-8,611	-	-9,860
Sales/disposals	12	602	-	614
Depreciation	-89	-887	-	-976
Reclassifications <sup>1)</sup>	10	-59	-	-49
Exchange rate differences	5	82	-	87
<b>Closing accumulated depreciation</b>	<b>-1,311</b>	<b>-8,873</b>	<b>-</b>	<b>-10,184</b>
Opening write-downs	-5	-27	-	-32
Sales/disposals	-	3	-	3
Reclassifications	2	3	-	5
Exchange rate differences	-	1	-	1
<b>Closing accumulated write-downs</b>	<b>-3</b>	<b>-20</b>	<b>-</b>	<b>-23</b>
<b>Closing recognized value</b>	<b>1,496</b>	<b>4,227</b>	<b>488</b>	<b>6,211</b>

<sup>1)</sup> Also including resolved leasing contracts

Write-downs are recognized in the following line of the income statement:

MSEK	2024	2023
Production costs	-9	-
<b>Total</b>	<b>-9</b>	<b>-</b>

No loan costs have been activated during the year. During 2023 loan costs were activated with SEK 2 million.

**Note 17 Investment property****Accounting principle**

Investment property is recognized at cost less accumulated depreciation and possible write-downs. For information on accounting principles for write-downs see note 15, Intangible assets and for further accounting principles for property see note 16, Tangible assets.

Information is provided on the fair value of investment property. The valuation is based on an internal valuation model. As a complement to this valuation annual external market valuations are obtained for a number of objects. External valuation of properties is performed every third year.

**Depreciation principles**

Depreciation is based on the original acquisition value minus the calculated residual value. Depreciation is linear over the assessed useful life of the asset.

Buildings	100 years
Land improvements	20 years

Investment properties consist of owned and leased assets.

MSEK	Note	2024	2023
Investment properties – owned		36	38
Rights of use – leased with	28	23	23
<b>Total</b>		<b>59</b>	<b>61</b>

MSEK	2024	2023
Opening acquisition value	42	39
Purchases	-	3
Reclassifications	-2	-
<b>Closing accumulated acquisition value</b>	<b>40</b>	<b>42</b>
Opening depreciation	-4	-3
Depreciation	0	-1
<b>Closing accumulated depreciation</b>	<b>-4</b>	<b>-4</b>
<b>Closing recognized value</b>	<b>36</b>	<b>38</b>

**Accumulated fair value**

At year-end fair value amounted to SEK 94 million compared to the recognized value of SEK 59 million including rights of use. At the end of 2023 fair value amounted to SEK 96 million compared to the recognized value of SEK 61 million. The fair value of the rights of use (leaseholds), in addition to the recognized value, is immaterial.

**Valuing technique, hierarchy and significant unobservable inputs**

Fair value has been determined through a combination of applying the location/price method, based on recognized comparable purchases and the yield method. The valuation is built on an internal valuation model.

As a complement to this valuation annual external market valuations are obtained for a number of objects. The valuation of the above fair values are classified on level 3 in the fair value hierarchy.

**Note 18 Participation in joint ventures****Accounting principle**

For accounting purposes, joint ventures are entities where the Group through cooperation agreements with one or more parties exercises a joint controlling interest, where the Group has the indirect right to net assets.

Joint ventures are consolidated in accordance with the equity method. The Group's share of the hedge accounting used for cash flow hedges of interest rate risks that occur via interest rate swaps for joint venture's loans are recognized in other comprehensive income. For information on accounting principles for write-downs see note 15, Intangible assets.

**Information regarding significant joint ventures in the Group**

Fastighets AB Centur, 50 percent ownership. The company owns, manages and develops commercial property and housing. In November 2024 Peab and

the other owner, Fastighets AB Balder, acquired most of its existing property portfolio from Centur. Only a few properties remain in Fastighets AB Centur. After the transaction Fastighets AB Centur is no longer classified as a significant joint venture in Peab. For more information, see Property Development and the section Other information, Significant events during the period.

Fastighets AB ML4, 50 percent ownership. The company owns and manages research facility Max IV in Lund. The facility is rented to Lund University.

Point Hyllie Holding AB, 50 percent ownership. The company develops, owns and manages the office building The Point as well as owns and manages the hotel property Vårdshuset 5.

Skiab Invest AB, 50 percent ownership. The company develops, owns and manages commercial housing in the Scandinavian mountains.

Tornet Bostadsproduktion AB was divested to the two other owners Folksam and Fastighets AB Balder in January 2024. Previously Peab owned 33.33 percent of the company.

MSEK	Significant joint ventures 2024-12-31				Significant joint ventures 2023-12-31				
	Fastighets AB Centur	Fastighets AB ML4	Point Hyllie Holding AB	Skiab Invest AB	Fastighets AB Centur	Fastighets AB ML4	Tornet Bostadsproduktion AB	Point Hyllie Holding AB	Skiab Invest AB
Net sales	471	194	115	120	495	189	268	105	180
Operating profit <sup>1)</sup>	1,007	138	53	54	406	134	156	44	109
Interest expenses and similar profit/loss items	-216	-88	-46	-38	-216	-88	-155	-46	-45
Tax	213	-17	-6	-8	-70	-14	-32	-3	-4
<b>Profit for the year</b>	<b>1,004</b>	<b>33</b>	<b>1</b>	<b>8</b>	<b>120</b>	<b>32</b>	<b>-31</b>	<b>-5</b>	<b>60</b>
Other comprehensive income			-4	-7				-4	-42
<b>Total comprehensive income for the year</b>	<b>1,004</b>	<b>33</b>	<b>-3</b>	<b>1</b>	<b>120</b>	<b>32</b>	<b>-31</b>	<b>-9</b>	<b>18</b>
Less non-controlling interest		-4				-3			
<b>Total comprehensive income less non-controlling interest</b>	<b>1,000</b>	<b>33</b>	<b>-3</b>	<b>1</b>	<b>117</b>	<b>32</b>	<b>-31</b>	<b>-9</b>	<b>18</b>
<sup>1)</sup> Depreciation amounts to		50	36	48		50	41	35	50

MSEK	Significant joint ventures 2024-12-31				Significant joint ventures 2023-12-31				
	Fastighets AB Centur	Fastighets AB ML4	Point Hyl- lie Hold- ing AB	Skiab Invest AB	Fastighets AB Centur	Fastighets AB ML4	Tornet Bost- adsproduk- tion AB	Point Hyl- lie Hold- ing AB	Skiab Invest AB
Fixed assets		261		25		245	4	5	29
Investment property	373	1,840	1,316	1,709	6,851	1,890	5,162	1,350	1,742
Short-term investments and liquid funds	280	66	33	152	36	36	112	7	134
Other current assets	2,245	6	7	330	31	15	268	6	318
<b>Total assets</b>	<b>2,898</b>	<b>2,173</b>	<b>1,356</b>	<b>2,216</b>	<b>6,918</b>	<b>2,186</b>	<b>5,546</b>	<b>1,368</b>	<b>2,223</b>
Long-term financial liabilities	313	1,759	952	931	4,783	1,828	3,531	952	935
Other long-term liabilities	31	94	8	2	401	79	1	7	6
Current financial liabilities		69		9		65		13	9
Other current liabilities	36	27	28	26	187	23	223	26	25
<b>Total liabilities</b>	<b>380</b>	<b>1,949</b>	<b>988</b>	<b>968</b>	<b>5,371</b>	<b>1,995</b>	<b>3,755</b>	<b>998</b>	<b>975</b>
<b>Net assets</b>	<b>2,518</b>	<b>224</b>	<b>368</b>	<b>1,248</b>	<b>1,547</b>	<b>191</b>	<b>1,791</b>	<b>370</b>	<b>1,248</b>
Less non-controlling interest					-28		-31		
<b>Net assets less non-controlling interest</b>	<b>2,518</b>	<b>224</b>	<b>368</b>	<b>1,248</b>	<b>1,519</b>	<b>191</b>	<b>1,760</b>	<b>370</b>	<b>1,248</b>
<b>Group share of net assets at the beginning of the year</b>	<b>759</b>	<b>96</b>	<b>185</b>	<b>624</b>	<b>535</b>	<b>80</b>	<b>497</b>	<b>189</b>	<b>615</b>
Share of total comprehensive income	500	17	-1	0	58	16	-10	-4	9
Contribution / new issues					166		100		
<b>Group share of net assets at year-end</b>	<b>1,259</b>	<b>113</b>	<b>184</b>	<b>624</b>	<b>759</b>	<b>96</b>	<b>587</b>	<b>185</b>	<b>624</b>
<b>Group share of unrealized internal profit at the beginning of the year</b>	<b>-48</b>	<b>-55</b>	<b>-121</b>	<b>-87</b>	<b>-48</b>	<b>-56</b>	<b>-31</b>	<b>-121</b>	<b>-88</b>
Reclassification of internal profit when restructuring partially owned company	89								
Elimination of unrealized profit	-51	2	1	2		1	-5		1
<b>Group share of unrealized internal profit at year-end</b>	<b>-10</b>	<b>-53</b>	<b>-120</b>	<b>-85</b>	<b>-48</b>	<b>-55</b>	<b>-36</b>	<b>-121</b>	<b>-87</b>
<b>Recognized value at year-end</b>	<b>1,249</b>	<b>60</b>	<b>64</b>	<b>539</b>	<b>711</b>	<b>41</b>	<b>551</b>	<b>64</b>	<b>537</b>
<b>Total comprehensive income is reported in the following lines in the income statement:</b>									
Production costs	449	19	2	6	58	17	-15	-2	31
Other comprehensive income			-2	-4				-2	-21
<b>Total</b>	<b>449</b>	<b>19</b>	<b>0</b>	<b>2</b>	<b>58</b>	<b>17</b>	<b>-15</b>	<b>-4</b>	<b>10</b>
<b>Recognized amount is reported in the following line in the balance sheet:</b>									
Participation in joint ventures	1,249	60	64	539	711	41	551	64	537
<b>Total</b>	<b>1,249</b>	<b>60</b>	<b>64</b>	<b>539</b>	<b>711</b>	<b>41</b>	<b>551</b>	<b>64</b>	<b>537</b>

## Information on other joint venture's value in the Group

MSEK	2024	2023
<b>Share of comprehensive income in other joint ventures</b>	<b>-41</b>	<b>63</b>
<b>Other comprehensive income is divided among the following items in the income statement:</b>		
Productions costs	-44	58
Other operating income	3	5
<b>Total</b>	<b>-41</b>	<b>63</b>
<b>Recognized value of other joint ventures</b>	<b>871</b>	<b>753</b>
<b>Recognized amount is divided among the following items in the balance sheet:</b>		
Participation in joint ventures	884	880
Other provisions <sup>1)</sup>	-1	-127
Accrued expenses and deferred income <sup>2)</sup>	-12	-
<b>Total</b>	<b>871</b>	<b>753</b>

<sup>1)</sup> Refers to joint ventures where equity is negative.

<sup>2)</sup> Refers to joint ventures where the net sum of equity and internal profit elimination is negative.



Company	Corp. ID no.	Registered Office	Share of equity <sup>1)</sup>		
			2024	2023	
Blindheim Kran AS	918 329 293	Ålesund	45.0%	45.0%	1
Bondistranda Utvikling AS	992 512 741	Lysaker	50.0%	50.0%	2
Byggutveckling Svenska AB	556627-2117	Linköping	50.0%	50.0%	3
Einerhagen Eiendom AS	915 167 241	Tromsø	50.0%	50.0%	4
Eldslund Holding AB	559472-4089	Solna	50.0%	-	5
Fastighets AB Centur	556813-6369	Stockholm	50.0%	50.0%	6
Fastighets AB ML4	556786-2155	Malmö	50.0%	50.0%	7
Fastighets AB Tornet	559008-2912	Gothenburg	50.0%	50.0%	8
Fjällvärme i Sälen AB	556536-1895	Malung-Sälen	50.0%	50.0%	9
Fløifjellet Eiendom AS	915 467 407	Tromsø	50.0%	50.0%	10
Fløtningen Park AS	992 212 330	Skien	50.0%	50.0%	11
Frenvikrønningen AS	986 838 325	Skien	-	50.0%	12
Fri Sikt Voldsalsberga AS	990 529 396	Ulstein	40.0%	40.0%	13
Forsøket Boliger AS	919 440 694	Tromsø	50.0%	50.0%	14
Galtungveien Eiendom AS	927 660 407	Halden	50.0%	50.0%	15
Hans Haslums Vei Utvikling AS	914 498 937	Lysaker	50.0%	50.0%	16
Hälsostaden Ängelholm Holding AB	556790-5723	Ängelholm	33.3%	33.3%	17
ITolv AB	556513-2478	Eksjö	50.0%	50.0%	18
JV Slättö Peab Finland AB	559363-1897	Stockholm	50.0%	50.0%	19
Kaldslettneset AS	911 692 058	Tromsø	50.0%	50.0%	20
KB Älvhögsborg	916899-2734	Trollhättan	50.0%	50.0%	21
Klosterfoss Utvikling AS	991 043 829	Skien	50.0%	50.0%	22
Kungsörs Grusaktiebolag	556044-4134	Kungsör	50.0%	50.0%	23
Lillegården Eiendom AS	886 804 512	Skien	50.0%	50.0%	24
Majorbygg AS	912 077 020	Skien	50.0%	50.0%	25
Medkila Nord AS	998 565 545	Harstad	50.0%	50.0%	26
Myren Parkering AS	912 024 733	Skien	26.4%	26.4%	27
Nedre Holte AS	985 911 495	Harstad	50.0%	50.0%	28
Nordasfalt AS	950 501 480	Bodø	50.0%	50.0%	29
Nyheim Bolig AS	928 032 582	Tromsø	-	50.0%	30
PEKO Fastighets AB	559220-8911	Solna	50.0%	50.0%	31
PeKum AB	559041-7464	Kumla	50.0%	50.0%	32
Point Hyllie Holding AB	559023-4034	Solna	50.0%	50.0%	33
PPE Holding AB	559003-7304	Solna	50.0%	50.0%	34
PPE Holding i Borgholm AB	559309-7768	Kalmar	50.0%	50.0%	35
Runö Fastigheter Handelsbolag	969723-2107	Stockholm	30.0%	30.0%	36
Scandinavian Mountains AB	556973-5631	Malung-Sälen	15.9%	15.9%	37
Skanör Falsterbo Strandbad AB	559352-5602	Vellinge	50.0%	-	38
Sicklaön Bygg Invest AB	556911-5479	Solna	-	50.0%	
Skiab Invest AB	556848-5220	Malung-Sälen	50.0%	50.0%	
SLP JV AB	559387-1063	Solna	50.0%	50.0%	
Solligården Bolig DA	913 765 516	Lysaker	50.0%	50.0%	
Solligården Næring AS	913 764 862	Oslo	50.0%	50.0%	
Stadsliden Utveckling AB	556874-7413	Umeå	50.0%	50.0%	
Steindalen AS	914 738 091	Stjørdal	33.3%	33.3%	
Storsvingen Vest AS	999 210 953	Hammerfest	50.0%	50.0%	
Strömbrytaren Holding AB	559116-6391	Stockholm	50.0%	50.0%	
Sydpartner AB	556712-4952	Ängelholm	50.0%	50.0%	
Tornet Bostadsproduktion AB	556796-2682	Stockholm	-	33.3%	
Tunveien Eiendom AS	916 321 007	Oslo	50.0%	50.0%	
Umeå Mark & Exploatering AB	556660-7064	Umeå	50.0%	50.0%	

<sup>1)</sup> The share of capital corresponds to the share of votes

## Note 19 Joint operations

### Accounting principle

Joint operations, usually run as a company, are joint arrangements where Peab and one or more partners have the right to all the financial advantages related to the assets of the operations. How the liabilities of the operations are settled depends on the partners' purchases of output from them or capital infusions to them. Joint operations are recognized according to the proportional method which means each party in a joint operation recognizes their respective share in assets, liabilities, income and expenses.

Specification of Group holdings in joint arrangements that are classified as joint operations, which are recognized according to the proportional method.

Company	Corp. ID no.	Registered Office	Share of equity <sup>1)</sup>	
			2024	2023
Dockan Exploatering AB	556594-2645	Malmö	33.3%	33.3%
Mälarstrandens Utvecklings AB	556695-5414	Västerås	44.0%	44.0%
Kronodalen Utveckling AB	559337-4019	Ängelholm	50.0%	50.0%
Kvarnholmen Utveckling AB	556710-5514	Stockholm	50.0%	-

<sup>1)</sup> The share of capital corresponds to the share of votes

## Note 20 Interest-bearing receivables

### Important estimates and assessments

#### The most important sources of uncertainty in estimates

A decision in the case between Peab and Unibail-Rodamco-Westfield regarding the contract for Mall of Scandinavia in Solna was handed down in Peab's favor on June 30, 2023. In August 2023 Unibail-Rodamco-Westfield petitioned the Swedish Court of Appeal to set aside the judgment in its entirety in a so-called protest action. During the process the judgement is suspended and cannot be enforced and therefore the time of payment has been deferred. Peab's assessment of the estimated effects on profit has not changed. Peab continues to have an outstanding receivable of about SEK 1,600 million on Unibail Rodamco Westfield per December 31, 2024. In addition to interest-bearing receivables accrued interest income is also reported, see note 25. After a thorough legal trial through arbitration lasting nearly seven years Peab cannot see any grounds for a protest action. In the further process Peab will counter the protest action.

### Interest-bearing long-term receivables

MSEK	2024	2023
Receivables in joint ventures	463	1,237
Other interest-bearing receivables	53	56
<b>Total</b>	<b>516</b>	<b>1,293</b>

### Interest-bearing current receivables

MSEK	2024	2023
Receivables in joint ventures	20	258
Other interest-bearing receivables <sup>1)</sup>	1,107	1,087
<b>Total</b>	<b>1,127</b>	<b>1,345</b>

<sup>1)</sup> The claim on Unibail Rodamco Westfield related to the Mall of Scandinavia arbitration is included with SEK 1,067 million (1,067).

For information on credit risks and loss reserves, see note 33 Financial risks and Finance Policy.

## Note 21 Other receivables

### Other long-term receivables

MSEK	2024	2023
Receivables in joint ventures	-	1
Receivables sold properties	1	1
Paid advances, down payments	25	24
Recoverable tax	18	-
Other long-term receivables	4	1
<b>Total</b>	<b>48</b>	<b>27</b>

### Other current receivables

MSEK	2024	2023
Receivables in joint ventures	12	6
Receivables sold properties	185	260
Paid advances, down payments	21	25
VAT, other taxes	136	216
Derivate instruments held for hedging purposes	10	10
Other current receivables	32	22
<b>Total</b>	<b>396</b>	<b>539</b>

**Note 22 Project and development properties****Accounting principle**

Project and development property is recognized under current assets and consists of undeveloped land and redeveloped tracts for future development, developed investment properties for project development, improvement and subsequent sale, ongoing work attributable to our own housing development projects as well as indirect holdings. The property is expected to be realized during our normal operational cycle. Valuation is made in accordance with IAS 2, Inventories, at the lowest of either acquisition value or net sales value.

**Loan costs**

Loan costs that are directly referable to purchases, construction or production of an asset and that requires a significant amount of time to complete for the intended purpose or sale are included in the asset's acquisition value. Loan costs are included in the acquisition value of Peab's own developed property.

**Important estimates and assessments****The most important sources of uncertainty in estimates**

The recognized value of owned assets has been assessed at the lowest value of the acquisition value and net sales value based on current price levels per geography. Changes in supply and demand can change recognized values and the need for write-downs. Peab tests the value of project and development property based on an internal valuation model. As a complement to this valuation annual external market valuations are obtained for a number of objects. Peab believes that there is no significant risk for a material write-down of property values during the coming financial years.

MSEK	2024	2023
Housing development rights	9,284	7,900
Commercial development rights	1,670	901
On going housing projects	3,502	6,147
On going rental projects	630	1,544
On going commercial projects	115	435
Completed property	1,901	71
Other	935	894
<b>Total</b>	<b>18,037</b>	<b>17,892</b>

Project and development properties were written down during the year for a total of SEK 39 million (21). Loan interest of SEK 383 million (521) has been activated during the year. The interest rate on the activated loan costs is 4.98 percent (5.00).

Project and development properties consist of owned and leased assets.

MSEK	Note	2024	2023
Project and development properties – owned		18,037	17,892
Rights of use – leased with	28	305	169
<b>Total</b>		<b>18,342</b>	<b>18,061</b>

Cost of goods sold during the year amounts to SEK 6,108 million (7,290).

**Recovery**

Of the recognized value of project and development property of SEK 18,037 million (17,892) some SEK 11,100 million (approximately 11,300) is expected to be recovered through sales more than 12 months after the balance sheet day. The remaining part is expected to be recovered within 12 months after the balance sheet day.

**Note 23 Inventories****Accounting principle**

Inventories are comprised of raw materials and consumables, products in progress, finished products and goods for resale.

Inventories are valued at the lowest of acquisition value and net sales value. The acquisition value of inventory is calculated using the first-in, first-out method and includes expenses connected to the acquisition of the stock assets and transportation to their current location and condition. For manufactured goods the acquisition value includes a reasonable share of the indirect costs based on a normal capacity.

The net sales value is the estimated sales price in the current business minus estimated costs for completion and bringing about the sale.

MSEK	2024	2023
Raw materials and consumables	655	755
Products in progress	8	6
Finished products and goods for resale	949	944
<b>Total</b>	<b>1,612</b>	<b>1,705</b>

## Note 24 Accounts receivable

Total accounts receivables amounted to SEK 6,981 million (6,854). In business areas Industry and Project Development accounts receivables have increased, accounts receivables for business area Construction are unchanged, while business arena Civil Engineering has decreased accounts receivables compared to 2023. For more information regarding accounts receivable see note 33.

Accounts receivables were written down in the income statement with actual and feared bad debts for a total of SEK 36 million (22). Actual bad debts amounted to SEK 25 million (40) in the Group, of which SEK 8 million were written down in 2023. The losses resulted from some of the company's customers going bankrupt. Most of the losses stemmed from business area Industry.

### Accounts receivable

MSEK	2024	2023
Private customers	2,857	2,860
Public customers	4,134	3,870
Joint ventures	30	151
<b>Accounts receivable, gross</b>	<b>7,021</b>	<b>6,881</b>
Loss reserves	-40	-27
<b>Accounts receivable, net</b>	<b>6,981</b>	<b>6,854</b>

## Note 25 Prepaid expenses and accrued income

MSEK	2024	2023
Accrued operating income	91	109
Accrued interest income <sup>1)</sup>	581	451
Prepaid rents	0	66
Prepaid expenses	130	140
Other	100	133
<b>Total</b>	<b>902</b>	<b>899</b>

<sup>1)</sup> In 2024 SEK 576 million (448) is included as a claim on Unibail Rodamco Westfield related to the judgement in Mall of Scandinavia.

## Note 26 Equity

### Shares and share capital

	A shares	B shares	Number of issued fully paid shares	Share capital, SEK
Issued shares per January 1, 2024	34,319,957	261,729,773	296,049,730	1,583,866,056
<b>Issued shares per December 31, 2024</b>	<b>34,319,957</b>	<b>261,729,773</b>	<b>296,049,730</b>	<b>1,583,866,056</b>

An A share entitles the holder to 10 votes and a B share to 1 vote. The par value of all shares is SEK 5.35. All the rights for the shares held by the company (see below) have been revoked until these shares are reissued.

### Repurchased own shares that have reduced the Equity item profit brought forward including profit for the year

	Number of share		Amount that affected equity, MSEK <sup>1)</sup>	
	2024	2023	2024	2023
Opening repurchased own shares	8,597,984	8,597,984	1,429	1,429
<b>Closing repurchased own shares</b>	<b>8,597,984</b>	<b>8,597,984</b>	<b>1,429</b>	<b>1,429</b>

<sup>1)</sup> Amount affecting equity refers to the accumulated net sum of acquired and divested own shares.

### Other contributed capital

Refers to equity contributed by the owners. Includes premiums paid in conjunction with new issues.

### Reserves

#### Translation reserve

The translation reserve comprises all exchange rate differences generated by translating the financial reports from foreign companies presented in another currency than the one used in Group financial statements. The parent company and the Group present their reports in Swedish krona (SEK). The translation reserve also consists of exchange rate differences that occur when revaluing liabilities recognized as hedge instruments of net investments in foreign operations.

### Hedging reserve

The hedging reserve comprises the effective part of the accumulated net changes in fair value in a cash flow hedge instrument attributable to hedged transactions that have not as yet occurred.

### Profit brought forward including profit for the year

Profit brought forward including profit for the year consists of profit in the parent company, its subsidiaries and joint arrangements.

### Dividend

After the balance sheet day the Board of Directors proposed the following dividend; A cash dividend of SEK 2.75 (1.50) per share, totaling SEK 790,492,302 (431,177,619), calculated on the number of outstanding shares. The dividend is divided into two payment periods and the total dividend is calculated on the shares outstanding at the time of the dividend. The dividend will be proposed for adoption by the AGM on May 6, 2025.

During the year 2024, a cash dividend of SEK 1.50 per share (4.00) has been paid.

**Note 27 Interest-bearing liabilities**

MSEK	2024	2023
Interest-bearing long-term liabilities	6,094	7,046
Interest-bearing long-term liabilities, project financing	53	193
Interest-bearing short-term liabilities	5,368	4,246
Interest-bearing short-term liabilities, project financing	2,859	6,933
<b>Total</b>	<b>14,374</b>	<b>18,418</b>

**Long-term liabilities**

MSEK	2024	2023
Bank loans <sup>1)</sup>	1,589	3,754
Bonds	2,935	1,747
Leasing liabilities	1,618	1,723
Other liabilities	5	15
<b>Total</b>	<b>6,147</b>	<b>7,239</b>

<sup>1)</sup> Of which SEK 53 million (193) consists of project financing.

**Current liabilities**

MSEK	2024	2023
Bank loans <sup>1)</sup>	2,855	2,702
Commercial paper	642	523
Bonds	787	1,300
Leasing liabilities	575	534
Liabilities in Swedish tenant-owner associations <sup>2)</sup>	2,258	6,050
Liabilities to joint ventures	1,100	-
Other liabilities	10	70
<b>Total</b>	<b>8,227</b>	<b>11,179</b>

<sup>1)</sup> Of which SEK 601 million (883) consists of project financing.

<sup>2)</sup> Liabilities in Swedish tenant-owner associations consist entirely of project financing.

**Changes in liabilities**

MSEK	2023-12-31	Cash flow	Items that do not effect cash flow			Exchange rate difference	2024-12-31
			New leasing contracts	Acquisitions <sup>1)</sup>	Other changes		
Bank loans	6,456	-2,272		195		65	4,444
Commercial paper	523	109				10	642
Bonds	3,047	650				25	3,722
Leasing liabilities	2,257	-721	565		84 <sup>2)</sup>	8	2,193
Liabilities in Swedish tenant-owner associations	6,050	-3,792					2,258
Liabilities to joint ventures	-			1,100			1,100
Other liabilities	85	-63			-7		15
<b>Total</b>	<b>18,418</b>	<b>-6,089</b>	<b>565</b>	<b>1,295</b>	<b>77</b>	<b>108</b>	<b>14,374</b>

MSEK	2022-12-31	Cash flow	Items that do not effect cash flow			Exchange rate difference	2023-12-31
			New leasing contracts	Other changes			
Bank loans	6,423	82			-49		6,456
Commercial paper	167	356					523
Bonds	2,747	314			-14		3,047
Leasing liabilities	2,511	-703	541	-63 <sup>2)</sup>	-29		2,257
Liabilities in Swedish tenant-owner associations	7,894	-1,844					6,050
Other liabilities	62	24			-1		85
<b>Total</b>	<b>19,804</b>	<b>-1,771</b>	<b>541</b>	<b>-63</b>	<b>-93</b>		<b>18,418</b>

<sup>1)</sup> Acquired liabilities including liabilities taken over in business combinations.

<sup>2)</sup> Refers to extensions, index changes and termination of contracts.

## Note 28 Leasing

### Accounting principle

Peab's leases primarily refer to vehicles, rent for offices and other premises, leaseholds and land leases.

A right of use asset and a leasing liability are recognized on the commencement date of the leasing agreement, which is the date Peab acquires access to, and can begin to use, the underlying asset. The right of use is initially valued at acquisition cost, which consists of the leasing liability's initial value and the leasing fees paid before or on the commencement date plus any initial direct costs. The right of use is amortized linearly from the commencement date normally until the end of the leasing period. In cases where the acquisition cost for the right of use reflects that an option to buy the underlying asset will be used, the asset is amortized over the period the underlying asset is used.

Leasing liabilities – which are divided into long-term and current parts – are initially valued at the remaining leasing fees during the assessed leasing period. The leasing period is made up of the period that cannot be terminated and additional periods under the agreement if, on the commencement date, it is probable these will be used. The calculations for leaseholds are based on a never ending leasing period, in cases where the lessee (Peab) cannot terminate the leasehold agreement.

The leasing fees are normally discounted with the Group's marginal borrowing interest rate, which in addition to the Group's credit risk reflects the respective agreement's leasing period, currency and the quality of the underlying asset which is the intended collateral. In cases where the

implicit interest rate of the leasing agreement is easily determined this interest rate is used instead, which is the case for parts of the Group's leases for vehicles.

The value of the liability increases with the interest rate cost for the respective period and is reduced by leasing payments. The interest rate cost is calculated as the value of the liability multiplied by the discount rate.

Variable leasing fees that are not index or interest rate based are expensed in the period they occur.

Leasing liabilities for premises or land with rent subject to indexation are calculated on the rent at the end of the respective report period. When the rent level has been raised according to the index the liability is adjusted, based on the new rent level, with a corresponding adjustment of the reported asset value of right of use. The value of the liability and asset is adjusted in the same way in connection with a reevaluation of the leasing period. This occurs when the final termination date within the previously assessed leasing period for a premise rental contract has passed or when significant events occur or circumstances change materially in a way that is under the control of the Peab Group and affects the existing assessment of the leasing period.

Right of use assets and lease liabilities are not recognized for leases with a leasing period of 12 months or less or that have an underlying asset of low value. Leasing fees for these leases are expensed linearly over the leasing period.

### Leasing – lessees

MSEK	Right-of-use assets				Total
	Buildings and land	Machinery and equipment	Investment property	Project and development properties	
Depreciations and impairment during 2024	-330	-334	-	-	-664
<b>Closing recognized value December 31, 2024</b>	<b>1,091</b>	<b>857</b>	<b>23</b>	<b>305</b>	<b>2,276</b>
Depreciations and impairment during 2023	-310	-356	-	-	-666
<b>Closing recognized value December 31, 2023</b>	<b>1,153</b>	<b>969</b>	<b>23</b>	<b>169</b>	<b>2,314</b>

Included in the Group's additional rights of use is the purchase price for newly acquired rights of use during the year as well as future amounts from revaluations of leasing liabilities due to changed payments because the leasing period has changed. Additional rights of use in 2024 amounted to SEK 661 million (621), of which SEK 155 million (35) refer to leaseholds recognized as project and development properties.

### Agreed leases not yet commenced

MSEK	2024	2023
Agreed leases not yet commenced	80	45

The Group has entered into agreements to lease assets, mainly vehicles. As Peab does not yet have access to these vehicles, no right of use or lease liability is recognised.

### Other leasing information

Peab reported interest rate costs on leasing liabilities of SEK 86 million (80) in 2024. Total leasing payments amounted to SEK 2,168 million (2,284).

The cost of short-term leasing for the year was SEK 1,408 million (1,495). The cost of leasing for low values for the year was SEK 29 million (43). Variable fees not included in leasing liabilities were SEK 19 million (18).

Leasing income for subleased items was SEK 7 million (2).

Interest-bearing liabilities are presented in note 27 and the maturity analysis is presented in note 33.

- Buildings and land – mainly refers to rent for offices and other premises, leaseholds and land leases. Rent for offices and other premises normally matures between three and ten years. In cases where it is feasible that the extension option will be used it is included in the leasing period. Leaseholds that are non-cancellable are considered to have a never ending leasing period.

- Machinery and equipment – mainly refers to vehicles. Leasing contracts normally mature between four and five years including extension options.
- Investment properties – mainly refers to leaseholds. Leaseholds that are non-cancellable are considered to have a never ending leasing period.
- Project and development properties – mainly refers to leaseholds. Leaseholds that are non-cancellable are considered to have a never ending leasing period.

### Sale and leaseback

In 2024, Peab sold one of its office buildings and entered into an agreement to lease back the building initially for 10 years and thereafter with the option of further periods of 3 years. The result from the sale and leaseback transaction amounted to SEK 5 million.

### Leasing- lessor

#### Leasing payments for the year recognized as income:

MSEK	2024	2023
Minimum lease payments	834	853
Variable fees	1	7
<b>Total leasing income</b>	<b>835</b>	<b>860</b>

#### Non-cancellable leasing payments amount to:

MSEK	2024	2023
Within a year	85	54
Between one and five years	169	71
Later than five years	101	16
<b>Total</b>	<b>355</b>	<b>141</b>

**Note 29 Provisions****Accounting principle**

Provisions are recognized on the balance sheet when the Group has a legal or informal obligation due to events that have occurred and it is likely that financial resources will be required to meet the obligation, and a reliable estimate of the amount can be made.

**Not worked-up feared loss**

Feared losses in construction contracts are expensed as soon as they become known. The not worked-up part of a feared loss is recognized as a provision. Provisions for not worked-up feared losses have been made in every business area although most of them are related to business area Construction.

**Guarantee costs**

Refers to calculated cost for fixing errors and defects in completed projects that arise during a project's guarantee period as well as rental guarantees. The outflow of resources takes place during a project's guarantee period which is normally two to five years. Since the effect of when in time payment is made is not important expected future payments are not present value computed. Provisions have been made in every business area.

**Restoration costs**

Refers to calculated restoration costs in Industry operations for gravel and rock quarries after excavation has ended. The provisions increase

based on the excavated amount and are reversed after restoration. The reserved amount is expected to be used successively after excavation has ended. Restoration can be expected to take 1 to 15 years. Calculation of the reserved amount is based on estimated future payments for restoration and mirror Peab's best assessment taking into consideration the cash flow risk.

**Special payroll tax on pension costs and social security costs**

There are pension plans where the Group has acquired endowment insurance which is hedged in favor of employees through pledges. Provisions for special payroll tax are reserved calculated on the fair value of the endowment insurance, except in cases where the contract stipulates that the endowment insurance covers special payroll tax.

Provisions for social security for the Performance Share Program are reserved based on the shares' fair value at the time of reporting.

**Disputes**

Refers to existing disputes in all business areas.

**Obligations in joint ventures**

Refers to participations in joint ventures with a negative consolidated value.

**Other**

Refers to other minor provisions.

**Important estimates and assessments****The most important sources of uncertainty in estimates****Disputes**

Peab's business is largely project-related. There are a number of different contract forms where risk levels vary depending on the type of contract. However, with any type of contract ambiguities can arise concerning the terms, which can lead to delimitation issues that create a dispute with the customer. The actual outcome of a disputed amount can deviate from, according to the best assessment, the reported amount.

**Provisions which are long-term liabilities**

MSEK	2024	2023
Feared losses not worked-up	507	644
Guarantee risk reserve	547	523
Restoration costs	246	251
Special payroll tax on pensions and social security costs	147	135
Disputes	1	37
Obligations in joint ventures	1	127
Other	44	31
<b>Total</b>	<b>1,493</b>	<b>1,748</b>

**Provisions which are current liabilities**

MSEK	2024	2023
Feared losses not worked-up	110	64
Guarantee risk reserve	84	59
Restoration costs	93	-
Disputes	40	7
Other	58	93
<b>Total</b>	<b>385</b>	<b>223</b>

	Feared losses not worked-up	Guarantee risk reserve	Restoration costs	Special payroll tax on pensions and social security costs	Disputes	Obligations in joint ventures	Other	Total
<b>2024, MSEK</b>								
Opening recognized value	708	582	251	135	44	127	124	1,971
Provisions set aside during the year	29	431	103	32	3		57	655
Amounts requisitioned during the year	-120	-355	-17	-20	-6		-78	-596
Reversed unutilized provisions during the year		-32					-1	-33
Increase in discounted amounts during the year			1					1
Reclassification						-126		-126
Exchange rate differences	0	5	1		0	0	0	6
<b>Closing recognized value</b>	<b>617</b>	<b>631</b>	<b>339</b>	<b>147</b>	<b>41</b>	<b>1</b>	<b>102</b>	<b>1,878</b>
Of which are long-term provisions	507	547	246	147	1	1	44	1,493
Of which are current provisions	110	84	93		40		58	385
<b>2023, MSEK</b>								
Opening recognized value	80	672	306	138	42	100	94	1,432
Provisions set aside during the year	495	438	13	10	39	27	86	1,108
Amounts requisitioned during the year	-67	-397	-66	-13	-30		-50	-623
Reversed unutilized provisions during the year	7	-124	0	0	-5		-5	-127
Increase in discounted amounts during the year			0					0
Reclassification	194							194
Exchange rate differences	-1	-7	-2		-2	0	-1	-13
<b>Closing recognized value</b>	<b>708</b>	<b>582</b>	<b>251</b>	<b>135</b>	<b>44</b>	<b>127</b>	<b>124</b>	<b>1,971</b>
Of which are long-term provisions	644	523	251	135	37	127	31	1,748
Of which are current provisions	64	59			7		93	223

## Note 30 Other liabilities

### Other long-term liabilities

MSEK	2024	2023
Liabilities acquired properties	64	149
Other liabilities	100	108
<b>Total</b>	<b>164</b>	<b>257</b>

### Other current liabilities

MSEK	2024	2023
Liabilities to joint ventures	2	2
Contingent consideration	-	6
Withholdings, social security costs	387	410
VAT	535	606
On account work-in-progress	855	299
Derivate instruments held for hedging purposes	1	16
Liabilities acquired properties	366	216
Other liabilities	126	123
<b>Total</b>	<b>2,272</b>	<b>1,678</b>

## Note 31 Accrued expenses and deferred income

MSEK	2024	2023
Payroll expenses	1,813	1,691
Social security expenses	514	474
Operating expenses	1,228	1,020
Negative value joint ventures <sup>1)</sup>	12	-
Interest expenses	22	26
Rent revenue	35	33
<b>Total</b>	<b>3,624</b>	<b>3,244</b>

<sup>1)</sup> Refers to joint ventures where the net value of equity and internal profit elimination is negative



**Note 32 Classification and valuation of financial assets and liabilities****Accounting principle**

Financial instruments recognized on the balance sheet include on the assets side liquid funds, short-term investments, accounts receivable, securities holdings, loan receivables and derivatives. On the liabilities side, they include accounts payable, borrowing, contingent purchase prices and derivatives.

**Recognition on and removal from the balance sheet**

Financial assets and financial liabilities are recognized on the balance sheet when Peab becomes involved according to the instrument's contractual terms. Receivables are recognized when Peab has performed and the other party has a contractual responsibility to pay, even if the invoice has not yet been sent. Accounts receivables are recognized on the balance sheet when the invoice has been sent. Liabilities are recognized when the counterparty has performed the service and there is a contractual payment obligation even if the invoice has not been received. Accounts payable are recognized when the invoice is received.

Financial assets are removed from the balance sheet when the rights in the contract have been realized, fall due or Peab loses control of them. The same applies to parts of financial assets. Financial liabilities are removed from the balance sheet when contractual obligations have been met or otherwise extinguished. The same applies to parts of financial liability. Profit and loss from derecognition or modification are recognized in profit/loss.

Financial assets and financial liabilities are offset and recognized at a net amount on the balance sheet only where there is a legal right to offset the amounts and the intention is to clear the items with a net amount or to at the same time capitalize the asset and settle the liability.

On-demand acquisitions and on-demand sales of financial assets are reported on the transaction date, which is the date Peab commits to acquiring or selling the asset.

**Valuation at initial recognition**

Financial instruments are initially recognized at fair value with the addition/reduction of transaction costs except for instruments recurrently recognized at fair value via profit/loss for which transaction costs are instead expensed as they occur. Accounts receivables (without any material financing components) are initially valued at the transaction price determined according to IFRS 15.

**Classification and following valuation of financial assets**

Financial assets are initially classified as valued at accrued acquisition value, at fair value via other comprehensive income or at fair value via profit/loss. How the Group's various holdings of financial assets are classified is described below.

**Holdings of unlisted funds**

The Group has participations in unlisted funds. The funds are valued at fair value via profit/loss. The fair value of the Group's shares in unlisted funds is based on the valuation received from the managing institute. The valuation belongs to level 3 in the fair value hierarchy. However, the Group does not have access to the information about the input data used by the institute for the valuation and therefore no information about such data is given.

**Holdings of shares and participations in unlisted companies**

The Group's holdings of shares and participations in unlisted companies (that are not subsidiaries, associated companies or joint ventures) are valued at fair value via profit/loss.

**Derivatives not used for hedge accounting**

Derivatives that are not used for hedge accounting are valued at fair value via profit/loss. Derivatives that for Peab have a positive respectively negative fair value on the balance sheet day are recognized as assets respectively liabilities in the report on financial position.

**Other financial assets**

All other financial assets are recognized at accrued acquisition value. This is because they are held within the framework for a business model aimed at receiving the contractual cash flows at the same time that cash flows from the assets consist solely of payments of principal and interest.

**Classification and subsequent valuation of financial liabilities**

Financial liabilities are classified as valued at accrued acquisition value or valued at fair value via profit/loss. The financial liabilities valued at fair value via profit/loss consist of contingent additional considerations for business combinations and derivatives that for Peab have a negative fair value and are not hedged. The fair value of the Group's contingent considerations has been calculated as the current value of the amount expected to be paid according to each respective contract. All other financial liabilities are recognized at accrued acquisition value by applying the effective interest rate method.

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## Valuation of financial assets and liabilities at fair value

When calculating the fair value of interest-bearing receivables and liabilities, future cash flows were discounted to the listed market interest rate for the remaining terms of maturity. Spot rates on the balance sheet date were used to calculate the fair value of currency derivatives and commodity

derivatives. The recognized value of non-interest-bearing asset and liability items such as accounts receivable and accounts payable with a remaining maturity of less than six months is believed to reflect the fair value. The tables below show the recognized values compared to the estimated fair value per type of financial asset and liability.

## Classification of financial instruments and fair value

MSEK	Valued at fair value via the income statement		Derivatives used in hedge accounting		Accrued acquisition value		Total recognized value		Fair value <sup>1)</sup>	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Financial assets</b>										
Securities held as fixed assets	45	46					45	46	45	46
Interest-bearing long-term receivables					516	1,293	516	1,293	530	1286
Other long-term receivables					5	3	5	3	5	3
Accounts receivable					6,981	6,854	6,981	6,854	6,981	6,854
Interest-bearing current receivables					1,127	1,345	1,127	1,345	1,127	1,345
Prepaid expenses and accrued income					581	451	581	451	581	451
Other current receivables	3	4	7	6	190	282	200	292	200	292
Cash and bank					1,478	1,243	1,478	1,243	1,478	1,243
<b>Total financial assets</b>	<b>48</b>	<b>50</b>	<b>7</b>	<b>6</b>	<b>10,878</b>	<b>11,471</b>	<b>10,933</b>	<b>11,527</b>	<b>10,947</b>	<b>11,520</b>
<b>Financial liabilities</b>										
Interest-bearing long-term liabilities					6,094	7,046	6,094	7,046	6,103	7,015
Interest-bearing long-term liabilities, project financing					53	193	53	193	53	193
Other long-term liabilities					96	204	96	204	96	204
Interest-bearing current liabilities					5,368	4,246	5,368	4,246	5,369	4,244
Interest-bearing current liabilities, project financing					2,859	6,933	2,859	6,933	2,860	6,933
Accounts payable					4,096	4,897	4,096	4,897	4,096	4,897
Accrued expenses and prepaid income					22	26	22	26	22	26
Other current liabilities	0	17	1	5	122	32	123	54	123	54
<b>Total financial liabilities</b>	<b>0</b>	<b>17</b>	<b>1</b>	<b>5</b>	<b>18,710</b>	<b>23,577</b>	<b>18,711</b>	<b>23,599</b>	<b>18,722</b>	<b>23,566</b>

<sup>1)</sup> In all cases where there is a difference between recognized value and fair value the valuation belongs to level 3 in the fair value hierarchy.

The effect of valuing currency derivatives at fair value was included in the Group's income statement for a total of SEK 1 million (-2). There are no effects in 2024 of valuing unlisted shares, participations and funds including received dividends. For 2023, the effects amounted to SEK -26 million.

## Fair value

Measurement of fair value is based on a three-level hierarchy;

**Level 1:** prices that reflect quoted prices on an active market for identical assets

**Level 2:** based on direct or indirect observable inputs not included in level 1

**Level 3:** based on inputs unobservable to the market

The table below shows the allocated level of financial assets and financial liabilities recognized at fair value in the Group balance sheet.

MSEK	Level 2		Level 3		Total	
	2024	2023	2024	2023	2024	2023
<b>Financial assets</b>						
Securities held as fixed assets			45	46	45	46
<i>Of which unlisted shareholdings and participations</i>			41	41	41	41
<i>Of which unlisted funds</i>			4	5	4	5
Other current receivables	10	10			10	10
<i>Of which currency derivatives</i>	1	1			1	1
<i>Of which commodity hedging with futures</i>	9	9			9	9
<b>Total financial assets</b>	<b>10</b>	<b>10</b>	<b>45</b>	<b>46</b>	<b>55</b>	<b>56</b>
<b>Financial liabilities</b>						
Other current liabilities	1	16		6	1	22
<i>Of which currency derivatives</i>		3			-	3
<i>Of which commodity hedging with futures</i>	1	13			1	13
<i>Of which contingent consideration</i>				6	-	6
<b>Total financial liabilities</b>	<b>1</b>	<b>16</b>	<b>-</b>	<b>6</b>	<b>1</b>	<b>22</b>

The tables below shows reconciliation between the opening and closing balance for assets and liabilities included in level 3.

MSEK	Securities held as fixed assets			
	Unlisted funds		Unlisted shares and participations	
	2024	2023	2024	2023
<b>Opening balance</b>	<b>5</b>	<b>26</b>	<b>41</b>	<b>41</b>
Investments		5		
Sales				-1
Dividends received	-1			
Reported in profit/loss for the year				
Other operating costs (+) / other operating income (-)				1
Net finance		-26		
<b>Closing balance</b>	<b>4</b>	<b>5</b>	<b>41</b>	<b>41</b>
MSEK	Contingent consideration			
	2024	2023		
<b>Opening balance</b>	<b>6</b>	<b>20</b>		
Payments during the year	-6			
Reported in profit/loss for the year				
Other operating costs (+) / other operating income (-)		-13		
Reported in other comprehensive income		-1		
<b>Closing balance</b>	<b>-</b>	<b>6</b>		

## Note 33 Financial risks and Finance Policy

### Accounting principle

#### Hedge accounting

Peab holds interest, currency and raw materials derivatives utilized to hedge risks of changes in exchange rates, interest rate changes and changes in the price of raw materials.

#### Hedging interest risks (cash flow hedging)

Interest rate swaps and hedge accounting (cash flow hedging) are used to hedge against interest risks connected to Group loans. Interest rate swaps are valued at fair value in the balance sheet. The coupon rate part is recognized on a current basis as a correction of the interest expense in net financial items. The effective part of unrealized changes in the fair value of interest rate swaps are recognized in other comprehensive income and are part of the hedging provision until the hedged item (i.e. payment of interest on the hedged loan) affects profit/loss and as long as the criteria for hedge accounting is met.

#### Hedging raw materials price risks

The Group uses derivatives to hedge the price risk of purchasing bitumen as well as hedge the value of stored bitumen. All derivative instruments are recognized at fair value on the balance sheet. Peab applies hedge accounting for some of the bitumen hedges;

- For derivatives identified as cash flow hedging the effective part of unrealized value changes for the period are recognized in the hedging reserve via other comprehensive income. Thereafter the hedge income is included in the purchase price of the inventory and affects the income statement item production costs. Any ineffective part of the derivative's value change is recognized directly in profit/loss.
- For derivatives identified as fair value hedges, value changes for the period are recognized in profit/loss and the effective part of the hedge income adjusts the recognized value of the inventory and is recognized in profit/loss. The adjustment of the value of the inventory affects the income statement item production costs.

Peab has also derivatives to hedge gas and has current contracts to hedge the purchase of various oils. Hedge accounting is not applied on these derivatives which means that changes in the fair value of the derivative are directly recognized in operating profit as production costs for the period they occur.

#### Hedging currency risks

From time to time the Group uses forward exchange contracts to hedge currency risks when purchasing foreign currency. The forward exchange contracts are valued at fair value on the balance sheet and value changes for the period are recognized in profit/loss as a financial item.

#### Hedging net investments

To a certain extent measures have been taken to reduce currency risks connected to investments in operations abroad. This has been done by taking out loans in the same currency as the net investments. At closing these loans are recognized at the translated rate on balance sheet day. The effective part of changes in the period's exchange rate in relation to hedge instruments that has been identified as hedge accounting is recognized in other comprehensive income and the accumulated changes in a separate component of equity (the translation reserve), in order to meet and partly match the translation differences that affect other comprehensive income concerning net assets in the hedged operations abroad. In cases where the hedge is not effective, the ineffective part is recognized directly in profit/loss as a financial item.

#### Anticipated credit losses in financial assets

The Group recognizes loss reserves for anticipated credit losses on financial assets valued at accrued acquisition value. The loss reserve for receivables is valued at an amount that corresponds to the anticipated losses for the remaining time to maturity. For other receivables the loss reserve is valued at an amount that corresponds to 12 months anticipated credit losses, given that the credit loss has not significantly increased from when the receivable was originally recognized. If the credit loss has significantly increased from when the receivable was originally recognized the loss reserve is valued at an amount that corresponds to the anticipated losses for the remaining period time to maturity.

The loss reserve is calculated as the current value of all deficits in cash flows (i.e. the difference between cash flows according to a contract and the cash flows the Group anticipates receiving). Current receivables are, however, not discounted. Assets are recognized in the balance sheets net after any write-downs. Write-downs are recognized in profit/loss.

The reserve for anticipated credit losses regarding accounts receivables is calculated through making an individual assessment for certain receivables in cases where impairment has been strongly identified. For other receivables a collective reserve is made for anticipated credit losses based on the Group's history of credit losses in the different business areas. The model is updated regularly to take into account changes in loss statistics over time.

The loss reserve for other receivables is calculated by the Group assessing the probability of default in the counterpart based on available statistics from rating institutes as well as the loss the Group would suffer in the eventuality of a loss given default.

The gross value of a financial asset is written off when the Group no longer has any feasible expectations of recovering part of or the entirety of a financial asset.

**Finance and treasury**

The Group is exposed to various types of financial risks through its operations. The term financial risk refers to fluctuations in the company's profit/loss and cash flow resulting from changes in exchange rates, interest rates, raw materials prices, refinancing and credit risks as well as liquidity needs. Group finance and treasury is governed by the Finance Policy established by Peab's Board of Directors. The policy is a framework of guidelines and regulations in the form of a risk mandate and limitations in finance and treasury. The Board has appointed a Finance Committee which is chaired by the Chairman of the Board. It is authorized to make decisions that follow the Finance Policy in between meetings of the Board. The Finance Committee must report any such decisions at the next meeting of the Board. The Group function Finance and Treasury and the Group's internal bank Peab Finans AB manage coordination of Group finance and treasury. The overall target of the finance function is to provide cost-effective funding and to minimize the negative effects on Group profit/loss from financial risks.

**Liquidity risk**

The liquidity risk refers to the risk of Peab having difficulties in meeting its payment obligations as a result of a lack of liquidity or problems in converting or receiving new external loans. To ensure access to liquid funds binding credit facilities are contracted. The Group has a rolling one-month liquidity plan for all the units in the Group. Plans are updated each week. Group forecasts also comprise liquidity planning in the medium term. Liquidity planning is used to handle the liquidity risk and the cost of Group financing.

The objective is for the Group to be able to meet its financial obligations in favorable and unfavorable market conditions without running into significant unforeseen costs. Liquidity risks are managed centrally for the entire Group by the central Finance and Treasury function and the liquidity available at year-end is presented below.

**Available liquid funds**

MSEK	2024-12-31	2023-12-31
Cash and bank holdings	1,478	1,243
Unutilized overdraft facilities	500	500
Other unused credit lines	7,552	5,289
Liquidity commitment for outstanding commercial papers and utilized overdraft facilities	-708	-622
<b>Total</b>	<b>8,822</b>	<b>6,410</b>

**Financing risk**

Peab's Finance Policy contains guidelines and regulations for managing Group interest-bearing liabilities. The Finance Policy does not, however, comprise regulations concerning interest-bearing liabilities in Swedish tenant-owner associations or leasing liabilities that Peab recognizes for leases that by the lessor are classified as operational leasing (IFRS 16, Additional leasing). Liabilities in Swedish tenant-owner associations are approved in connection with handling start-up permission for tenant-owner association projects, which is decided by the Group's investment group for Housing Development. Utilization of operational leasing in Peab is managed according to Peab's regulations for entering rental agreements and is decided by the Group's investment group for Property Development. Mandates from the Board of Directors concerning investment groups are regulated in the Policy for Internal Control and Steering.

The Finance Policy dictates that Group net debt should mainly be covered by loan commitments that mature between 1 and 5 years. At the end of 2024, the average loan period for utilized credits was 23 months (30), for unutilized credits 28 months (25), and for all granted credits 25 months (28). Basic financing is a credit facility totaling SEK 7,000 million which matures in June 2027, with the possibility to extend the credit facility another year through an extension option. A credit facility is refinanced no later than one year before maturity. This loan facility is supplemented by capital market financing, other kinds of current operations financing, project-related credits, financial leasing and installment financing. At the end of the year SEK 846 million (2,854) of the loan facility was utilized. The loan facility contains financial covenants in the form of interest coverage ratios and equity/assets ratios that the Group must meet, which is standard for this kind of loan. Peab achieved these key ratios by a broad margin at the end of 2024. The loan facility is linked to Peab's sustainability targets. These targets are by 2030 reduce greenhouse gas emissions from our own production 60 percent (Scope 1+2, ton CO<sub>2</sub>e/MSEK) and from input goods and purchased services 50 percent (Scope 3, ton CO<sub>2</sub>e/MSEK). The interest margin for the credit facility is linked to predetermined levels of annual reductions in emissions. The outcome in 2024 for Scope 1+2 meant a reduction of 50 percent since the base year 2015. The outcome in 2024 for Scope 3 meant a reduction of 12 percent since the base year 2015. The outcomes for both Scope 1+2 and Scope 3 meant that Peab met the sustainability targets for the loan facility.

Peab has a lending program for commercial papers since 2004. Under the program Peab can issue commercial papers for a maximum of SEK 3.5 billion. The borrower is Peab Finans AB and the guarantor is Peab AB. At the end of the year Peab had outstanding commercial papers nominally worth EUR 41 million (15) and SEK 175 million (360) corresponding to a total of SEK 646 million (526).

Peab has a MTN program since 2012 with a loan framework of SEK 5 billion. At the end of 2024 Peab had outstanding bonds with a nominal value of EUR 85 (45) million and SEK 2,750 (2,550) million corresponding to a total of SEK 3,726 million (3,049). On June 13, 2024 Peab issued bonds for a total value of one and a half billion Swedish kronor. The bonds mature in 3 respectively 4.5 years. With a maturity of 3 years 900 million Swedish kronor were issued with a variable interest rate of 3 months Stibor (the Stockholm Interbank Offered Rate) plus 2.30 percentage points. With a maturity of 4.5 years 600 million Swedish kronor were issued with a variable interest rate of 3 months Stibor plus 2.70 percentage points. Per December 31, 2024 Peab had issued SEK 2,000 (1,500) million in bonds within the framework of green financing. The green bonds were issued within the framework of Peab's Swedish MTN program and the newly updated framework for green financing. The framework has been audited by the independent company Sustainability which states that it is robust, transparent and aligned with the latest market standard. Funds from the issue will be used to finance investments in green buildings, energy ECO efficient and circular products and production processes, clean transportation as well as water and pollution management.

Total credit commitments, excluding the unutilized part of the certificate program and the unutilized part of the MTN program, amounted to SEK 18,710 million (16,744) per December 31, 2024. Of the total credit commitments SEK 10,656 million (10,948) was utilized.

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Age analysis of financial liabilities, undiscounted cash flow including interest

2024, MSEK	Currency	Average interest rate on balance sheet day, %	Nominal value, original currency	Amount SEK	Matures 2025 Jan-Mar	Matures 2025 Apr - Dec	Matures 2026	Matures 2027	Matures 2028	Matures 2029	Matures 2030-
Bank loans	SEK	4.2	2,903	2,903	1,399	837	404	167	77	19	
Bank loans	NOK	6.4	1,045	1,013	199	70	28	711	1	1	3
Bank loans	EUR	4.2	48	557	4	91	70	66	63	58	205
Bank loans	DKK	4.5	119	183	1	13		169			
Commercial papers	SEK	3.6	176	176	150	26					
Commercial papers	EUR	3.7	41	473	414	59					
Bonds	SEK	4.5	3,040	3,040	531	80	848	953	628		
Bonds	EUR	4.8	95	1,087	12	315	33	257	470		
Other liabilities	SEK	5.0	1,131	1,131	1,118						13
Other liabilities	NOK	6.7	3	3		3					
Leasing liabilities <sup>1)</sup>	SEK	4.6	428	428	52	136	167	70	2	1	
Leasing liabilities <sup>1)</sup>	NOK	6.4	211	205	19	54	56	41	22	10	3
Leasing liabilities <sup>1)</sup>	EUR	5.6	11	121	9	30	30	27	15	10	
Leasing liabilities <sup>1)</sup>	DKK	5.0	23	35	2	6	6	6	6	5	4
<b>Total interest-bearing financial liabilities according to the Finance Policy</b>				<b>11,355</b>	<b>3,910</b>	<b>1,720</b>	<b>1,642</b>	<b>2,467</b>	<b>1,284</b>	<b>104</b>	<b>228</b>
Leasing liabilities <sup>2)</sup>	SEK	3.1	938	938	30	161	175	137	107	82	246
Leasing liabilities <sup>2)</sup>	NOK	4.1	267	259	18	53	55	42	29	22	40
Leasing liabilities <sup>2)</sup>	EUR	3.7	54	619	17	47	44	38	31	34	408
Leasing liabilities <sup>2)</sup>	DKK	2.2	2	3	1	1	1	0			
Bank loans in Swedish tenant-owner associations <sup>3)</sup>	SEK	4.7	2,317	2,317	801	1,350	52	114			
<b>Total interest-bearing financial liabilities, IFRS</b>				<b>15,491</b>	<b>4,777</b>	<b>3,332</b>	<b>1,969</b>	<b>2,798</b>	<b>1,451</b>	<b>242</b>	<b>922</b>
Accounts payable	SEK	-	2,971	2,971	2,971						
Accounts payable	NOK	-	659	639	639						
Accounts payable	EUR	-	31	360	360						
Accounts payable	DKK	-	81	125	125						
Accounts payable	Other	-	0	1	1						
Other liabilities	SEK	-	147	147	19	64			64		
Other liabilities	NOK	-	34	33			3	28	2		
Other liabilities	EUR	-	0	1	1						
Derivatives	-	-		1	1						
<b>Total non-interest bearing financial liabilities</b>				<b>4,278</b>	<b>4,117</b>	<b>64</b>	<b>3</b>	<b>28</b>	<b>66</b>	<b>0</b>	<b>0</b>
<b>Total financial liabilities</b>				<b>19,769</b>	<b>8,894</b>	<b>3,396</b>	<b>1,972</b>	<b>2,826</b>	<b>1,517</b>	<b>242</b>	<b>922</b>

<sup>1)</sup> Previously financial leasing.

<sup>2)</sup> Previously operational leasing. Payments for leasehold fees in coming periods are included in the table above for leasing liabilities regarding leaseholds. For periods before 2030 the payments are recognized without discounts but for the period 2030 and after, the discounted value of the remaining payments is recognized since the leasehold constitutes a never ending obligation to pay leasehold fees. Per December 31, 2024 Group leasing liabilities regarding leaseholds amounted to SEK 327 million (2023), see note 28 Leasing for further details.

<sup>3)</sup> For bank loans in Swedish tenant-owner associations the age analysis shows the liabilities' contractual mature dates. However, the liabilities are derecognized when the final homebuyers take over their apartments, which in practice entails a shorter period of time than presented in the table above.

2023, MSEK	Currency	Average interest rate on balance sheet day, %	Nominal value, original currency	Amount SEK	Matures 2024 Jan-Mar	Matures 2024 Apr - Dec	Matures 2025	Matures 2026	Matures 2027	Matures 2028	Matures 2029-
Bank loans	SEK	5.6	2,274	2,274	1,107	494	322	193	124	34	
Bank loans	NOK	5.7	1,736	1,714	28	518	157	974	25	8	4
Bank loans	EUR	5.4	245	2,718	193	202	145	1,683	94	70	331
Bank loans	DKK	5.7	295	440	6	16	21	397			
Commercial papers	SEK	4.8	356	356	356						
Commercial papers	EUR	4.6	15	166	166						
Bonds	SEK	5.3	2,747	2,747	34	1,386	547	780			
Bonds	EUR	5.6	51	568	7	22	298	13	228		
Other liabilities	SEK	3.6	68	68	0	49	1	1	1	1	15
Other liabilities	NOK	4.7	23	23	21	2					
Leasing liabilities <sup>1)</sup>	SEK	5.7	515	515	49	158	172	131	2	2	1
Leasing liabilities <sup>1)</sup>	NOK	6.6	247	244	22	55	66	49	32	12	8
Leasing liabilities <sup>1)</sup>	EUR	5.2	11	119	11	14	45	28	19	2	
Leasing liabilities <sup>1)</sup>	DKK	5.0	14	21	2	6	4	2	2	2	3
<b>Total interest-bearing financial liabilities according to the Finance Policy</b>				<b>11,973</b>	<b>2,002</b>	<b>2,922</b>	<b>1,778</b>	<b>4,251</b>	<b>527</b>	<b>131</b>	<b>362</b>
Leasing liabilities <sup>2)</sup>	SEK	2.6	991	991	57	160	167	130	104	92	281
Leasing liabilities <sup>2)</sup>	NOK	3.6	285	281	19	53	60	44	32	21	52
Leasing liabilities <sup>2)</sup>	EUR	3.2	39	429	17	41	46	28	25	27	245
Leasing liabilities <sup>2)</sup>	DKK	2.1	4	7	1	2	2	1	1		
Bank loans in Swedish tenant-owner associations <sup>3)</sup>	SEK	5.7	6,314	6,314	868	3,515	1,931				
<b>Total interest-bearing financial liabilities, IFRS</b>				<b>19,995</b>	<b>2,964</b>	<b>6,693</b>	<b>3,984</b>	<b>4,454</b>	<b>689</b>	<b>271</b>	<b>940</b>
Accounts payable	SEK		3,760	3,760	3,760	0					
Accounts payable	NOK		677	669	669						
Accounts payable	EUR		32	353	353	0					
Accounts payable	DKK		68	101	101						
Accounts payable	Other			14	14						
Other liabilities	SEK		159	159	6	19	71			63	
Other liabilities	NOK		83	82	10	2	42	5	23		
Other liabilities	EUR		0	1	1						
Derivatives				16	4	11	1				
<b>Total non-interest bearing financial liabilities</b>				<b>5,155</b>	<b>4,918</b>	<b>32</b>	<b>114</b>	<b>5</b>	<b>23</b>	<b>63</b>	<b>-</b>
<b>Total financial liabilities</b>				<b>25,150</b>	<b>7,882</b>	<b>6,725</b>	<b>4,098</b>	<b>4,459</b>	<b>712</b>	<b>334</b>	<b>940</b>

<sup>1)</sup> Previously financial leasing.

<sup>2)</sup> Previously operational leasing. Payments for leasehold fees in coming periods are included in the table above for leasing liabilities regarding leaseholds. For periods before 2029 the payments are recognized without discounts but for the period 2029 and after, the discounted value of the remaining payments is recognized since the leasehold constitutes a never ending obligation to pay leasehold fees. Per December 31, 2023 Group leasing liabilities regarding leaseholds amounted to SEK 207 million (368), see note 37 Leasing for further details.

<sup>3)</sup> For bank loans in Swedish tenant-owner associations the age analysis shows the liabilities' contractual mature dates. However, the liabilities are derecognized when the final homebuyers take over their apartments, which in practice entails a shorter period of time than presented in the table above.

### Interest rate risk

The interest rate risk is the risk that Peab's cash flow or the value of financial instruments may vary with changes in market interest rates. The interest rate risk can result in changes in fair values and cash flows. A crucial factor affecting interest rate risk is the fixed interest period.

The Finance Policy dictates that the average fixed interest period on total borrowing (excluding additional leasing and liabilities in Swedish tenant-owner associations) may not exceed 24 months. Peab has chosen short fixed interest periods for outstanding credits. Per December 31, 2024 there were no interest rate swaps.

Interest-bearing liabilities excluding liabilities in Swedish tenant-owner associations and additional leasing according to IFRS 16 were per December 31, 2024 SEK 10,656 million (10,948). The interest-bearing credit facilities

with a maturity of more than twelve months were SEK 5,836 million (7,041) and with a maturity of less than twelve months were SEK 4,820 million (3,907).

As the table below shows, the fixed interest period for SEK 10,656 million (10,926) of the Group's utilized credit facilities is less than one year. Interest-bearing asset items including liquid funds were SEK 3,121 million (3,881), of which SEK 2,702 million (2,573) have short fixed interest periods. Net utilized credit lines and interest-bearing asset items with short fixed interest periods of less than one year were SEK 7,954 million (8,353). The net amount is therefore almost directly susceptible to changes in market interest rates. Since financial liabilities have a short maturity most of the interest rate risk is considered a cash flow risk. For further information regarding Peab's risk sensitivity see the Sensitivity Analysis in the Board of Directors' Report.

## Fixed interest rate period on utilized credits per 2024-12-31

Fixed interest period	Amount, MSEK	Average effective interest rate, percent	Share, percent
2025	10,656	4.7	100
<b>Total</b>	<b>10,656</b>	<b>4.7</b>	<b>100</b>

## Interest rate risk in bank loans in Swedish tenant-owner associations

Interest on bank loans taken out by Swedish tenant-owner associations is included in the cost of ongoing work-in-progress in project and development property. A change in the interest rate on these liabilities would therefore not affect Peab's net financial items.

## Currency risks

The currency risk is the risk that fair values and cash flows of financial instruments may fluctuate with changes in the value of foreign currencies.

## Financial exposure

Group borrowing is done in local currencies to reduce currency risks in operations. Assets and liabilities in foreign currency are translated at the rate on the balance sheet date. Borrowing in the interest-bearing liabilities per December 31, 2024, including leasing and liabilities in Swedish tenant-owner associations, was allocated as follows:

	2024-12-31		2023-12-31	
	Local currency in millions	MSEK	Local currency in millions	MSEK
SEK	10,308	10,308	12,527	12,527
EUR	212	2,440	310	3,442
NOK	1,456	1,411	2,063	2,037
DKK	140	215	277	412
<b>Total</b>		<b>14,374</b>		<b>18,418</b>

Internal loans from Peab Finans AB are used to handle temporary liquidity needs in Peab's foreign operations. Currency swaps are used to eliminate exchange risks. At the end of 2024 and 2023, there were no outstanding currency swaps relating to financial exposure. Exchange rate differences in net financials items from financial exposure were SEK -1 million (-7) in 2024. Exchange rate differences primarily refer to claims on subsidiaries in Norway and Finland and have no cash flow effect. Exchange rate differences in operating profit were SEK -6 million (-6).

## Exposure of net assets in foreign currency

The translation exposure arising from investments in foreign net assets can be hedged through loans in foreign currency or forward exchange contracts. At the end of 2024 and 2023 there were no hedges in forward exchange contracts for foreign net assets.

## Foreign net assets

Local currency in millions	2024	Of which hedged	2023	Of which hedged
NOK	1,404	-	1,750	-
EUR	180	-	143	-
DKK	80	-	-17	-
PLN	4	-	4	-

A change in the euro exchange rate as of December 31, 2024 by ten percent would entail a translation effect on equity of SEK 206 million (159). A corresponding change in the exchange rate for the Norwegian krone and Danish krone, respectively, would entail a translation effect on equity of SEK 136 million (173) and 12 million (2).

Translation differences in equity (net assets in foreign subsidiaries) for the year amounted to SEK 41 million (-145).

## Commercial exposure

Although international purchases and sales of goods and services in foreign currency are currently limited, they are expected to increase as competition grows regarding purchasing goods and services. Contracted or forecasted currency flows can be hedged for 12 months from the date of the contract. At the end of 2024, there were exchange rate hedges related to forecasted currency flows of EUR 8 million (9). At the end of 2023, there were also hedges of 3 MPLN. Peab did not apply hedge accounting on these hedges.

## Commodities risk

## Electricity

Peab's asphalt production is energy intense as are major construction projects. An energy shortage or high prices for it can entail a risk for our ability to operate. The energy risk is managed through fixed price contracts in Sweden, Norway and Finland.

## Oil and gas

Peab purchases oil and gas for its operations. The price risk and access to oil and gas are in part hedged via long purchasing contracts and in part via derivative contracts with a maturity of up to 12 months. Peab did not apply hedge accounting on oil and gas derivatives.

## Bitumen

Bitumen is a binder in asphalt production and is the single highest cost in asphalt operations. Peab's asphalt operations are exposed to changes in the price of bitumen, which has a direct effect on earnings and margins. The price of bitumen generally follows the specific oil price index HSFO. Some contracts with customers have sales price clauses that regulate changes in the price of bitumen.

Peab has two different kinds of bitumen exposures.

1. In fixed price sales there is a risk that the price of bitumen will rise before delivery, which raises the purchase price. The fixed price sales cannot be adjusted to cover additional costs. Therefore the project's profit margin is not ensured. Peab handles the bitumen component price risk by hedging purchases through external derivatives.
2. Warehousing risk due to lead times. Peab stores bitumen in different depots during the off season. Peab handles the bitumen component price risk by hedging purchases through external derivatives.

The risk of fixed price sales and the warehousing risk are managed by Peab Finans via oil futures with HSFO as an underlying variable. Exposure is presented in the table below.

## Derivatives and hedge accounting

Hedge accounting is applied according to IFRS 9 on oil futures that hedge the bitumen price risk in USD. A financial relationship is assumed to exist in the Group's hedging relationships since the hedge instruments' and the hedged items' terms correspond to each other and their values thereby are expected to develop in opposite directions when the underlying hedged risk changes. The hedged risk is the commodity price risk in USD, where the price is hedged in the respective subsidiary's functional currency. In the case of fixed price sales the anticipated cash flows for the purchase of bitumen are hedged and in the case of the warehouse risk the fair value of the bitumen stored is hedged. The effectiveness is for the most part estimated based on critical terms (nominal volumes, maturity times, oil price index and currency). The credit risk is not expected to materially contribute to ineffectiveness since the derivative has a limited maturity and is entered into with banks with high creditworthiness. Another possible source of ineffectiveness is surplus hedging but since the exposure is not fully hedged the estimated risk of surplus hedging is minimal. The hedge ratio is 1:1.



## Bitumen derivatives with hedge accounting per December 31, 2024

	Total	<3 mon	4 -12 mon	>1 year
<b>Fixed price contract – cash flow hedging</b>				
Purchase of Bitumen/via HSFO hedging contract, ton	21,696	2,000	18,196	1,500
Fair value hedging contract, MSEK	7	1	5	1
<b>Warehouse contract – fair value</b>				
Sale of Bitumen/via HSFO hedging contract, ton	1,000	1,000	–	–
Fair value hedging contract, MSEK	-1	-1	–	–

## Bitumen derivatives without hedge accounting per December 31, 2024

	Total	<3 mon	4 -12 mon	>1 year
<b>Fixed price contract – cash flow hedging</b>				
Purchase of Bitumen/via HSFO hedging contract, ton	430	–	430	–
Fair value hedging contract, MSEK	0	–	0	–

## Bitumen derivatives with hedge accounting per December 31, 2023

	Total	<3 mon	4 -12 mon	>1 year
<b>Fixed price contract – cash flow hedging</b>				
Purchase of Bitumen/via HSFO hedging contract, ton	12,100	2,600	6,900	2,600
Fair value hedging contract, MSEK	-5	-2	-2	-1
<b>Warehouse contract – fair value</b>				
Sale of Bitumen/via HSFO hedging contract, ton	6,000	500	5,500	–
Fair value hedging contract, MSEK	6	1	5	–

## Bitumen derivatives without hedge accounting per December 31, 2023

	Total	<3 mon	4 -12 mon	>1 year
<b>Fixed price contract – cash flow hedging</b>				
Purchase of Bitumen/via HSFO hedging contract, ton	2,050	200	1,850	–
Fair value hedging contract, MSEK	-1	0	-1	–
<b>Warehouse contract – fair value</b>				
Sale of Bitumen/via HSFO hedging contract, ton	5,540	1,250	4,290	–
Fair value hedging contract, MSEK	2	1	1	–

## Effect of hedge accounting

The effect of hedge accounting on Group profit/loss and financial position is shown below.

MSEK	2024-12-31				January – December 2024			
	Nominal amount/ volume	Recognized value	Item in report on financial position that contains hedge instruments	Change in value of hedge instruments that adjust the value of inventories	Change in value of hedge instruments recognized in other comprehensive income	Amount reclassified/transferred from hedging reserve	Items in profit/loss affected by reclassification	
	Assets		Liabilities					
<b>Commodities risk <sup>1)</sup></b>								
Cash flow hedging – fixed price contract Bitumen	21,696	7	–	Other receivables/liabilities	–	13	-1	Production costs
Fair value hedging – warehouse contract Bitumen	1,000	–	1	Other receivables/liabilities	-7	–	–	Production costs via inventories

<sup>1)</sup> Any hedging ineffectiveness or commodity hedging is recognized as other income/other expense. Peab has not recognized any ineffectiveness in 2024.

Group, MSEK	2023-12-31				January – December 2023			
	Nominal amount/ volume	Recognized value	Item in report on financial position that contains hedge instruments	Change in value of hedge instruments that adjust the value of inventories	Change in value of hedge instruments recognized in other comprehensive income	Amount reclassified/transferred from hedging reserve	Items in profit/loss affected by reclassification	
	Assets		Liabilities					
<b>Commodities risk <sup>1)</sup></b>								
Cash flow hedging – fixed price contract Bitumen	12,100	–	-5	Other receivables/liabilities	–	18	-24	Production costs
Fair value hedging – warehouse contract Bitumen	6,000	6	–	Other receivables/liabilities	4	–	–	Production costs via inventories

<sup>1)</sup> Any hedging ineffectiveness or commodity hedging is recognized as other income/other expense. Peab has not recognized any ineffectiveness in 2023.

**Credit risk**

Credit risk refers to the risk of losing money if a counterparty fails to meet its obligations.

**Credit risks in financial instruments**

Credit risks in financial instruments are very limited since Peab only deals with counterparties with high credit ratings. Counterparty risks are primarily associated with receivables to banks and other counterparties involved in the purchase of derivatives. The Finance Policy contains special counterparty regulations which specify the maximum credit exposure for various counterparties. The framework agreement of the International Swaps and Derivatives Association (ISDA) is used with all counterparties in derivative transactions. According to the agreement when a counterparty cannot settle its obligations in all transactions the agreement is discontinued and all outstanding dealings are then settled for a net amount. ISDA agreements do not meet the criteria for offsetting on the balance sheet. The information in the table below shows the financial instruments covered by ISDA agreements.

MSEK	2024		2023	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Recognized gross amount	10	1	10	16
Amount covered by netting agreement	-1	-1	-10	-10
<b>Net sum after netting agreement</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>6</b>

Peab did not suffer any financial instrument credit losses in 2024. Total counterparty exposure related to derivative trading calculated as a net receivable per counterparty amounted to SEK 9 million (0) at the end of 2024. The estimated gross exposure to counterparty risks related to liquid funds and current investments amounted to SEK 1,478 million (1,243). Most of the Group's liquid funds are placed in banks with the credit rating AA- from Standard & Poor's.

For information about the Group's claim regarding the arbitration award in Mall of Scandinavia, see note 20.

**Loss reserves for interest-bearing receivables**

MSEK	2024	2023
Opening balance per January 1	20	10
Revaluating the loss reserve, net	-2	10
<b>Closing balance per December 31</b>	<b>18</b>	<b>20</b>

**Credit risk in accounts receivable and other receivables**

The risk that Group customers cannot meet their obligations, i.e. payment is not received from customers, is a customer credit risk. Credit losses are relatively rare in the construction and civil engineering business since a great number of projects and customers are invoiced at regular intervals during production. The Group's customers undergo a credit rating control providing information on customers' financial positions from various credit rating companies before a project is undertaken. The Group has an established Credit Policy for handling customer credit. For instance, it specifies where decisions regarding credit limits of various sizes are taken and how uncertain receivables should be handled. Bank guarantees or other collateral are required for customers with low credit ratings or insufficient credit history. The maximum exposure to credit risk is the recognized value on the Group balance sheet. Total bad debts in 2024 amounted to SEK 25 million (14). The credit quality in accounts receivable that are not yet due is considered good. Accounts receivable that are more than 90 days overdue, excluding loss provisions, amounted to SEK 848 million (575). Overdue accounts receivable are for the most part unclarity regarding contract terms relating to the customer about the final contract amount. Risks in accounts receivable have been taken into account in project forecasts or been handled as provisions.

There is a credit risk in contract assets (Worked up not invoiced income) in Peab's construction contract business. The Group's assessment is that the risk of bad debts in contracts assets is very low since customers are

invoiced at regular intervals during production and a large number of Peab's construction contract business customers are in the public sector with a low credit risk.

Loss reserves for accrued income amounted to SEK 6 million (5).

**Accounts receivable written down**

MSEK	2024	2023
<b>Opening balance per January 1</b>	<b>27</b>	<b>47</b>
Reversed write-downs	-13	-34
Write-downs	25	16
Exchange rate differences	1	-2
<b>Closing balance</b>	<b>40</b>	<b>27</b>

**Capital management**

Peab strives to have a good capital structure and financial stability in order to provide a stable basis for continuing business activities, thereby enabling the company to keep existing owners and attract new ones. A good capital structure also promotes the development of good relations with the Group's creditors in a manner which benefits all parties.

Capital is defined as Equity and refers to equity attributable to shareholders in the parent company.

**Equity**

MSEK	IFRS		Segment reporting	
	2024	2023	2024	2023
Equity attributable to shareholders in parent company	16,482	14,453	16,738	15,065

**Financial targets**

As of 2021 Peab externally reports the performance of our business by monitoring nine targets, of which three are financial and based on segment reporting and six are non-financial targets. We consider the external targets particularly important and they are a subset of our internal targets and action plans. Both the internal and external financial and non-financial targets are categorized under the strategic targets; most Satisfied customers, best Workplace, Most profitable company and Leader in social responsibility.

Our financial targets under the strategic target Most profitable company are as follows and based on segment reporting:

- Operating margin > 6 %
- Net debt/equity ratio 0.3 – 0.7
- Dividend > 50 % of profit for the year

Peab's operating profit according to segment reporting in 2024 was SEK 2,763 million (1,853) and the operating margin was 4.7 percent (3.2).

The net debt/equity ratio at the end of 2024 was 0.5 (0.6) which was within the target interval 0.3 – 0.7. During the year improved earnings and lower investments in business area Industry had a positive effect on the net debt. Peab's target for dividends is to annually distribute more than 50 percent of profit for the year according to segment reporting to shareholders. The dividend must be in reasonable proportion to Peab's profit development and consolidation needs. In addition to ordinary dividends the Board can propose extra cash dividends if it finds that funds exist which are not considered to be requisite for the Group's development. Extra dividends may also be distributed in a form other than cash. In February 2025 Peab's Board proposed an ordinary dividend of SEK 2.75 (1.5) per share for the calendar year 2024 divided into two payments, one in May and the other in October. Excluding the 8,597,984 shares held by Peab AB as of December 31, 2024 which do not entitle to a dividend, the proposed dividend entails a total dividend amount of SEK 790 million (431). Calculated as a share of recognized Group profit after tax according to segment reporting the proposed dividend amounts to 38 percent (30).

**Holdings of own shares**

At the start of 2024 Peab's holding of own shares amounted to 8,597,984 B shares, corresponding to 2.9 percent of the total number of shares. On May 6, 2024 Peab's AGM authorized the Board of Directors to acquire shares in Peab AB up to an amount so that after acquisition Peab would hold a maximum of 10 percent of the registered shares in the company for the period until the next AGM. The purpose of the purchase of own shares is to improve the capital structure of the company, for financing acquisitions and for allocating shares in performance share programs. Peab has not repurchased any shares during 2024. Peab's holding of own shares was 8,597,984 B shares corresponding to 2.9 percent of the total number of shares at the end of 2024.

**Note 34 Investment obligations**

In 2024 the Group signed contracts to acquire tangible fixed assets amounting to SEK 119 million (267).

The Group had no obligations to invest in joint arrangements at the end of 2024 or 2023.

Companies classified as joint arrangements have obligations for investments of SEK 797 million (967). Most of the investments refer to construction of rental apartment buildings and other commercial property and are expected to be settled in the coming fiscal years.

**Note 35 Pledged assets, contingent liabilities and contingent assets****Accounting principle**

Information about contingent liabilities is provided when there is a possible obligation stemming from events that have occurred and the obligations are only confirmed by one or more uncertain future events that are out of the Group's control or when there is an obligation that is not reported as a liability or provision because it is not likely that an outflow of resources will be required or the amount cannot be calculated with sufficient reliability.

As a consequence of Peab consolidating Swedish tenant-owner associations according to IFRS, surety for tenant-owner associations under production is not reported. When homebuyers take possession of their apartments and the tenant-owner association is no longer consolidated

in Peab's accounts, Peab then reports the part of surety for unsold homes. Peab has a guarantee obligation to acquire unsold homes six months after completion.

In most of the tenant-owner associations Peab develops, Peab AB signs guarantees as surety for paid advances and down payments. These guarantees ensure the tenant-owner's right to repayment of a down payment if the tenant-owner makes a cancellation because of a substantial rise in fees during the first year after the annual meeting where the final cost of the project is presented. After that the guarantee is null and void. Guarantees or equivalent insurance from an external insurer have never been used and Peab considers it highly unlikely that this will occur in the future. The guarantees are therefore not reported as contingent liabilities.

**Pledged assets**

MSEK	2024	2023
<b>For own liabilities and provisions</b>		
Real estate mortgages <sup>1)</sup>	2,625	1,722
Real estate mortgages in Swedish tenant-owner associations <sup>1)</sup>	466	1,596
Assets with retention of title <sup>2)</sup>	1,936	1,727
Other (pledged shares in subsidiaries)	247	-
<b>Other pledged assets and guarantees</b>		
Pledged shares in joint arrangements	539	537
<b>Total</b>	<b>5,813</b>	<b>5,582</b>

<sup>1)</sup> Pledged assets are recognized as current assets.

<sup>2)</sup> Includes leasing assets of SEK 803 million (896) with retention of title, primarily vehicles.

**Contingent liabilities**

MSEK	2024	2023
Shared obligations as part owners in limited partnerships	38	40
Surety for the benefit of joint arrangements	1,668	2,082
Surety for construction loans to tenant-owner associations	508	328
Other surety	17	18
<b>Total</b>	<b>2,231</b>	<b>2,468</b>

## Note 36 Related parties

The Group is subject to considerable influence by Mats Paulsson and Fredrik Paulsson together with families, children and companies. Most of the Paulsson families indirect holdings are gathered in the company Ekhaga Utveckling AB which is controlled by Fredrik Paulsson. Ekhaga Utveckling AB has 21.6 percent of the capital and 49.0 percent of the votes. Mats and Fredrik Paulsson together with families have 5.5 percent of capital and 11.2 percent of the votes.

### SkiStar

The SkiStar Group is subject to considerable influence by Mats and Fredrik Paulsson with families, children and companies through their ownership of the company. Fredrik Paulsson is a member of the board of SkiStar.

### Summary of transactions with related parties

MSEK	2024	2023
<b>Transactions with joint arrangements</b>		
Sales to joint arrangements	505	1,208
Purchases from joint arrangements	2,223 <sup>1)</sup>	42
Interest revenue from joint arrangements	65	68
Interest expenses to joint arrangements	13	-
Receivables from joint arrangements	523	1,651
Liabilities to joint arrangements	1,117	9
Dividends from joint arrangements	113	82
Capital contributions to joint arrangements	145	291
Guarantee liabilities for the benefit of joint arrangements	1,654	2,082
<b>Transactions with SkiStar</b>		
Sales to SkiStar	23	54
Purchases from SkiStar	0	1
Receivables from SkiStar	0	12
<b>Transactions with Ekhaga Utveckling</b>		
Sales to Ekhaga Utveckling	55	69
Purchases from Ekhaga Utveckling	102	91
Receivables from Ekhaga Utveckling	7	9
Liabilities to Ekhaga Utveckling	6	14
<b>Transactions with Annehem Fastigheter</b>		
Sales to Annehem Fastigheter	63	643
Purchases from Annehem Fastigheter	107	104
Receivables from Annehem Fastigheter	2	18
Liabilities to Annehem Fastigheter	2	7

<sup>1)</sup> Includes SEK 2,091 million from the acquisition of properties and building rights from Fastighets AB Centur, for more information see Significant events during the year.

### Executive management

For information on salaries and other remuneration to the Board of Directors, the CEO and senior officers along with information on costs relating to pensions and similar benefits and agreements on retirement remuneration, see note 9. During the years 2024 and 2023, the CEO and other senior officers in total hired companies within the Peab Group for private services of less than SEK 500 thousand. The services have been delivered at market prices.

### Ekhaga Utveckling

The Ekhaga Utveckling Group is subject to considerable influence by Mats and Fredrik Paulsson with families, children and companies through their ownership of the company. Fredrik Paulsson is CEO of Ekhaga Utveckling.

### AB Axel Granlund/Volito

Karl-Axel Granlund is a member of the Board of Peab and Chairman of Volito AB which is part of the AB Axel Granlund Group.

### Annehem Fastigheter

The Annehem Group is subject to considerable influence by Ekhaga Utveckling, which is controlled by Fredrik Paulsson. Peab's President and CEO, Jesper Göransson, is a member of the board of Annehem Fastigheter.

### Joint arrangements

In addition to the related parties presented above the Group has a related party relation with its joint arrangements, see note 18 and 19.

### Transaction terms

Transactions with related parties were on market terms.

**Note 37 Cash flow statement****Paid interest and dividends received**

<b>MSEK</b>	<b>2024</b>	<b>2023</b>
Dividends received	114	84
Interest received	127	135
Interest paid	-999	-1,028

**Adjustments for items not included in cash flow**

<b>MSEK</b>	<b>2024</b>	<b>2023</b>
Profit from participation in joint ventures	-435	-152
Dividends received from joint ventures	113	84
Depreciation and write-downs	1,863	1,918
Unrealised exchange rate differences	7	6
Profit/loss on sales of fixed assets	-381	-157
Profit/loss on sales of subsidiaries/businesses	-12	-44
Provisions	67	346
Change in fair value of financial instruments	1	25
Arbitration Mall of Scandinavia	-129	-854
Share-based payments	26	-
Other	-3	-
<b>Total</b>	<b>1,117</b>	<b>1,172</b>

**Transactions without payments**

<b>MSEK</b>	<b>2024</b>	<b>2023</b>
Aquisition of assets by leasing	565	541

**Disposal of subsidiaries/businesses**

<b>MSEK</b>	<b>2024</b>	<b>2023</b>
<i>Disposed assets and liabilities</i>		
Project and development properties and inventories	7	-
Accounts receivable and other receivables	8	9
Liquid funds	-	3
Accounts payable and other current liabilities	-	-4
<b>Disposed net assets</b>	<b>15</b>	<b>8</b>
Sales price	28	53
Less: Liquid funds in disposed companies	-	-3
<b>Effect on liquid funds</b>	<b>28</b>	<b>50</b>

**Liquid funds**

The following components are included in liquid funds:

<b>MSEK</b>	<b>2024</b>	<b>2023</b>
Cash and bank	1,478	1,243
<b>Total</b>	<b>1,478</b>	<b>1,243</b>

**Note 38 Significant events after the balance sheet date**

No significant events occurred after the balance sheet date.

**ESEF information**

Company name:	Peab AB
Address:	Margretetorpsvägen 84, 269 73 Förslöv
Country:	Sweden
Description of nature of entity's operations and principal activities:	Peab is the Nordic Community Builder

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## Parent Company Peab AB

VAT nr. 556061-4330

### Board of Directors' report

The parent company's operations consist of executive management and Group functions. Net sales for 2024 amounted to SEK 910 million (267) and primarily comprised internal Group services. Operating profit for the year was SEK -256 million (-224). Profit after financial items amounted to SEK 747 million (3,109). Financial items included SEK 990 million (3,165) in dividends from subsidiaries. SEK 1,332 million (993) of appropriations are Group contributions. Profit for the year amounted to SEK 1,948 million (4,207).

As of February 1, 2024 Peab's Swedish support functions are run in Peab AB. The change has been implemented through a so-called business transfer, which means that all employees in Peab Support AB and Peab Utveckling AB have been offered a transfer of employment to Peab AB. This change was brought on by the current business environment and the economy which requires adapting the organization in both production and Group support functions.

### Proposed appropriation of profit

#### The following amounts in SEK are at the disposal of the Annual General Meeting;

Share premium reserve	2,308,208,948
Profit brought forward	7,211,760,784
Profit for the year	1,948,117,829
<b>Total</b>	<b>11,468,087,561</b>

#### The Board of Directors propose the following appropriation of disposable profit and non-restricted reserves;

Dividend, 287,451,746 shares at SEK 2.75 per share <sup>1)</sup>	790,492,302
Carried forward <sup>2)</sup>	10,677,595,259
<b>Total</b>	<b>11,468,087,561</b>

<sup>1)</sup> On February 6, 2025 there were 296,049,730 registered shares in the parent company, of which the number of shares entitled to a dividend were 287,451,746

<sup>2)</sup> Of which to share premium reserve

2,308,208,948

### Income statement – the parent company

MSEK	Note	2024	2023
Net sales	A2	910	267
Administrative expenses	A3,A4	-1,166	-494
Other operating income		0	3
<b>Operating profit</b>		<b>-256</b>	<b>-224</b>
<b>Profit/loss from financial investments</b>	A5		
Profit/loss from participation in Group companies		822	3,310
Profit/loss from securities and receivables held as fixed assets		0	1
Other interest income and similar profit/loss items		185	51
Interest expenses and similar profit/loss items		-4	-29
<b>Profit/loss after financial items</b>		<b>747</b>	<b>3,109</b>
Appropriations	A6	1,452	1,367
<b>Pre-tax profit</b>		<b>2,199</b>	<b>4,476</b>
Tax	A7	-251	-269
<b>Profit for the year <sup>1)</sup></b>		<b>1,948</b>	<b>4,207</b>

<sup>1)</sup> Profit/loss for the year corresponds to comprehensive profit/loss for the year and therefore only one income statement is presented without a separate one for comprehensive profit/loss.

**Balance sheet – the parent company**

MSEK	Note	Dec 31 2024	Dec 31 2023
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible assets	A8	300	2
Tangible assets	A9	48	2
<b>Financial assets</b>			
Participation in Group companies	A17	10,339	10,433
Receivables from Group companies		23	–
Other securities held as fixed assets		0	0
Deferred tax recoverables	A7	106	83
<b>Total financial assets</b>		<b>10,468</b>	<b>10,516</b>
<b>Total fixed assets</b>		<b>10,816</b>	<b>10,520</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Receivables from Group companies	A13	5,734	4,940
Other receivables	A10	61	70
<b>Total current receivables</b>		<b>5,795</b>	<b>5,010</b>
Cash and bank	A13	0	0
<b>Total current assets</b>		<b>5,795</b>	<b>5,010</b>
<b>Total assets</b>		<b>16,611</b>	<b>15,530</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital		1,584	1,584
Statutory reserve		300	300
<b>Non-restricted equity</b>			
Share premium reserve		2,308	2,308
Profit brought forward		7,212	3,410
Profit for the year		1,948	4,207
<b>Total equity</b>		<b>13,352</b>	<b>11,809</b>
<b>Untaxed reserves</b>	A18	<b>2,798</b>	<b>2,919</b>
<b>Provisions</b>			
Other provisions	A11	44	43
<b>Total provisions</b>		<b>44</b>	<b>43</b>
<b>Current liabilities</b>			
Liabilities to Group companies	A13	112	645
Current tax liabilities		89	21
Other liabilities	A12	216	93
<b>Total current liabilities</b>		<b>417</b>	<b>759</b>
<b>Total liabilities</b>		<b>417</b>	<b>759</b>
<b>Total equity and liabilities</b>		<b>16,611</b>	<b>15,530</b>

## Report on changes in equity – the parent company

MSEK	Restricted equity		Non-restricted equity			Total equity
	Share capital	Statutory reserve	Share premium reserve	Profit brought forward	Profit for the year	
<b>Opening balance equity, 2023-01-01</b>	<b>1,584</b>	<b>300</b>	<b>2,308</b>	<b>2,087</b>	<b>2,473</b>	<b>8,752</b>
Profit and comprehensive income for the year					4,207	4,207
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,207</b>	<b>4,207</b>
Allocation of profit				2,473	-2,473	-
Cash dividends				-1,150		-1,150
<b>Closing balance equity, 2023-12-31</b>	<b>1,584</b>	<b>300</b>	<b>2,308</b>	<b>3,410</b>	<b>4,207</b>	<b>11,809</b>

<b>Opening balance equity, 2024-01-01</b>	<b>1,584</b>	<b>300</b>	<b>2,308</b>	<b>3,410</b>	<b>4,207</b>	<b>11,809</b>
Profit and comprehensive income for the year					1,948	1,948
<b>Total comprehensive income for the year</b>					<b>1,948</b>	<b>1,948</b>
Allocation of profit				4,207	-4,207	-
Share-based payments settled with equity instruments				26		26
Cash dividends				-431		-431
<b>Closing balance equity, 2024-12-31</b>	<b>1,584</b>	<b>300</b>	<b>2,308</b>	<b>7,212</b>	<b>1,948</b>	<b>13,352</b>

For information on the number of shares and the parent company's share capital, see, note 26, Equity.



**Cash flow statement – the parent company**

<b>MSEK</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Current operations</b>	A19		
Pre-tax profit		747	3,109
Adjustments for non-cash items		255	-144
Income tax paid		-150	-372
<b>Cash flow from current operations before working capital changes</b>		<b>852</b>	<b>2,593</b>
<b>Cash flow from changes in working capital</b>			
Increase (-) /Decrease (+) current receivables		47	-4
Increase (+) /Decrease (-) current liabilities		80	-8
<b>Cash flow from changes in working capital</b>		<b>127</b>	<b>-12</b>
<b>Cash flow from current operations</b>		<b>979</b>	<b>2,581</b>
<b>Investment operations</b>			
Shareholder contributions		-54	-21
Acquisition of tangible assets		-28	0
Acquisition of intangible assets		-11	-
Acquisition of subsidiaries / businesses, net effect on liquid funds		-433	-
Acquisition of financial assets		-1,015	-3,358
Sale of financial assets		-	1,516
<b>Cash flow from investment operations</b>		<b>-1,541</b>	<b>-1,863</b>
<b>Cash flow before financing</b>		<b>-562</b>	<b>718</b>
<b>Financing operations</b>			
Received Group contribution		1,579	2,274
Paid Group contribution		-586	-34
Loan amortization		-	-1,808
Dividend distributed		-431	-1,150
<b>Cash flow from financing operations</b>		<b>562</b>	<b>-718</b>
<b>Cash flow for the year</b>		<b>0</b>	<b>0</b>
Cash at the beginning of the year		0	0
<b>Cash at year-end</b>		<b>0</b>	<b>0</b>

## Note A1 Accounting principles

The parent company has prepared its annual report in accordance with the Swedish Company Accounts Act (1995:1554) and the Swedish Financial Reporting Board recommendation RFR 2 Accounting rules for legal entities. RFR 2 requires that the parent company, in the annual report for the legal entity, use all EU adopted IFRSs and interpretations as far as possible within the framework of the Swedish Company Accounts Act, the Job Security Law and with due regard for the relationship between accounting and taxes. The recommendation states which exceptions and additions must be made to the IFRSs.

### Changed accounting principles

The parent company's accounting principles are unchanged compared to the Annual Report 2023.

New or amended IFRSs including interpretations that have been adopted by IASB but not yet applicable are not expected to have any material effect on parent company accounting.

### Differences between the Group's and parent company's accounting principles

The Group's accounting principles are found in each note in the consolidated section of the annual accounts. The primary differences in the accounting principles applied by the Group and the parent company are described below.

### Classification and presentation

The parent company's income statement and balance sheet are presented according to the structure in the Swedish Company Accounts Act. The departure from IAS 1 Presentation of financial statements, which is used in structuring the consolidated financial reports, is foremost in presenting financial income and expenses, fixed assets, equity and the provisions reported under a separate heading on the balance sheet.

### Subsidiaries

Participations in subsidiaries are recognized in the parent company according to the acquisition value method. This means that acquisition costs are included in the reported value of the holding in the subsidiary. In Group accounting acquisition costs that refer to the subsidiary are recognized directly in profit/loss as they occur.

### Financial instruments

The parent company applies the exception rule regarding IFRS 9 Financial instruments according to RFR 2, which means that all financial instruments are recognized according to a method based on the acquisition value according to the Swedish Company Accounts Act.

### Financial guarantees

The parent company's financial guarantee contracts mainly consist of sureties for the benefit of subsidiaries and joint ventures. The parent company recognizes financial guarantee contracts as provisions on the balance sheet when the company has an obligation for which payment is likely to be required to settle the obligation.

### Taxes

Untaxed reserves including deferred tax liabilities are recognized in the parent company. In the Group accounting however, untaxed reserves are divided into deferred tax liabilities and equity.

### Shareholder contributions

Paid shareholder's contributions are activated in shares and participations in the provider after taking into consideration any impairments.

### Group contributions

Group contributions are recognized as appropriations whether or not the Group contribution has been given or received.

### Leases

The parent company does not apply IFRS 16 Leases in accordance with the exception in RFR2. As a lessee leasing fees are expensed linearly over the leasing period and therefore right of use assets and lease liabilities are not recognized on the balance sheet.

## Note A2 Revenue and transactions with related parties

MSEK	Sweden		Norway		Finland		Denmark		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
External sales	7	9	0	0	–	–	–	–	7	9
Internal sales	773	216	64	19	65	22	1	1	903	258
<b>Total</b>	<b>780</b>	<b>225</b>	<b>64</b>	<b>19</b>	<b>65</b>	<b>22</b>	<b>1</b>	<b>1</b>	<b>910</b>	<b>267</b>

In addition to the related parties noted for the Group, see note 36, the parent company has a related party relationship with its subsidiaries, see note A17. During the year the parent company made purchases from subsidiaries for SEK 95 million (142) as well as purchases from Ekhaga Utveckling AB for SEK 1 million (1). In addition, during 2024 the parent company made purchases in connection with a business transfer for SEK 433 million, see note A19.

## Note A3 Employees, personnel costs and pensions

### Average number of employees

	No. of employees 2024	Of which percentage of women 2024	No. of employees 2023	Of which percentage of women 2023
Sweden	376	57	151	54

### Gender distribution in boards and other senior officers

	Percentage of women 2024	Percentage of women 2023
The Board of Directors	45	45
Other senior officers <sup>1)</sup>	20	20

<sup>1)</sup> Refers to executive management employed in parent company.

**Salaries and other remuneration allocated among senior officers and other employees as well as social security costs**

2024, MSEK	Board of Directors and senior officers (13 persons) <sup>1)</sup>		Other employees	Total
Salaries and other remuneration	38	289		327
– of which variable remuneration	6	7		13
Social security costs	41	158		199
– of which pension costs	12	48		60
– of which pension costs for variable remuneration	12	–		12

<sup>1)</sup> The group senior officers refers to the five persons in executive management employed by the parent company.

2023, MSEK	Board of Directors and senior officers (13 persons) <sup>1)</sup>		Other employees	Total
Salaries and other remuneration	29	123		152
– of which variable remuneration	0	1		1
Social security costs	30	69		99
– of which pension costs	11	23		34
– of which pension costs for variable remuneration	5	–		5

<sup>1)</sup> The group senior officers refers to the five persons in executive management employed by the parent company.

For more information regarding salaries and other remuneration to the Board and senior officers, see note 9.

**Performance Share Program**

Employees in the parent company participate in the Performance Share Program presented in note 9 according to the terms and other information described there. The CEO and senior officers have received share-related remuneration according to the information in the table “Salaries and other remuneration allocated among senior officers and other employees as well as social security costs”. Information about the number of share rights and costs for the portion of the program that refers to parent company employees is presented below.

**Cost for Performance Share Program**

MSEK	2024		Total
	Cost for share-based program	Social security costs	
Program, 2024-2026	4	1	5
	<b>4</b>	<b>1</b>	<b>5</b>

Provisions for social security costs per December 31, 2024 amounted to SEK 1 million.

**Changes in the number of outstanding share rights is as follows regarding parent company employees:**

Number of share rights, Performance Share Program 2024-2026	2024
Allocated during the period	313,851
<b>Per December 31</b>	<b>313,851</b>

**Outstanding share rights at the end of the year have the following maturity date and are only redeemable after this date:**

Maturity date	2024
May 2027	313,851

The parent company only reports the cost for employees in the parent company. Costs that refer to employees in subsidiaries are recognized as receivables in the parent company since the subsidiary will replace the parent company for these costs at the end of the program.

**Pensions**

MSEK	2024	2023
Expenses for defined contribution plans	72	39
<i>Of which ITP 2 plans financed in Alecta</i>	15	7

For information about accounting principles as well as principles for remuneration to senior officers, see note 9, Employees, personnel costs and remuneration to senior officers.

**Note A4 Fees and cost remuneration to accountants**

MSEK	2024	2023
<b>Ernst &amp; Young AB</b>		
Audit work	4	4
Other additional audit-related work	1	1
<b>Total</b>	<b>5</b>	<b>5</b>

Audit work refers to the statutory review of the Annual Report and consolidated accounting, management by the Board of Directors and the CEO as well as auditing and other reviews performed according to agreements or contracts. This includes other work normally done by a company account-

tant as well as advice and other assistance stemming from observations made in connection with the above reviews or the performance of other similar work.

## Note A5 Net financial income/expenses

### Profit from participations in Group companies

MSEK	2024	2023
Dividends	990	3,165
Write-downs <sup>1)</sup>	-168	-
Profit/loss from liquidation/divestment of participations	-	145
<b>Total</b>	<b>822</b>	<b>3,310</b>

### Profit from other securities and receivables held as fixed assets

MSEK	2024	2023
Interest income, external <sup>2)</sup>	0	1
<b>Total</b>	<b>0</b>	<b>1</b>

### Other interest income and similar profit/loss items

MSEK	2024	2023
Interest income, Group <sup>2)</sup>	183	51
Interest income, external <sup>2)</sup>	1	0
Net exchange rate fluctuation	1	0
<b>Total</b>	<b>185</b>	<b>51</b>

### Other interest expenses and similar profit/loss items

MSEK	2024	2023
Interest expenses, Group <sup>2)</sup>	-2	-29
Interest expenses, external <sup>2)</sup>	-2	0
<b>Total</b>	<b>-4</b>	<b>-29</b>

<sup>1)</sup> For more information see write-downs in note A17.

<sup>2)</sup> Refers to items valued at accrued acquisition value.

## Note A6 Appropriations

MSEK	2024	2023
Change in additional depreciation, intangible assets	-49	1
Change in additional depreciation, machinery and equipment	-3	0
Transfer to tax allocation reserve	-440	-415
Reversal from tax allocation reserve	612	788
Received Group contribution	1,357	1,579
Paid Group contribution	-25	-586
<b>Total</b>	<b>1,452</b>	<b>1,367</b>

## Note A7 Taxes

### Recognized in the income statement

MSEK	2024	2023
<b>Current tax expenses/income</b>		
Tax expenses for the year	-274	-258
	<b>-274</b>	<b>-258</b>
<b>Deferred tax expenses/income</b>		
Temporary differences	23	-11
	<b>23</b>	<b>-11</b>
<b>Total recognized tax expenses in the parent company</b>	<b>-251</b>	<b>-269</b>

### Reconciliation of effective tax

MSEK	2024		2023	
Pre-tax profit	2,199	%	4,476	%
Tax according to valid tax rate for parent company	-453	20.6	-922	20.6
Non-deductible expenses	-60	2.7	-24	0.5
Tax exempt income	204	-9.3	682	-15.2
Taken over deductible for negative net interest	37	-1.7	-	-
Deductible, non profit-influencing items	21	-1.0	-5	0.1
<b>Recognized effective tax</b>	<b>-251</b>	<b>11.4</b>	<b>-269</b>	<b>6.0</b>

### Reported on the balance sheet, deferred tax recoverables and tax liabilities

MSEK	Deferred tax recoverables		Changes recognized in profit/loss for the year	
	2024	2023	2024	2023
Provisions for pensions	101	82	19	-11
Other liabilities	5	1	4	0
<b>Net</b>	<b>106</b>	<b>83</b>	<b>23</b>	<b>-11</b>

For information on accounting principles regarding tax, see note 13.

OECD's Model Rules for Pillar Two apply to Peab AB. For information see note 13.

**Note A8 Intangible assets**

MSEK	Intangible assets, external purchase	
	Other intangible assets	
	2024	2023
Opening acquisition value	6	6
Purchases	11	-
Purchases via business transfer	352	-
Disposals	-7	-
<b>Closing accumulated acquisition value</b>	<b>362</b>	<b>6</b>
Opening depreciation	-4	-3
Depreciation <sup>1)</sup>	-58	-1
<b>Closing accumulated depreciation</b>	<b>-62</b>	<b>-4</b>
<b>Closing recognized value</b>	<b>300</b>	<b>2</b>

<sup>1)</sup> Depreciation is recognized in the line Administrative expenses in the income statement.

For information on accounting principles regarding Intangible assets, see note 15.

**Note A9 Tangible assets**

MSEK	Costs incurred on other's property		Machinery and equipment		Total	
	2024	2023	2024	2023	2024	2023
	Opening acquisition value	-	-	3	3	3
Purchases	-	-	28	0	28	0
Purchases via business transfer	4	-	31	-	35	-
<b>Closing accumulated acquisition value</b>	<b>4</b>	<b>-</b>	<b>62</b>	<b>3</b>	<b>66</b>	<b>3</b>
Opening depreciation	-	-	-1	-1	-1	-1
Depreciation <sup>1)</sup>	-2	-	-15	0	-17	0
<b>Closing accumulated depreciation</b>	<b>-2</b>	<b>-</b>	<b>-16</b>	<b>-1</b>	<b>-18</b>	<b>-1</b>
<b>Closing recognized value</b>	<b>2</b>	<b>-</b>	<b>46</b>	<b>2</b>	<b>48</b>	<b>2</b>

<sup>1)</sup> Depreciation is recognized in the line Administrative expenses in the income statement.

For information on accounting principles regarding Tangible assets, see note 16.

**Note A10 Other receivables**

MSEK	2024	2023
Other receivables	2	57
Prepaid expenses and accrued income	59	13
<b>Total</b>	<b>61</b>	<b>70</b>

**Note A11 Provisions**

MSEK	2024	2023
Special payroll tax on pensions	43	43
Social security costs for share-related remuneration	1	-
<b>Total</b>	<b>44</b>	<b>43</b>

MSEK	Special payroll tax on pensions		Social security costs for share-related remuneration		Total	
	2024	2023	2024	2023	2024	2023
Opening recognized value	43	43	-	-	43	43
Provisions set aside during the year	6	9	1	-	7	9
Amounts requisitioned during the year	-6	-9	-	-	-6	-9
<b>Closing recognized value</b>	<b>43</b>	<b>43</b>	<b>1</b>	<b>-</b>	<b>44</b>	<b>43</b>
Of which are long-term provisions	43	43	1	-	44	43

For information on accounting principles regarding Provisions see note 29.

## Note A12 Other liabilities

MSEK	2024	2023
Accounts payable	50	19
Other liabilities	23	8
Accrued expenses and deferred income	143	66
<b>Total</b>	<b>216</b>	<b>93</b>

## Note A13 Classification and valuation of financial assets and liabilities

MSEK	Note	Valued at fair value via the income statement		Accrued acquisition value		Total recognized value		Fair value	
		2024	2023	2024	2023	2024	2023	2024	2023
<b>Financial assets</b>									
Long-term receivables Group companies				23	-	23	-	23	-
Securities held as fixed assets		0	0			0	0	0	0
Current receivables Group companies				5,734	4,940	5,734	4,940	5,734	4,940
Cash and bank				0	0	0	0	0	0
<b>Total financial assets</b>		<b>0</b>	<b>0</b>	<b>5,757</b>	<b>4,940</b>	<b>5,757</b>	<b>4,940</b>	<b>5,757</b>	<b>4,940</b>
<b>Financial liabilities</b>									
Accounts payable	A12			50	19	50	19	50	19
Current liabilities Group companies				112	645	112	645	112	645
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>162</b>	<b>664</b>	<b>162</b>	<b>664</b>	<b>162</b>	<b>664</b>

## Note A14 Leasing

### Leasing – lessees

MSEK	2024	2023
<i>Future minimum leasing fees for non-cancellable leases</i>		
Within one year	27	5
Between one and five years	92	18
Later than five years	5	9
<b>Total</b>	<b>124</b>	<b>32</b>
Financial year's expensed leasing fees	54	19

## Note A15 Contingent liabilities

MSEK	2024	2023
Surety and contract guarantees for Group companies	18,950	19,530
Surety for the benefit of joint arrangements	1,702	2,117
Surety for construction loans to tenant-owner associations	3,209	5,961
Other surety	17	18
<b>Total</b>	<b>23,878</b>	<b>27,626</b>

For information on accounting principles see note 35, Pledged assets, contingent liabilities and contingent assets.

**Note A16 Appropriation of profit****Proposed appropriation of profit****The following amounts in SEK are at the disposal of the Annual General Meeting;**

Share premium reserve	2,308,208,948
Profit brought forward	7,211,760,784
Profit for the year	1,948,117,829
<b>Total</b>	<b>11,468,087,561</b>

**The Board of Directors propose the following appropriation of disposable profit and non-restricted reserves;**

Dividend, 287,451,746 shares at SEK 2.75 per share <sup>1)</sup>	790,492,302
Carried forward <sup>2)</sup>	10,677,595,259
<b>Total</b>	<b>11,468,087,561</b>

<sup>1)</sup> There were 296,049,730 registered shares on February 6, 2025 in the parent company, of which the shares entitled to dividends amounted to 287,451,746

<sup>2)</sup> of which to share premium reserve 2,308,208,948

**Note A17 Group companies****Specification of the parent company's direct holdings of shares in subsidiaries**

Company	Corp.ID.nr	Registered office	Number of shares	Share of equity <sup>1)</sup>		Recognized value in parent company. MSEK	
				2024	2023	2024	2023
Peab Sverige AB	556099-9202	Båstad	1,000,000	100.0%	100.0%	3,622	3,622
Peab Industri AB	556594-9558	Ångelholm	82,521,948	100.0%	100.0%	2,638	2,588
Peab Finans AB	556552-1324	Båstad	1,000,000	100.0%	100.0%	1,616	1,616
Peab Anläggning AB	556568-6721	Båstad	2,900,000	100.0%	100.0%	942	942
Peab Norge Holding AS	920 003 672	Tromsø	1,000	100.0%	100.0%	861	861
Peab Oy	1509374-8	Helsinki	1,000	100.0%	100.0%	488	488
Peab Support AB	556061-1500	Stockholm	700,000	100.0%	100.0%	61	115
Peab Projektutveckling AB	556715-0254	Båstad	1,000	100.0%	100.0%	105	105
Peab Förslöv Holding AB	559283-3635	Båstad	1,000	100.0%	100.0%	6	96
Peab Support AS	998 622 670	Oslo	1,000	100.0%	-	0	-
Peab Support OY	2586326-7	Helsinki	100	100.0%	-	0	-
<b>Summa</b>						<b>10,339</b>	<b>10,433</b>

<sup>1)</sup> The share of capital corresponds to the share of votes

MSEK	2024	2023
Opening acquisition value	10,544	11,860
Reduction of share capital	74	54
Sales/liquidation	-	-1,370
<b>Closing accumulated acquisition values</b>	<b>10,618</b>	<b>10,544</b>
Opening write-downs	-111	-111
Write-downs for the year	-168	-
<b>Closing accumulated write-downs</b>	<b>-279</b>	<b>-111</b>
<b>Closing balance</b>	<b>10,339</b>	<b>10,433</b>

During 2024, shares in Group companies were written down in the parent company by SEK -168 million and refer to shares in dormant companies or companies with little activity where the value of the write-downs is equivalent to equity. Annual write-downs are reported in the income statement on the "Profit/loss from shares in Group companies" line. During 2023, no write-downs of shares in Group companies have taken place in the parent company.

## Specification of other Group companies

	Company	Corp.ID.nr	Registered office	Share of equity <sup>1)2)</sup>
A1				
A2	3F Eiendom AS	998 735 068	Tromsø	100.0%
A3	AB M113	559291-7727	Solna	100.0%
A4	Aktiebolaget Smidmek Eslöv	556232-3963	Eslöv	100.0%
A5	ANS Solligården	957 524 346	Oslo	100.0%
A6	Arne Olav Lund A/S	914 004 330	Larvik	90.4%
A7	Asfaltti-System Oy	0924008-6	Helsinki	100.0%
A8	Asunto Oy City Garden, Tampere	2625235-3	Tammerfors	100.0%
A9	ATS Kraftservice AB	556467-5998	Båstad	100.0%
A10	ATS Tjänster AB	556501-1011	Helsingborg	100.0%
A11	Barkåkra 56:1 AB	559328-6783	Solna	100.0%
A12	Birsta Fastigheter AB	556190-3765	Helsingborg	100.0%
A13	Bjurhovda Fastighets AB	559254-2384	Solna	100.0%
A14	Bo i Norrviken AB	559136-6728	Solna	100.0%
A15	Boende Bankeryd AB	559247-1873	Solna	100.0%
A16	Bogstrand AS	996 043 428	Harstad	100.0%
A17	Bojfastet Invest AB	556695-4169	Solna	100.0%
A18	Borås Kasernen 1 AB	559332-9971	Solna	100.0%
A19	Bostadsrättsföreningen Primus Brygga	769634-4915	Stockholm	100.0%
A20	Bostadsrättsföreningen Primus Port	769634-4907	Stockholm	100.0%
	Bostadsrättsföreningen Primusterrassen	769634-4899	Stockholm	100.0%
	Bröderna Paulsson Peab AB	556113-4114	Båstad	100.0%
	Bukta Bay AS	912 778 355	Tromsø	100.0%
	Båramo i Värnamo AB	556713-7871	Båstad	100.0%
	Eventes II Ky	3139237-7	Helsinki	100.0%
	Fastigheten 2:9 AB	559246-2104	Solna	100.0%
	Fastighets AB Gamlestadens Smedja	559240-9345	Solna	100.0%
	Fastighets AB Isolatorn	556913-9644	Solna	100.0%
	Fastighets AB Messingen 7	559332-9997	Solna	100.0%
	Fastighets AB Partille 11	556518-4354	Gothenburg	100.0%
	Fastighets AB Spelhamen	556795-0992	Solna	100.0%
	Fastighetsaktiebolaget Teide	559265-8040	Solna	100.0%
	Fastighetsbolaget Draglädret 2 AB	559341-9871	Solna	100.0%
	Fredborg 1 AB	559332-5417	Solna	100.0%
	Furuspecialen i Nyköping Fastighets AB	556695-9986	Solna	100.0%
	Fältjägaren 7 AB	556855-7176	Östersund	100.0%
	Glacell Sverige AB	559351-2337	Båstad	100.0%
	Grunnarbeid Lysaker AS	996 217 981	Oslo	100.0%
	Hasselnöten Fastighets 1 AB	559353-6591	Solna	100.0%
	Hasselnöten Fastighets 2 AB	559353-6609	Solna	100.0%
	HavreluddEtt AB	559033-0667	Stockholm	100.0%
	Hemvård Öster AB	559490-2503	Solna	100.0%
	HGT AS	947 563 580	Bergen	100.0%
	HälsingeBygg i Hudiksvall AB	556624-4025	Hudiksvall	100.0%
	Industribyn Ängelholm AB	556539-3641	Ängelholm	90.0%
	INSPI Sweden AB	556796-7970	Stockholm	100.0%
	K. Nordang AS	936 574 696	Stranda	100.0%
	KB Klagshamn Exploatering	916563-4412	Båstad	100.0%
	KB Messingen	916837-9817	Stockholm	100.0%
	KB Muraren 105	916837-9544	Mölndal	100.0%
	KB Muraren 135	916837-9841	Båstad	100.0%
	KB Möllevarvet	969639-7877	Båstad	100.0%
	Kiinteistö Oy Eventes II	1582860-1	Esbo	100.0%
	Kiinteistö Oy Helsingin Karvaamokuja 1	2405933-0	Helsinki	100.0%
	Kiinteistö Oy Mallanpuisto	1580499-2	Esbo	100.0%
	Kjølnes Eiendom AS	991 085 033	Skien	75.0%
	Kokpunkten Fastighets AB	556759-5094	Stockholm	100.0%
	Kranor AS	976 313 062	Asker	100.0%



Company	Corp.ID.nr	Registered office	Share of equity <sup>1) 2)</sup>	
Krantorp KB	969623-0540	Mölnadal	100.0%	<b>A1</b>
Kreaton AB	556644-5010	Gothenburg	100.0%	<b>A2</b>
K-System AB	559308-9286	Malmö	100.0%	<b>A3</b>
Kvarnbacken Barkarö Fastighet AB	559316-6662	Stockholm	100.0%	<b>A4</b>
Kyrkbacken i Tavelsjö AB	559350-5927	Solna	100.0%	<b>A4</b>
Lambertsson Kran AB	556543-5293	Båstad	100.0%	<b>A5</b>
Lambertsson Oy	0937993-4	Helsinki	100.0%	<b>A5</b>
Lambertsson Sverige AB	556190-1637	Båstad	100.0%	<b>A6</b>
Lommen 6 i Norrköping AB	559307-9386	Solna	100.0%	<b>A7</b>
Loviselunds Fastighets AB	559254-2418	Solna	100.0%	<b>A8</b>
NFH 241107 AS	934 540 581	Oslo	100.0%	<b>A8</b>
NOD01 Mobility AB	559422-9162	Solna	100.0%	<b>A9</b>
NOD01 Retail AB	559422-9196	Solna	100.0%	<b>A10</b>
Nordbyen Eiendom AS	995 300 400	Tromsø	100.0%	<b>A10</b>
Olof Mobjer Entreprenad AB	556445-1275	Båstad	100.0%	<b>A11</b>
Packhusallén Fastighets AB	559388-6491	Solna	100.0%	<b>A11</b>
Partille 11 Bostad BR 1 AB	556960-0330	Gothenburg	100.0%	<b>A12</b>
Partille 11 Bostad BR 2 AB	556960-0348	Gothenburg	100.0%	<b>A13</b>
Partille 11 Bostad Holding AB	556958-4146	Gothenburg	100.0%	<b>A14</b>
Partille Port Holding AB	556960-0264	Gothenburg	100.0%	<b>A14</b>
Peab Anlegg AS	913 502 566	Oslo	100.0%	<b>A15</b>
Peab Asfalt A/S	18298503	Silkeborg	100.0%	<b>A16</b>
Peab Asfalt AB	556098-8122	Båstad	100.0%	<b>A16</b>
Peab Asfalt Norden AB	559342-4434	Båstad	100.0%	<b>A17</b>
Peab Asfalt Norge AS	994 628 577	Oslo	100.0%	<b>A18</b>
Peab Bemanning AB	556737-7683	Solna	100.0%	<b>A18</b>
Peab Bemanning AS	991 687 971	Oslo	100.0%	<b>A19</b>
Peab Bildrift Norden AB	556707-8380	Helsingborg	100.0%	<b>A19</b>
Peab Bildrift Norge AS	892 890 692	Oslo	100.0%	<b>A20</b>
Peab Bildrift Sverige AB	556313-9608	Helsingborg	100.0%	<b>A20</b>
Peab Bivacken i Växjö AB	559043-4774	Solna	100.0%	
Peab Bolig Borgundfjorden AS	916 162 898	Oslo	100.0%	
Peab Bolig Prosjekt AS	990 892 385	Oslo	100.0%	
Peab Borås Exploatering AB	556651-7727	Båstad	100.0%	
Peab Bostad AB	556237-5161	Stockholm	100.0%	
Peab BU Drift AB	559076-5516	Solna	100.0%	
Peab BU Finland AB	559369-7245	Solna	100.0%	
Peab BU Holding 1 AB	559019-1846	Solna	100.0%	
Peab BU Holding 10 AB	559283-3718	Solna	100.0%	
Peab BU Holding 11 AB	559283-3825	Solna	100.0%	
Peab BU Holding 12 AB	559206-1088	Solna	100.0%	
Peab BU Holding 13 AB	559325-0631	Solna	100.0%	
Peab BU Holding 14 AB	559325-0680	Solna	100.0%	
Peab BU Holding 15 AB	559342-4392	Solna	100.0%	
Peab BU Holding 16 AB	559342-4376	Solna	100.0%	
Peab BU Holding 17 AB	559342-4384	Solna	100.0%	
Peab BU Holding 18 AB	559342-4459	Solna	100.0%	
Peab BU Holding 19 AB	559342-4467	Solna	100.0%	
Peab BU Holding 2 AB	559036-7396	Solna	100.0%	
Peab BU Holding 20 AB	559404-8968	Solna	100.0%	
Peab BU Holding 21 AB	559404-8950	Solna	100.0%	
Peab BU Holding 22 AB	559404-8943	Solna	100.0%	
Peab BU Holding 23 AB	559404-8935	Solna	100.0%	
Peab BU Holding 24 AB	559404-8976	Solna	100.0%	
Peab BU Holding 3 AB	559076-5466	Solna	100.0%	
Peab BU Holding 4 AB	559118-0871	Solna	100.0%	
Peab BU Holding 5 AB	559091-5160	Solna	100.0%	
Peab BU Holding 6 AB	559076-5524	Solna	100.0%	

	Company	Corp.ID.nr	Registered office	Share of equity <sup>21,22</sup>
A1	Peab BU Holding 7 AB	559065-1427	Solna	100.0%
A2	Peab BU Holding 8 AB	559265-7901	Solna	100.0%
A3	Peab BU Holding 9 AB	559265-7893	Solna	100.0%
A4	Peab Bygg AS	943 672 520	Tromsø	100.0%
A5	Peab Byggservice AB	556066-3675	Båstad	100.0%
A6	Peab Byggsystem AB	559428-8283	Båstad	100.0%
A7	Peab Drivaarena AB	556741-8578	Solna	100.0%
A8	Peab Eiendomsutvikling AS	987 099 011	Oslo	100.0%
A9	Peab Fastighetsutveckling AB	556824-8453	Båstad	100.0%
A10	Peab FU Almnäs AB	556594-9160	Solna	100.0%
A11	Peab FU Boken AB	559448-8263	Solna	100.0%
A12	Peab FU Finland AB	559246-2831	Solna	100.0%
A13	Peab FU Gardens AB	559351-2501	Solna	100.0%
A14	Peab FU Holding 1 AB	556855-6954	Solna	100.0%
A15	Peab FU Holding 10 AB	559328-6932	Solna	100.0%
A16	Peab FU Holding 11 AB	559332-9955	Solna	100.0%
A17	Peab FU Holding 12 AB	559342-4475	Solna	100.0%
A18	Peab FU Holding 13 AB	559388-6459	Solna	100.0%
A19	Peab FU Holding 2 AB	556864-4156	Solna	100.0%
A20	Peab FU Holding 3 AB	556866-8635	Solna	100.0%
	Peab FU Holding 4 AB	556946-9058	Solna	100.0%
	Peab FU Holding 5 AB	556979-7698	Solna	100.0%
	Peab FU Holding 6 AB	556649-9116	Båstad	100.0%
	Peab FU Holding 7 AB	559030-7301	Solna	100.0%
	Peab FU Holding 8 AB	559230-5469	Solna	100.0%
	Peab FU Holding 9 AB	559265-7885	Solna	100.0%
	Peab FU Husbacka AB	556946-9108	Solna	100.0%
	Peab FU Jupiter 4 AB	556126-0745	Solna	100.0%
	Peab FU Logistik Hagalund AB	559369-7203	Solna	100.0%
	Peab FU Logistik Rebbelberga AB	559387-6435	Solna	100.0%
	Peab FU Rebbelberga 147 AB	556470-0176	Solna	100.0%
	Peab FU Vintrie 5 AB	559241-1697	Solna	100.0%
	Peab FU Visby AB	556679-4862	Solna	100.0%
	Peab FU Visby Exploatering AB	556800-9335	Solna	100.0%
	Peab FU Ängen AB	559448-8214	Solna	100.0%
	Peab Grundläggning AB	556154-7364	Båstad	100.0%
	Peab Hermelinen AB	556872-5633	Stockholm	100.0%
	Peab Holding AB	556594-9533	Båstad	100.0%
	Peab Högsbo 34:6 AB	556898-8553	Stockholm	100.0%
	Peab Industri Danmark A/S	40964460	Copenhagen	100.0%
	Peab Industri Finland AB	556687-9226	Helsingborg	100.0%
	Peab Industri Holding OY	3102070-9	Helsinki	100.0%
	Peab Industri OY	2977551-2	Helsinki	100.0%
	Peab Industribyggnad i Norr AB	556851-7121	Båstad	100.0%
	Peab Infra Oy	2303725-2	Helsinki	100.0%
	Peab Kiinteistökehitys Oy	3136811-5	Helsinki	100.0%
	Peab Landskampen AB	559164-5907	Solna	100.0%
	Peab Lokal AB	559025-6607	Solna	100.0%
	Peab Markutveckling AB	556949-4437	Solna	100.0%
	Peab Messingen Kv4 AB	559181-9494	Solna	100.0%
	Peab Norr 16:2 AB	556984-9713	Solna	100.0%
	Peab Origo AB	559428-8291	Solna	100.0%
	Peab Origo Fastighets AB	559428-8226	Solna	100.0%
	Peab PGS AB	556428-5905	Båstad	100.0%
	Peab Primus 1 AB	559345-4134	Solna	100.0%
	Peab Primus 2 AB	559345-4142	Solna	100.0%
	Peab Primus 3 AB	559345-4159	Solna	100.0%
	Peab Primus 4 AB	559345-4167	Solna	100.0%

Company	Corp.ID.nr	Registered office	Share of equity <sup>21, 22</sup>	
Peab Primus 5 AB	559342-4483	Solna	100.0%	A1
Peab Primus 6 AB	559342-4418	Solna	100.0%	A2
Peab Primus 7 AB	559342-4426	Solna	100.0%	A3
Peab Projektutveckling Väst AB	556092-9852	Gothenburg	100.0%	A4
Peab Property Gardener II Oy	3136812-3	Helsinki	100.0%	A4
Peab Råsunda Holding AB	559030-7723	Solna	100.0%	A5
Peab Sannegården AB	559065-9792	Solna	100.0%	A5
Peab Sp.z.o.o	5 260 040 111	Warsaw	100.0%	A6
PEAB T113 AS	994 535 250	Oslo	100.0%	A7
Peab Teleterassen AB	559181-9478	Solna	100.0%	A8
Peab Trading Nord AB	556715-4827	Solna	100.0%	A8
Peab Trading Solna AB	556793-1554	Solna	100.0%	A9
Peab Trading Väst AB	556594-9590	Gothenburg	100.0%	A9
Peab Trading Öst AB	556778-8749	Stockholm	100.0%	A10
Peab Transport & Maskin AB	556097-9493	Örkelljunga	100.0%	A11
Peab Tvärbanan AB	559241-1465	Solna	100.0%	A11
Peab Täljö Strandängar AB	559181-9379	Solna	100.0%	A12
Peab Utbygging AS	915 464 254	Tromsø	100.0%	A13
Peab Utveckling AB	559283-3726	Båstad	100.0%	A13
Peab Vagnpark AB	556234-0371	Båstad	100.0%	A14
Peab Vallmovallen AB	559369-7237	Solna	100.0%	A15
Peab Varvsstaden Holding AB	559116-2556	Gothenburg	100.0%	A16
Peab Veddesta AB	559276-9805	Solna	100.0%	A16
Peab Åkerbäret AB	559311-5180	Solna	100.0%	A17
Peab Åkermyntan 10 AB	556910-9290	Solna	100.0%	A18
Peab Älvringen i Jönköping AB	559069-2058	Solna	100.0%	A18
Peab Ängsviolen AB	559181-9403	Solna	100.0%	A19
Peab Österplan 2 i Örebro AB	559081-4611	Solna	100.0%	A19
Peab Österplan 3 i Örebro AB	559081-4603	Solna	100.0%	A20
Peab Österplan 4 i Örebro AB	559081-4637	Solna	100.0%	A20
Peabskolan AB	556442-7432	Båstad	100.0%	
Projektfastigheter Götaland AB	556259-3540	Båstad	100.0%	
Rankhus Tomtutveckling AB	559175-9187	Solna	100.0%	
Riksten Friluftsstad AB	556547-8764	Stockholm	100.0%	
Rådasand AB	556042-8699	Lidköping	100.0%	
Röda Hallonet AB	559418-5612	Solna	100.0%	
Sergeanten Borås AB	559443-4085	Solna	100.0%	
Sicklaön Bygg Invest AB	556911-5479	Solna	100.0%	
Skandinaviska Byggelement AB	556034-2148	Helsingborg	100.0%	
Skeppshytten 201 AB	559073-2433	Gothenburg	100.0%	
Skånehus AB	556547-6958	Båstad	100.0%	
Solberg Maskin AS	999 327 869	Trondheim	100.0%	
Stockholms Kommersiella Fastighets AB	556105-6499	Stockholm	100.0%	
Stora Hammar Exploatering AB	556763-4216	Vellinge	100.0%	
Strandpromenaden Grunnan 1 AB	556924-8080	Solna	100.0%	
Strandvegen Næring AS	921 986 017	Tromsø	100.0%	
Strømsgodset Utvikling AS	925 193 372	Oslo	100.0%	
Strömstad Exploatering AB	559002-4518	Solna	100.0%	
Swecem AB	556919-5760	Helsingborg	100.0%	
Swerock AB	556081-3031	Helsingborg	100.0%	
Swerock AS	983 065 309	Oslo	100.0%	
Swerock Norden AB	556594-9624	Ängelholm	100.0%	
Swerock Oy	1509160-3	Helsinki	100.0%	
Södra Änggård Kv 2 AB	559115-9040	Solna	100.0%	
Telge Peab AB	556790-5889	Södertälje	100.0%	
Tullholmsvikens Parkerings AB	559181-8769	Solna	75.0%	
Tyr 2 i Malmö AB	556040-2942	Gothenburg	100.0%	
Ulriksdal Sopsug AB	559170-7715	Solna	100.0%	

# 204 Notes – parent company

	<b>Company</b>	<b>Corp.ID.nr</b>	<b>Registered office</b>	<b>Share of equity <sup>1) 2)</sup></b>
<b>A1</b>	Ulriksdal Utveckling AB	556509-6392	Solna	100.0%
<b>A2</b>	Ultimes III Holding Oy	3136774-5	Helsinki	100.0%
<b>A3</b>	Ultimes III Ky	3139119-8	Helsinki	100.0%
	Ultimes III PG Oy	3136775-3	Helsinki	100.0%
<b>A4</b>	Ultimes IV Holding Oy	3136770-2	Helsinki	100.0%
<b>A5</b>	Ultimes IV Ky	3139117-1	Helsinki	100.0%
	Ultimes IV PG Oy	3136772-9	Helsinki	100.0%
<b>A6</b>	Ultimes V Ky	3139121-9	Helsinki	100.0%
<b>A7</b>	Varvsstaden AB	556975-7908	Gothenburg	100.0%
	Varvsstaden Gjuteriet 111 AB	559241-1457	Gothenburg	100.0%
<b>A8</b>	Varvsstaden Magasinet 211 AB	559220-9737	Gothenburg	100.0%
<b>A9</b>	Varvsstaden Projekt Holding AB	559116-2440	Gothenburg	100.0%
	Varvsstaden Projekt Holding Andra AB	559261-3276	Gothenburg	100.0%
<b>A10</b>	Varvsstaden Snickeriet 241 AB	559220-9703	Gothenburg	100.0%
<b>A11</b>	Varvsstaden Svets- & Pannverkstaden 259 AB	559241-1630	Gothenburg	100.0%
<b>A12</b>	Vejby Transport & Miljö AB	556240-2742	Ängelholm	100.0%
	Verkstaden 17 i Västerås AB	559114-5916	Solna	100.0%
<b>A13</b>	Viken Centrum Fastighets AB	559311-5214	Solna	100.0%
	Villa Strå Fastighets AB	559254-2376	Solna	100.0%
<b>A14</b>	Visio Exploatering AB	556570-7030	Solna	100.0%
<b>A15</b>	Värby Fastighets AB	556703-4771	Båstad	100.0%
<b>A16</b>	Wärby Utvecklings AB	559468-0828	Solna	80.0%

<sup>1)</sup> The share of capital corresponds to the share of votes.

<sup>2)</sup> Except for the Group companies acquired in 2024 (see note 5), the share of capital in 2024 corresponds to the share of capital in 2023.

**Note A18 Untaxed reserves**

MSEK	2024	2023
Tax allocation reserve	2,744	2,916
Accumulated additional depreciation, intangible assets	51	3
Accumulated additional depreciation, machinery and equipment	3	0
<b>Total</b>	<b>2,798</b>	<b>2,919</b>

**Note A19 Cash flow statement****Paid interest and dividends received**

MSEK	2024	2023
Dividends received	990	3,165
Interest received	185	52
Interest paid	-4	-29

**Adjustments for items not included in cash flow**

MSEK	2024	2023
Depreciation and write-downs	243	1
Disposal of fixed assets	7	-
Profit/loss on sales of subsidiaries/businesses	-	-145
Provisions	1	-
Share-based payments	4	-
<b>Total</b>	<b>255</b>	<b>-144</b>

**Business combination**

On February 1, 2024 a business transfer occurred whereby all employees in Peab Support AB and Peab Utveckling AB were offered a transfer of employment to Peab AB.

This change was brought on by the current business environment and the economy which requires adapting the organization. The point of coordinating the support functions in Peab AB is to increase efficiency and reduce costs by more clearly delineating roles and responsibilities and minimizing administration.

MSEK	2024
<i>Acquired assets and liabilities</i>	
Intangible assets	352
Tangible assets	35
Participation in Group companies	0
Other receivables	93
Other liabilities	-47
<b>Acquired net assets</b>	<b>433</b>
Purchase price	433
<b>Paid purchase price</b>	<b>433</b>
<b>Effect on liquid funds</b>	<b>433</b>

**Change in interest-bearing liabilities**

MSEK	2024	2023
Opening balance	-	1,808
Cash flow repayment of loans	-	-1,808
<b>Closing balance</b>	<b>-</b>	<b>-</b>

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The Board and CEO assure that the Annual Report has been prepared in accordance with good accounting practices in Sweden and the consolidated accounts have been prepared in accordance with International Accounting Standards, stated in the regulation of the European Parliament and the Council of Ministers (EG) no 1606/2002 of July 19, 2002, concerning the application of international accounting standards. The Annual Report and the consolidated accounts give a true and fair view of the parent company as well as of the Group's position and result. The Board of Directors' report for the parent company and the Group gives a true and fair view of the parent company's and Group's business development, position and result. It also describes the major risks and uncertainty factors facing the parent company and Group companies.

The statutory Sustainability Report, which comprises the areas in Peab AB's Annual Report the content of which is denoted on page 135, has been approved for issuance by the Board of Directors.

Förslöv, March 28, 2025

**Anders Runevad**  
Chairman of the Board

**Fredrik Paulsson**  
Member of the Board

**Liselott Kilaas**  
Member of the Board

**Kim Thomsen**  
Member of the Board

**Karl-Axel Granlund**  
Member of the Board

**Malin Persson**  
Member of the Board

**Magdalena Gerger**  
Member of the Board

**Maria Doberck**  
Member of the Board

**Kerstin Lindell**  
Member of the Board

**Lars Sköld**  
Member of the Board

**Patrik Svensson**  
Member of the Board

**Jesper Göransson**  
Chief Executive Officer

The Annual Report and the consolidated accounts have been approved for publication by the Board of Directors and the Chief Executive Officer on March 28, 2025. The consolidated income statement and balance sheet and the parent company's income statement and balance sheet will be presented for adoption by the AGM on May 6, 2025.

Our Auditor's report was submitted on March 28, 2025  
Ernst & Young AB

**Jonas Svensson**  
Authorized Public Accountant

# Auditor's report

To the general meeting of the shareholders of Peab AB (publ), corporate identity number 556061-4330

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Peab AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 108-206 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

#### Revenue recognition of construction projects

##### Description

The Group recognises ongoing construction projects over time, which means that revenue and expenses are recognised gradually in line with the contract progress. Revenue and profits are recognised in relation to the progress of the project, based on expenses incurred as at the balance sheet date compared with estimated total expenses on completion of the project.

Any forecast losses are recognised as expenses as soon as they are known.

Revenue and profit recognition is based on estimates of the total project cost and project revenue. An effective control environment, with ongoing forecast monitoring of the project's final financial outcome, is therefore of great importance to the Group. Changes in assumptions during the implementation of a project may have a material impact on the Group's profit and financial position. Project forecasts are evaluated regularly by the Group during the course of the project and are adjusted as necessary. Modifications of the forecasts, additional works and requirements are considered when the Group considers it probable that the amount will be received from the client and when the amount can be measured reliably.

The estimates and assessments of revenue recognition of construction projects are described in Note 2 "Important estimates and assessments", Note 3 "Revenue", Note 4 "Operating Segment" and Note 20 "Interest-bearing receivables".

In view of the above assumptions and assessments made in connection with the revenue recognition of construction projects, we believe that this area is to be considered a key audit matter in our audit.

##### How our audit addressed this key audit matter

Our audit process includes, among other things, analytical review of the revenues and margins of projects as well as data-based transaction analysis. We have sampled revenues and costs in selected projects, which are of significant size or pose a material risk to the company. We have also held discussions together with the company's controllers and project managers including assessments, assumptions and estimates related to revenue recognition, income statement and allocation of costs.

We have also reviewed material agreements to identify possible risks to penalty payments in connection with delays in the projects, and we also have continuous reconciliation together with the company's internal legal representatives. We have reviewed provisions and other reserves related to construction projects based on underlying data and the company's assessments.

We have continuous meetings and discussions with the responsible auditors in each country to identify and cover country-specific risks.

We have assessed the accuracy of the company's assessments of the final outcome of the projects and also held discussions with the company's management regarding the outcome.

We have evaluated the accounting of revenue recognition of construction projects is in accordance with the company's accounting principles and that they correspond to IFRS Accounting Standards. We have reviewed the disclosures in the annual report.

## Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 101-107 and 211-234. The other information also includes the remuneration report and were obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information. Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

## Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the

group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.



## Report on other legal and regulatory requirements

### Report on the audit of the administration and the proposed appropriations of the company's profit or loss

#### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Peab AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

#### Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial

situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

## The auditor's examination of the ESEF report

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### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Peab AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

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### Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the ESEF report*. Our responsibility under this recommendation is described in more detail in the *Auditors' responsibility* section. We are independent of Peab AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

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### Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of Peab AB (publ) by the general meeting of the shareholders on the 6 May 2024 and has been the company's auditor since the 6 May 2021.

Förlöv, March 28, 2025

Ernst & Young AB

**Jonas Svensson**

Authorized Public Accountant



# Corporate Governance Report 2024

Peab AB, a Swedish public limited liability company, hereby presents its Corporate Governance Report for 2024. With its headquarters in Förslöv in Båstad Municipality and operations in Sweden, Norway, Finland, and Denmark, Peab is a leading Nordic construction and civil engineering company. Peab is listed on Nasdaq Stockholm, Large Cap. This Corporate Governance Report, issued by the Board of Directors in Peab AB, describes how Peab has been governed in a responsible, sustainable, and efficient manner during the financial year 2024. This report is submitted according to the Annual Accounts Act and the Swedish Code of Corporate Governance.

The Corporate Governance Report is a separate enclosure not part of the Annual and Sustainability Report.

Peab does not have any deviations from the Swedish Code of Corporate Governance to report for 2024.

The Corporate Governance Report has been examined by Peab's auditor in accordance with the statement on page 226.



## From the Chairman of the Board

“Good corporate governance is fundamental to Peab’s ability to operate responsibly and create long-term value for shareholders, customers, employees, and other stakeholders in society. Throughout the year, we have further refined our governance structures to meet rising expectations and evolving regulations, particularly in the area of sustainability.

Guided by structure and transparency, we strive to combine business acumen with responsible corporate conduct.”

**Anders Runevad, Chairman of the Board**

## Principles for corporate governance

Peab’s corporate governance is based on the Swedish Companies Act, The Swedish Corporate Governance Code which describes the Swedish model for corporate governance ([www.bolagsstyrning.se](http://www.bolagsstyrning.se)), Nasdaq Stockholm’s regulations for issuers as well as Peab’s Articles of Association, Code of Conduct, policies and other internal rules and guidelines.

These regulations reflect our commitment to operating in a sustainable and responsible manner, thereby maintaining, and strengthening the trust of decision-makers, customers, employees, and existing and potential investors.

Peab is governed by external and internal governance documents. Here are some examples:

### External regulations:

- The Annual Accounts Act
- The Swedish Companies Act
- The Swedish Code of Corporate Governance
- Nasdaq Stockholm’s regulations for issuers
- The Data Protection Regulation
- The Accounting Act
- EU Market Abuse Regulation (MAR)
- Global Reporting Initiative (GRI)
- UN Global Compact
- The UN Declaration on Human Rights
- UN Global Goals for sustainable development and ILO’s core conventions on rights in working life
- OECD Guidelines for Multinational Enterprises (regarding due diligence)
- The UN Guiding Principles for Business and Human Rights (UNGP)
- The OECD Anti-Bribery Convention and its recommendations

- International Financing Reporting Standards (IFRS) and other accounting rules

### Internal governance documents:

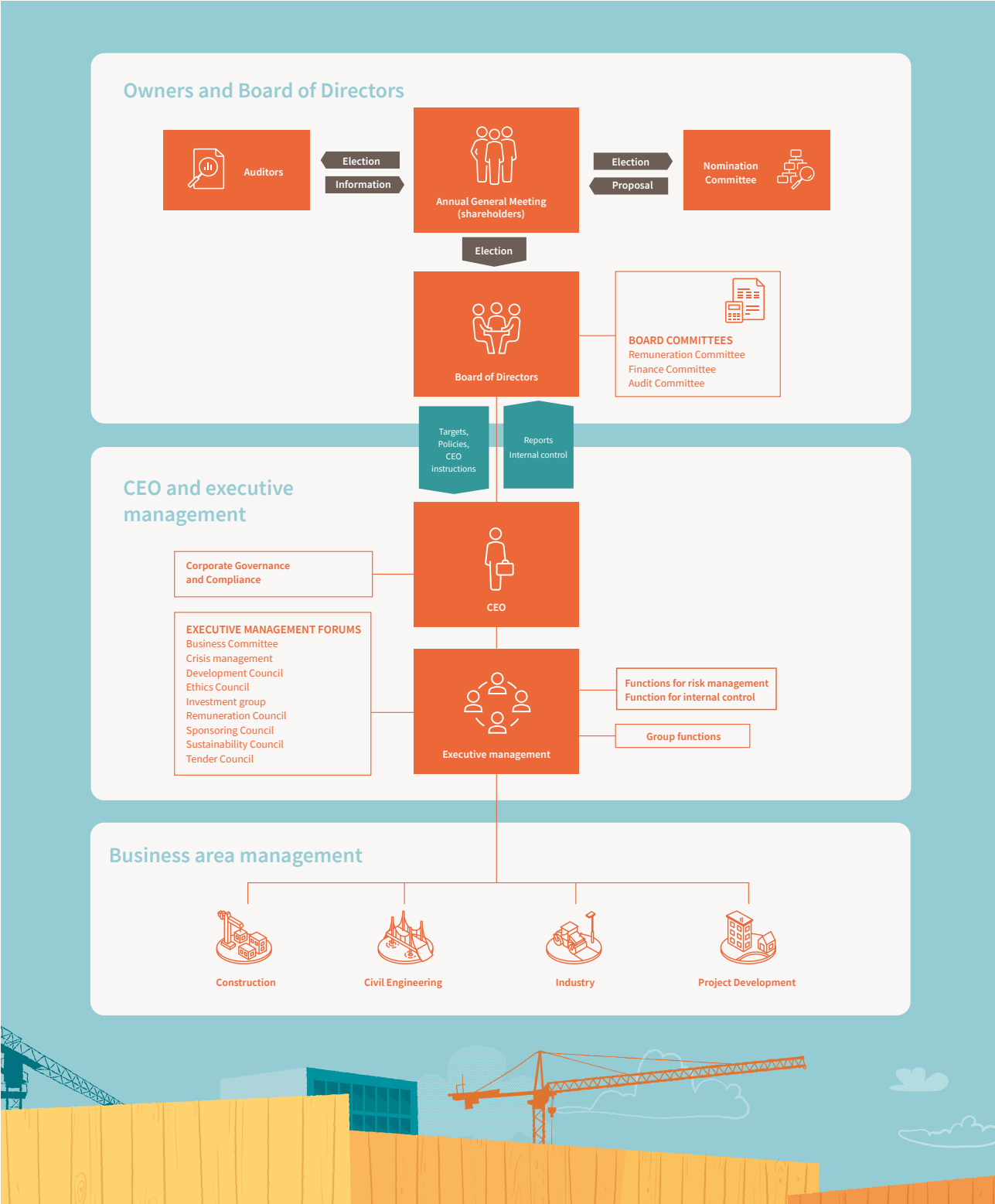
- Rules of Procedure for the Board of Peab AB with instructions for the CEO
- Instructions for the committees
- Articles of Association
- Core Values – Down-to-earth, Developing, Personal, Reliable
- Code of Conduct
- Policies – Environment, Work Environment, Quality, Information, Information Security, Finance, Internal Governance and Control, Related Party Transactions, Digitalization, Strategic input goods
- Other internal regulations and guidelines, for example, guidelines regarding Due Diligence, Sanctions, Whistleblowing, Competition Law, Anti-corruption, Data Protection, Sponsoring, Social Media, Equal Opportunity

The above is only a selection of the governance documentation affecting the Peab Group.

**Structure for corporate governance**

Peab's structure for corporate governance, presented below, outlines the hierarchy from shareholders to business area management. This includes Peab's committees and executive management's forums, which are key to

Peab's governance and reporting framework. Their responsibility includes monitoring and managing risks and opportunities as well as the consequences of sustainability-related aspects in their respective areas.



## Shareholders in Peab – an active owner function

Shareholder influence forms the foundation of Peab's governance structure, directly affecting leadership and decision-making processes.

Per December 31, 2024, Ekhaga Utveckling AB is the largest owner with a capital share of 21.6 percent and 49.0 percent voting rights. AB Axel Granlund follows with a capital share of 6.8 percent and 5.5 percent of votes and thereafter Mats and Fredrik Paulsson with families, holding 5.5 percent of the capital share and 11.2 percent of votes. Thereafter in descending order are Peab's Profit-Sharing Foundation with 4.7 percent of the capital, Vanguard with 2.4 percent, Dimensional Fund Advisors with 2.1 percent, Kamprad Family Foundation with 1.6 percent, Handelsbanken Fonder with 1.5 percent and Cicero Fonder with 1.5 of the capital.

## General meeting of shareholders

The General Meeting of Shareholders is Peab's highest decision-making body. It is a forum where Peab shareholders exercise their decision-making right in accordance with The Swedish Companies Act and the company's Articles of Association. At the General Meeting of Shareholders, the shareholders make decisions on matters such as dividend distribution, changes in the Board of Directors and changes in the company's Articles of Association. Each shareholder has the right to, either personally or through representation, exercise their voting right based on the number of shares owned. The General Meeting of Shareholders is held within six months after the end of the financial year and the annual General Meeting of Shareholders is called the Annual General Meeting (AGM).

## AGM 2024

Peab's AGM was held on May 6, 2024, in Grevie, Båstad Municipality. Shareholders could vote in the Annual General Meeting either personally, via proxy, or through postal voting in accordance with Peab's Articles of Association. A total of 318 shareholders, representing 77 percent of the total number of votes in the company, participated. Of these, 137 participated in person and 181 via proxy at the AGM. Ten (10) shareholders exercised their right to vote through postal voting at the AGM some of which represented other shareholders as agents.

At the AGM 2024 the following decisions were adopted:

- Re-election of all eight members of the Board. The AGM approved Board and committee remuneration according to the proposal by the Nomination Committee.
- The income statement and balance sheets for the financial year 2023 were approved. The AGM decided on a dividend of SEK 1.50 with May 8, 2024, as the record date.
- The members of the Board and executive management were discharged from liability for the 2023 financial year.
- Ernst & Young AB was elected as the company's accounting firm, with Jonas Svensson as the principal auditor.
- The AGM adopted an updated version of "Principles for the appointment and instruction for the Nomination Committee in Peab AB (publ)." The change was that shareholder information would be extracted from Euroclear's register on the final banking day in June, instead of August.
- An adjusted Remuneration Policy was adopted to enhance the alignment between remuneration to senior officers, the company's long-term financial performance, and sustainability targets.
- The AGM approved the remuneration report for the financial year detailing the application of the Remuneration Policy and remuneration to senior officers.
- The Board of Directors was authorized to, during the following year, decide on the issuance of new Class B shares as well as the acquisition and transfer of treasury shares. The aim is to adjust the company's capital structure or finance future acquisitions. It was emphasized that the acquisition of treasury shares may not be used to support the share price.

- The Performance Share Program 2024, which is offered to senior officers and key personnel in the Group, was approved. The purpose of the program is to incentivize long-term value creation within the company. The AGM also approved the transfer of previously repurchased shares to members in the program as part of its reward structure.

## Voting at the AGM

All the Board of Directors' proposals were approved by the AGM with the requisite majority, including decisions requiring a qualified majority of nine tenths (9/10).

The portion of deviating votes, which were exclusively postal votes, was less than one (1) percent of the total votes.

For further details and decisions from the AGM, please see the official minutes from Peab AB's AGM 2024, <https://peab.se/om-peab/bolagsinformation/affarsledning-styrelse-bolagsstyrning/bolagsstyrning>

## The Nomination Committee

The work of the Nomination Committee is governed by "Principles for the appointment and instruction for the Nomination Committee in Peab AB (publ)," which describes how the Nomination Committee should work and the criteria to be used when selecting candidates.

The Nomination Committee is mainly responsible for preparing proposals for Board members and remuneration to the Board of Directors and Board committees. The Nomination Committee also prepares proposals for auditors and remuneration to the auditors as well as proposes the Chairman of the Annual General Meeting. It should ensure a balanced composition of the Board of Directors in accordance with Peab's Diversity Policy.

The Nomination Committee should also promote transparency and good corporate governance principles in Peab. The Nomination Committee's motivation statement regarding nominations to the Board of Directors, including a report on the work of the Nomination Committee, is presented at the AGM that also decides on the Nomination Committee's proposal.

## The Nomination Committee's work for the AGM 2025

The Nomination Committee consists of four members including the Chairman of the Board. The other three members represent the three largest shareholders according to their order in ownership and interest in appointing a member. Shareholder information is based on Euroclear Sweden AB's shareholder register on the final banking day in June each year.

The Chairman of the Board contacted the largest shareholders to determine their interest in appointing a member of the Nomination Committee. If a shareholder declined, the next largest shareholder was offered the opportunity. Mats & Fredrik Paulsson with family, Peab's Profit-Sharing Foundation, the Kamprad Family Foundation and Vanguard have all declined participation in the Nomination Committee for the AGM 2025. Due to owner changes among the largest shareholders Handelsbanken Fonder have become a larger shareholder than Cicero Fonder. Therefore, according to the Nomination Committee's principles regarding owner changes, the representative from Cicero Funds has been replaced by a representative appointed by Handelsbanken Fonder. The overview below shows the composition of the Nomination Committee for the AGM 2025. After these changes members of the Nomination Committee together represent about 55.2 percent of the company's total votes.

Member	Appointed by
Anders Sundström	Ekhaga Utveckling AB
Ulf Liljedahl	AB Axel Granlund
Suzanne Sandler	Handelsbanken Fonder
Anders Runevad, Chairman of the Board of Directors in Peab AB	

The Nomination Committee chooses its chairman amongst themselves where the Chairman of the Board may not be chairman of the Nomination Committee. If there is a change in ownership a new major owner can replace an existing member. The composition of the Nomination Committee must meet the standards of The Code.

The Nomination Committee appointed Anders Sundström as Chairman of the Nomination Committee at its constitutive meeting.

**Process for Board of Directors nominations**

The Nomination Committee is responsible for proposing candidates for the Board of Directors. It establishes specific criteria for Board members, such as expertise, experience, and background. After establishing the criteria, the Nomination Committee begins the process of identifying Board member candidates. This can include both current Board members whose term is ending and new candidates. The candidates' qualifications and background are reviewed through processes such as interviews and checking references. When the evaluation is completed the Nomination Committee presents its proposals for Board member nominations. At the AGM shareholders elect members of the Board of Directors and the Chairman of the Board.

**Fulfilment of the Diversity Policy**

The goal of Peab's Diversity Policy is to ensure a diverse Board of Directors with breadth regarding experience, expertise, and background. The policy is consistent with the Swedish Code of Corporate Governance, point 4.1. As part of the policy a quantitative target was set in which each gender must represent at 40 percent of the Board of Directors.

The Nomination Committee realizes Peab's Diversity Policy when nominating Board members to the AGM since this entails a thorough review of potential Board members' qualifications to ensure that they meet the specified criteria.

The result of this process is that the Board of Directors continues to meet the established requirements for diversity and breadth. Half of the members of the current Board of Directors are female and half are male. The Nomination Committee has thereby fulfilled its mission to propose a Board of Directors that fulfils the policy.

**Peab's Diversity Policy**

*"The Board of Directors should have a composition appropriate for the company's operations, phase of development and other relevant circumstances. Board members elected by the shareholders' meeting should collectively exhibit diversity and breadth of qualifications, experience, and background. A balanced gender representation shall be strived for."*

Swedish Code of Corporate Governance, point 4.1.

Regarding gender balance, the objective is that the Board's composition should reflect that each gender is represented by at least 40 percent.

**Board of Directors**

Peab's Board of Directors is ultimately responsible for the company's operations and is central to company management. According to Peab's Articles of Association the Board of Directors must be made up of no fewer than five and no more than nine members in addition to the statutory employee representatives. The members of the Board of Directors are elected annually by the AGM.

It was decided at the 2024 AGM that the Board of Directors would consist of eight members. The following persons were elected as members of the Board of Directors, all reelected:

- Karl-Axel Granlund
- Magdalena Gerger
- Liselott Kilaas
- Kerstin Lindell
- Fredrik Paulsson
- Malin Persson
- Anders Runevad
- Lars Sköld

Anders Runevad was appointed Chairman of the Board by the AGM. In 2024 nine Board meetings were held, of which six were ordinary Board meetings (including the constitutional meeting) and two were additional Board meetings, one held per capsulam. Members of executive management have given reports at the Board meetings. The principal company auditor has been present at two ordinary Board meetings. Every Board meeting has contained an item on the agenda where the Board of Directors has been able to hold a discussion without the presence of a representative from Peab's executive management.

The Board members elected by the shareholders receive remuneration for their work as Board member and, where applicable, as a committee member according to the decision made by the AGM. Remuneration to the Board of Directors is presented in note 9 in the Annual Report.

The following employee representatives were appointed by the employee unions at the 2024 AGM: Maria Doberck, Patrik Svensson, and Kim Thomsen (members), Peter Johansson and Cecilia Krusing (deputies).

**The Board of Directors' work during the year**

The Board of Directors' work follows the Rules of Procedure for the Board of Directors in Peab AB (publ). The program establishes that the Board of Directors' primary responsibility is to manage Peab's affairs in order to ensure a long-term good yield for its owners. As part of this work the Board of Directors should take into consideration the principles for sustainable development and the company's responsibility to society, including matters regarding the environment, social responsibility, and business ethics. This entails adopting overarching targets and strategies, evaluating the CEO, adopting governance documents and ensuring efficient control systems for the business and its risks. In addition, the Board of Directors is responsible for ensuring that Peab's external communication is transparent, correct, and reliable. The Board of Directors annually adopts the Rules of Procedure for the Board of Directors and instructions for the CEO and the Board's committees, Peab's Code of Conduct, the Supplier Code of Conduct, the Finance Policy, the Information Policy, the Policy for Internal Governance and Control and the Related Party Transactions Policy. The Board of Directors also decides on major acquisitions and investments that exceed certain predefined financial thresholds. The Chairman of the Board is responsible for ensuring that the Board of Directors works efficiently and fulfills its obligations.

Important initiatives addressed during the year included:

- Strategic targets
- Review of financial risks and sustainability-related risks, including the double materiality assessment
- Annual review of codes and policies
- AI/IT strategy
- Climate Road Map to reach climate neutrality in 2045
- Reinforcement of the Auditing Committee's mandate with particular focus on sustainability reporting according to new requirements
- Review and update of the Group's succession plans
- Renegotiation and extension of strategic loan agreements
- Evaluation of the CEO's work during the year

## Board meetings, attendance 2024

AGM elected members	Independent in relation to the company and executive management	Independent in relation to the major shareholders	Attendance Board meetings	Audit Committee	Presence Audit Committee	Remuneration Committee	Presence Remuneration Committee	Finance Committee	Presence Finance Committee
Anders Runevad	Yes	Yes	9/9			C	2/2	C	7/7
Magdalena Gerger	Yes	Yes	9/9	M	5/5				
Karl-Axel Granlund	Yes	Yes	9/9			M	2/2	M	7/7
Kerstin Lindell	Yes	Yes	8/9	M	4/5				
Fredrik Paulsson	No	No	9/9			M	2/2	M	7/7
Malin Persson	Yes	Yes	9/9						
Lars Sköld	Yes	Yes	9/9	C	5/5				
Liselott Kilaas	Yes	Yes	7/9	M	5/5				
<b>Employee representatives</b>									
Maria Doberck, ordinary			9/9						
Patrik Svensson, ordinary			9/9						
Kim Thomsen, ordinary			9/9						
Peter Johansson, deputy			8/9						
Cecilia Krusing, deputy			8/9						

C – Chairman M – Member

### Succession planning

Peab has a strategic and long-term succession planning process, with the Board playing a key role in ensuring leadership continuity and effective transition management for the CEO and executive management. Succession planning is an integral part of Peab's human capital strategy, with annual reviews conducted to maintain its relevance and alignment with business needs. Proposed updates to the succession plan are presented to the Remuneration Committee and the Board of Directors for approval. This structured approach is designed to preserve institutional knowledge, mitigate leadership risks, and prepare the company for unforeseen events that may impact executive leadership.

### Board oversight of internal governance and control

The Board of Directors continuously monitors and evaluates the efficiency in Peab's structure for internal governance and control through the information that executive management and Board committees provide. Peab's financial situation and financial position are reviewed at each ordinary Board meeting and reconciled with Peab's financial and non-financial targets. Board members receive reports on Peab's development before Board meetings. A corresponding review is made by executive management and business area management. Governance and control of financial reporting is evaluated at the first ordinary Board meeting after the conclusion of the financial year.

The Board of Directors has for the financial year 2024 assessed the need for an internal auditing function and concluded the established control structure in Peab provides adequate governance and control of the Group. At this time the establishment of a separate internal audit function is not deemed necessary.

### Independence of Board members

Fredrik Paulsson is not considered independent in relation to the company's major shareholders, nor in relation to the company and executive management. The other seven members are all independent in relation to Peab AB, its executive management and the company's major shareholders. The Board of Directors' composition thereby meets the independency requirement of the Code.

### Board of Directors' evaluation

The Board of Directors conducts a structured evaluation of its work on an annual basis to develop work forms and efficiency. The basis of the evaluation is a detailed inquiry produced by the Chairman of the Board which all the members and deputies answer. Regarding the evaluation of the Chairman of the Board, the Chairman of the Nomination Committee has approved the inquiry's contents and compiled it. Most of the questions in the inquiry are repeated each year to make it possible for a comparison from one year to another but the questions are also updated, as necessary.

The last two evaluations contained an in-depth focus on sustainability. As a complement to the inquiry the Chairman of the Board also held individual oral interviews with each Board member/deputy for deeper comprehension and development.

The results of the 2024 Board evaluation indicate that Board members have a strong understanding of Peab's strategic targets, core values, and governance framework. The Board members' broad experience and knowledge about sustainability was noted as valuable to Peab.

The results and insights from the Board of Directors evaluation were reported and discussed at a Board meeting and presented to the Nomination Committee.

### Board Committees

The Board of Directors has established special Board committees to increase the efficiency and strengthen focus on specific areas in Board work as well as ensure good corporate governance. Committee members are appointed at the constitutive Board meeting for a one-year term. To ensure order and structure in committee work every committee is governed by detailed instructions. Included in the committees' work is responsibility for overseeing sustainability-related impacts, risks, and opportunities within their sphere of responsibility. Matters dealt with in committee meetings are documented in meeting minutes and reported in the following ordinary Board meeting.

The Board of Directors has established the following committees:

#### The Audit Committee

The Audit Committee is composed of members selected after the AGM and constitutive Board meeting. The Committee for 2024 consisted of the following members:

- Lars Sköld, Chairman
- Magdalena Gerger
- Kerstin Lindell
- Liselott Kilaas

#### The Audit Committee's responsibility and work

The Audit Committee's primary responsibility is to monitor Peab's financial and sustainability reporting as well as providing recommendations and suggestions to ensure the reliability of the reporting. The Committee also monitors the efficiency of the company's internal controls, governance, and risk management.

As part of the Board of Directors' responsibility for the upcoming sustainability legislation the Audit Committee's work includes ensuring a holistic view of the business that comprises impacts, risks and opportunities linked to sustainability-related issues.



The Audit Committee also has an important role to play in keeping up to date on the audit of the annual and consolidated accounts and the Sustainability Report as well as the result of the Supervisory Board of Public Accountants' quality control. It is responsible for informing the Board of Directors about the result of the audit and its contribution to the reliability of financial reporting as well as describing the Committee's own function in this process.

Another function is to examine and monitor the company auditor's impartiality and independence. This means being particularly vigilant regarding any other services besides auditing performed by the company auditor which can affect objectivity.

Finally, the Audit Committee also assists in preparing proposals to the AGM for the election of the auditor and leads the selection process when electing the auditor. This ensures that the election of the auditor is done in a considered and responsible manner.

Representatives of executive management give reports on relevant issues at Audit Committee meetings. The Audit Committee held five meetings in 2024. The external principal auditor participated in the relevant sections in all of these meetings. The Audit Committee regularly reports to the Board of Directors and its meetings are minuted and submitted to the Board of Directors.

In addition to the work mentioned above during the year the Audit Committee has also addressed:

- Updated instructions for the Audit Committee that entail a clarification of its responsibility for sustainability matters. The Audit Committee's role in sustainability corresponds to the role the Committee has in financial reporting.
- The double materiality assessment.
- The cybersecurity law.

#### **The Finance Committee**

The Finance Committee is composed of members selected after the AGM and constitutive Board meeting. The Committee for 2024 consisted of the following members:

- Anders Runevad, Chairman
- Karl-Axel Granlund
- Fredrik Paulsson

#### ***The Finance Committee's responsibility and work***

The Finance Committee has the mandate to make decisions between ordinary Board meetings on matters such as currency management, interest rate strategies and investment positions, all in accordance with the Finance Policy established by the Board of Directors. Within the framework established by the Board of Directors the Finance Committee is also responsible for making decisions regarding specific company acquisitions, individual investments in property and tenders. The Finance Committee is also responsible for monitoring the company's financial strategies taking sustainability into consideration. This entails ensuring that investments and financial decisions are in line with the company's long-term sustainability targets. Representatives of executive management give reports on relevant issues at Finance Committee meetings.

The Finance Committee held seven meetings during 2024. The Finance Committee regularly reports to the Board of Directors.

During 2024 the Committee addressed issues such as major tenders, investments and divestments, strategic loan agreements and the financial development of the Group.

#### **The Remuneration Committee**

The Remuneration Committee is composed of members selected after the AGM and constitutive Board meeting. The Committee for 2024 consisted of the following members:

- Anders Runevad, Chairman
- Karl-Axel Granlund
- Fredrik Paulsson

#### ***The Remuneration Committee's responsibility and work***

The Remuneration Committee prepares decisions by the Board of Directors concerning remuneration principles, remuneration and other employment terms for senior officers. It monitors and evaluates ongoing, and during the year terminated, programs for variable remuneration for senior officers. The Remuneration Committee also evaluates application of the Remuneration Policy established annually by the AGM as well as current remuneration structures and levels in the Group. In addition, the Remuneration Committee makes proposals to the Board of Directors regarding the CEO's salary and other terms, according to the Remuneration Policy. The Remuneration Committee also decides the salaries and other terms for other senior officers based on proposals from the CEO. Representatives of executive management give reports on relevant issues at Remuneration Committee meetings.

The Remuneration Committee held three meetings in 2024. The Remuneration Committee regularly reports to the Board of Directors

Peab has sustainability targets in the bonus program for 2025 and they make up 34 percent of the total bonus target. This underlines our commitment to being a leader in social responsibility. The strategy includes promoting environmentally improved products and reuse as well as reducing the number of workplace accidents.

#### ***Remuneration to executive management***

The 2024 AGM approved the Remuneration Policy for executive management. The Remuneration Policy is available on Peab's website, [www.peab.com](http://www.peab.com). Information about salaries and other remuneration to the CEO and members of executive management can be found in note 9 in the Annual and Sustainability Report and on our website.

#### ***Incentive program***

Currently Peab has a share or share-related incentive program. The 2024 AGM approved the proposal for the Performance Share Program 2024, which is a three-year incentive program that provides incentive for leading senior officers and key people in the Group to receive shares in Peab if certain targets that promote long-term value increases in the company are achieved.

#### **Chief Executive Officer**

The Board of Directors is responsible for appointing a chief executive officer (CEO) as well as for instructions regarding their work.

The CEO is responsible for Peab's daily operations and thereby for ensuring that internal governance and control work is appropriately organized. This role entails managing investments in companies, personnel, finance, and treasury issues as well as maintaining contact with Peab's stakeholders and the financial market. The CEO is responsible for ensuring that sustainability targets and performance is a key part of the evaluation of executive management's work.

An important part of the CEO's mission is to supply information and present proposals to the Board of Directors. The CEO has appointed an executive management team that assists in daily management and strategic decision-making processes in Peab.

#### **External Auditors**

Under Peab's Articles of Association one or two auditors are elected by the AGM. At the AGM in 2024 Ernst & Young AB was reelected as the company auditor with the authorized public accountant Jonas Svensson as principal auditor until the end of the AGM 2025.

In addition to auditing, the auditor has only provided services for Peab in the form of accounting consultation and expertise in sustainability reporting.

#### **Executive management**

During 2024 executive management consisted of the President and CEO, the CFO, COO, CCO, CSO and the Business Area Managers of Construction, Civil Engineering and Project Development, in total eight persons. Business in business area Industry is run by the MDs of the major companies in the business area. These MDs report to a designated member of executive management.

Executive management adopts comprehensive goals and strategies for the business in the Group's business plan.

Executive management meetings are held once a month and focus is on managing the business, monitoring the targets of the business plan, risk management and strategic matters.

Peab's Board of Directors has also given executive management the overall responsibility for managing and monitoring the integration of sustainability work in the business. Heads of Group functions and other officers are called to attend meetings as needed.

Executive management is responsible for communicating to the organization in a relevant and easily understood manner Peab's targets and risk levels as well as how internal governance and control should function.

Information about the President and CEO and other members of executive management is presented on page 224.

### Business governance

According to the business plan for 2024 Peab works with three financial targets and six non-financial targets. The non-financial targets are Peab's sustainability targets. The Group's business plan is broken down and processed in the various business areas and companies that establish their own business plans.

An important part of corporate governance in Peab's decentralized organization is the Group's core values: Down-to-earth, Developing, Personal and Reliable. Peab's Code of Conduct and many of the Group's internal regulations and guidelines are built on these core values. Communication of, and education in, internal rules and guidelines is continuous and structured.

### Executive management's meetings during the year

In 2024 executive management held 12 scheduled meetings focused on updating operations, personnel issues, strategic targets, and sustainability matters, among them the Climate Road Map and the target of achieving climate neutrality by 2045. Sustainability risks were identified and assessed in the double materiality assessment, which was the basis for strategic decisions and measures to minimize climate impact. Financial and sustainability risks were reviewed, and the annual review of codes, policies and certain Group functions' guidelines was conducted. Subjects such as AI, IT strategy and compliance with the NIS2 Directive were discussed to strengthen the company's digital strategy.

### Group functions

The Group functions support both executive management and operations in the business areas, strategically and in day-to-day operations. The functions are led by different members in executive management together with the CEO, CCO, CFO, COO and CSO. There are management teams that are responsible for managing, running, and developing Group functions.

### Business area management

Group operations are run in four business areas: Construction, Civil Engineering, Industry and Project Development. The business areas Construction, Civil Engineering and Project Development have a management team led by the Business Area Manager and otherwise consist of operational managers and managers of support functions in the business areas. Operations in business area Industry are more diversified than the other business areas and are run by the MDs for the major companies in the business area who then report individually to an appointed member in executive management. The Business Area Managers and respective responsible MDs in business area Industry are responsible for running operations by delegating responsibility and authorizations. They are responsible for ensuring that their business units in the Group maintain good internal control and work according to Peab's established policies as well as other adopted documents, processes, and tools.

### Function for corporate governance and compliance

The function for corporate governance and compliance reports directly to the CEO. Its primary task is to ensure Peab's compliance with applicable laws and regulations. This work is achieved by, for example, providing and holding courses on relevant regulations. The function also drafts and

maintain governance documents and works in cross-functional forums such as the Ethics Council and the Sustainability Council, to streamline and monitor compliance.

### Function for risk management and internal control

The function for risk management and internal control is responsible for performing and monitoring risk analyses at both business area and function levels and consolidating the identified risks on Group level. The risk process is based on the risk register that every business area and function work in with the associated ownership, response plan and action plan. The function compiles the consolidated risks in an annual report and performs various internal control activities to ensure compliance.

## Governance documents

The Board of Directors annually reviews and approves the Code of Conduct, the Supplier Code of Conduct, and a number of key corporate policies, which combined comprise a crucial part of our corporate governance structure and contribute to promoting a sustainable and ethical business. The process of updating governance documents follows an annual calendar that ensures that these governance documents are updated based on identified risks and new legislation. Decisions regarding codes and policies are made by the Board of Directors, while specialist functions develop the detailed guidelines that are reviewed through consultation and adopted by members of executive management.

The following are Peab's most critical corporate governance policies, detailing how they contribute to Peab's ethical business culture:

### Code of Conduct and policies decided by the Board of Directors

#### Code of Conduct and Suppliers Code of Conduct

Peab's Code of Conduct is a concretization of Peab's core values: Down-to-earth, Developing, Personal and Reliable. The Code emphasizes the importance of good business ethics, zero tolerance for corruption, transparency and long-term stakeholder relationships while contributing to sustainable societal development and social responsibility. The Code of Conduct provides guidance for employees to make the right decisions, and it is linked to other governance documents such as the Environment Policy, guidelines on whistleblowing, anti-corruption, sanctions, information security, competition law and the process of due diligence. Peab promotes ethical and legal behavior by having employees follow the Code and its references to other policies and guidelines. Responsibility for making sure the Code is followed is delegated to executive management where the CEO is ultimately responsible for the operative work. Managers at all levels are responsible for ensuring that the demands in the Code of Conduct are applied and complied with in their departments or functions. All Peab employees undergo Code of Conduct training every other year. Employees exposed to higher compliance risks receive tailored annual training on specific aspects of the Code.

Issues regarding compliance, particularly when it comes to areas like human rights, anti-corruption, and value chains, are a regular occurrence in the operative work of members of executive management.

Peab's Supplier Code of Conduct, which is an extension of the Code of Conduct, is designed to ensure that suppliers respect human rights and the environment in their own business and value chains. The Code focuses on suppliers identifying, preventing, limiting, and remedying any negative consequences on human rights and the environment in their value chain. Suppliers are expected to not only follow the Code but communicate and apply corresponding demands across their supply chain.

#### Policy for Internal Governance and Control

The purpose of the Policy for Internal Governance and Control is to ensure an effective organization and management of operations, reliable reporting and compliance with laws and regulations. The goal of the policy is to help Peab run the business efficiently, achieve its targets and maintain confidence in the business where undesirable events are in the first place prevented and in the second place discovered and managed. The process for internal governance and control consists of meeting targets, risk management and control activities. Decision forums and specific councils handle aspects such as tenders, investments, sustainability and ethics.

**Information Policy**

The Information Policy guides employees on how to communicate in a uniform and transparent manner to ensure a correct image of Peab. It concerns all employees and Board members and covers all communication including press releases and financial reports. The policy is built on principles of transparency, accessibility, and ethics, with the goal of ensuring that all stakeholders receive equal and timely information. Information that concerns the capital market is mainly communicated from Group level, unless the CEO decides otherwise. The Board of Directors is responsible for financial reports. The policy contains strict guidelines on managing and publicizing insider information and establishes restrictions for trade based on this information.

**Related Party Transactions Policy**

The purpose of the Related Party Transactions Policy is to minimize the risk that transactions are not based on market terms and to ensure compliance of valid laws and regulations. The Board of Directors has the ultimate responsibility for monitoring and ensuring correct implementation of related party transactions while executive management identifies such transactions, draws up a detailed register of them and ensures that they are on market terms. The definition of related parties includes both physical persons and legal entities according to the Annual Accounts Act. Related party transactions between Peab's Swedish companies and related parties that are material and are not part of regular operations nor on market terms require approval from the AGM in advance. Material related party transactions are defined as transactions that are worth at least one million Swedish kronor or one percent of Peab's market value over the last twelve months. All transactions must be on market terms, which means that terms are equivalent to those which an independent company under the same circumstances would have agreed to. Such material transactions must be documented and followed up continuously to ensure correct handling.

**Finance Policy**

The Finance Policy comprises the regulations and guidelines for Peab's financial operations. Group risk-taking is regulated by the risk mandate set by the Board of Directors for the organization. The purpose of the Finance Policy is to establish guidelines and allocate responsibility for financial transactions in order to achieve and maintain good risk control.

**Other governance documents decided by executive management**

Every year executive management approves a number of policies and guidelines. Examples of these are:

**Environmental Policy:** The policy covers measures for reducing environmental impact, streamlining resource and energy consumption, protecting biodiversity, phasing out hazardous products and working towards climate neutrality as part of long lasting and responsible community building.

**Anti-corruption guidelines:** These guidelines align with the UN convention against corruption and reinforce zero tolerance while establishing measures to prevent, detect, and manage corruption risks within the Group. They point out procedures that reduce the risk for corrupt behavior and promote an ethical business culture. All risk exposed employees take a course in anti-corruption annually.

**Competition law guidelines:** These guidelines explain that the company's business deals must conform to valid competition laws. In addition to avoiding sanctions the guidelines promote fair competition on the market.

**Sanctions guidelines:** These guidelines contribute to maintaining the company's compliance with international and national sanction laws and reduce the risk for legal and financial consequences.

**Guidelines on the process of due diligence:** These guidelines ensure that the company identifies, assesses, and manages risks related to sustainability and human rights. The process comprises risk identification, prioritization, measures, monitoring, and reporting.

**Whistleblowing guidelines:** These guidelines are key to providing a secure and confidential channel for employees and other stakeholders to report suspicions about irregularities, which is vital to transparency, compliance, and reporting in the Group. The guidelines describe Peab's internal and external whistleblowing channels.

Business areas and/or Group functions are responsible for other internal regulations such as guidelines, rules, and instructions.

Peab uses a business management system to ensure uniform application of processes and procedures throughout the Group. This system describes and documents the Group's processes, and functions as a central platform for ensuring that work methods and governance documents are consequently followed.

**Internal governance and control in operations**

Peab's Board of Directors is responsible for ensuring that there are efficient procedures and systems for Group governance and control of financial and non-financial reporting. Executive management is responsible for implementing and monitoring the internal governance mechanisms. The principles of this process are established by the Board of Directors in the Policy for Internal Governance and Control and are based on COSO's (Committee of Sponsoring Organizations of the Treadway Commission) framework for internal control. The process is structured according to the principle of three defense lines with responsibility delegation from operations to external auditing.

**Control environment**

The control environment is founded on Peab's core values and comprises our organization's structure, internal regulations and governing documents, delegation and limitation of responsibility, talent recruitment and monitoring internal governance and control.

The Board of Directors is ultimately responsible for the general governance of Peab and control over the risks that accompany the business as well as its sustainability work. Management is responsible for developing and implementing Peab's internal governance and control structure in operations, including our organization's structure, responsibility delegation and mandates, talent recruitment and monitoring.

**Risk analysis**

Risk analyses are carried out based on the established targets in Peab's various operations. Risk analysis on an operational and project level is performed according to the process described in Peab's business management system. An overriding risk analysis that includes risk management of every identified material risk is performed annually in each business area and thereafter by executive management, after which it is reported to the Board of Directors. A detailed description of risks and risk management in Peab is found in the section Risks and risk management.

**Control activities**

Control activities are an integrated part of daily work at Peab aimed at achieving targets and handling risks efficiently. These activities are based on each individual employee's responsibility to follow the established work methods, processes, and governance documents in Peab's business management system.

Special control mechanisms such as "the four eyes principle" for financial transactions and IT systems, for instance, with authorization controls and attest functions are key to maintaining this control.

Further, executive management has established executive management forums to focus on specific areas in the Group. These forums, consisting of representatives for different group functions, adhere to defined procedures and governance documents to ensure efficiency and compliance in their areas of responsibility. They also monitor impacts, risks and opportunities and report their observations to executive management. The work in these forums is regularly reported to the Board of Directors.

**Peab's executive management forums:**

**Tender Council:** Is the decision-making organ intended to, based on project size and complexity, ensure that tenders are built on thoroughly processed calculations with optimized opportunities and reduced risks. The council is led by the COO.

**Remuneration Council:** Handles and decides on remuneration matters and prepares material for the Board's Remuneration Committee. The council ensures that Peab's remuneration structures are fair, on market terms and in line with Peab's overarching strategy and policies. The council is led by the CFO.

**Ethics Council:** Handles matters concerning business ethics, corruption and financial irregularities as well as ensures impartial investigations of cases concerning harassment and discrimination. The Ethics Council handles serious breaches of Peab's Code of Conduct, policies and some guidelines and makes sure cases are investigated impartially, in order to contribute to a healthy company culture. The Whistleblowing Council is a sub-function of the Ethics Council and is responsible for the whistleblower instrument along with handling whistleblowing/complaints that arrive in between Ethics Council meetings. The Whistleblowing Council works according to the guidelines for whistleblowing with the linked description of how personal information is handled. The whistleblowing service also provides the company with information from directly involved persons about whether or not the process of due diligence is effective. The Chairman of the Ethics Council annually reports to the Board of Directors and executive management on serious breaches of the Code of Conduct or other irregularities. A compilation of corruption cases is made and comprises economic crime in a broader sense. The Council is led by the head lawyer for Corporate Governance and Compliance.

**Sustainability Council:** Monitors, coordinates, and develops sustainability work at Peab and ensures that the business follows internal and external regulations, standards, and laws. The council has broad expertise and competence in the area of corporate governance, the environment and climate, communication, risk management, strategy, the value chain's impact and the work environment. The council reports regularly to executive management, the Audit Committee, and the Board of Directors, at least six times a year, focusing on sustainability-related impacts, risks, and opportunities as well as on the process of due diligence. The council has a central function for integrating sustainability matters in Peab's overarching strategy and operations. The council is led by the CSO.

**Investment group:** The Group's decision-making forum for investments and divestments regarding machines, inventory, and project development. The Investment group is responsible for governance of Peab's use of capital with the goal of achieving anticipated returns on invested capital. The group is led by the CFO.

**Business committee:** Not a separate forum but part of executive management. The Business committee prepares and decides on acquisitions or divestments of businesses or operations. The committee is led by the CEO.

**Development Council:** Responsible for governance of, and decision-making on, implementing development projects, both within the framework of the business plan and Peab's digital strategy. The Development Council is responsible for ensuring development projects are cost efficient and stay within established cost frameworks. The council is led by the CSO.

**Trademark Council:** Responsible for Peab's brands. The Sponsoring Council is part of the Trademark Council that ensures that Peab's sponsoring guidelines are complied with and that sponsoring collaborations are developed, implemented and assessed. The council ensures that sponsoring activities are in line with Peab's values and guidelines as well as generate added value for both Peab and society. No political contributions are made. The council is led by the CCO.

These forums form part of Peab's comprehensive control environment. The Board of Directors regularly monitors and evaluates the efficiency in Peab's internal governance and control structures. The evaluation is based on the information provided by executive management, its various forums, and the Board's committees. Through this process efficient governance is ensured throughout the organization.

## Other mandatory information in accordance with chapter 6, section 6 of the Annual Accounts Act

- Direct and indirect shareholdings in the company that represent at least a tenth of the number of votes of all the shares in the company are presented in the Board of Directors' Report under The Peab share.
- There are no limits in Articles of Association regarding how many votes individual shareholders can have at the AGM, which is also made clear in the Board of Directors' Report under The Peab share.
- The Articles of Association stipulate that the appointment of Board members takes place at the company's AGM. The Articles of Association do not contain any stipulations regarding the dismissal of Board members or changes in the Articles of Association.
- Authorization of the Board by the AGM to decide on new issues of Peab shares is presented in the Board of Directors' Report under The Peab share.
- Authorization of the Board by the AGM to decide on the purchase of own shares is presented in the Board of Directors' Report under Holdings of own shares.



# Board of Directors

Elected by the Annual General Meeting



**Anders Runevad**  
Chairman

Born: 1960  
Elected: 2020  
Nationality: Swedish  
Education: Master of Science in Engineering

**Current assignments:**

- Chairman Vestas Wind Systems A/S (publicly listed)
- Board member Schneider Electric SE (publicly listed)
- Chairman The National Golf & Resort AB
- Board member Copenhagen Infrastructure Partners (CIP)

**Shareholding in Peab:**  
27,300 B shares



**Karl-Axel Granlund**  
Board member

Born: 1955  
Elected: 2000  
Nationality: Swedish  
Education: Master of Science in Economics, Master of Science in Engineering.

**Other assignments:**

- Chairman Volito AB

**Shareholding in Peab:**  
18,000 B shares



**Kerstin Lindell**  
Board member

Born 1967  
Elected: 2014  
Nationality: Swedish  
Education: Master of Science in Engineering, Master of Science in Economics  
Ph.D. in Polymer Chemistry, Honorary Doctorate from LTH, Faculty of Engineering, Lund University.

**Other assignments:**

- Board member: Inwido AB (publicly traded)
- Board member: Indutrade AB (publicly traded)
- Board member: Hexpol AB (publicly traded)
- Chairman Bona AB
- Chairman Chamber of Commerce and Industry of Southern Sweden
- Board member: Nord-Lock International AB
- Board member: IPCO AB

**Shareholding in Peab:**  
5,000 B shares



**Fredrik Paulsson**  
Board member

Born: 1972  
Elected: 2009  
Nationality: Swedish

**Other assignments:**

- Board member SkiStar AB (publicly listed)
- Chairman Bjäre Invest AB
- Board member and CEO Kranpunkten i Båstad AB
- Board member Ekhaga Utveckling AB
- Mats Paulsson's Foundation
- Stefan Paulsson's Cancer Fund Foundation

**Shareholding in Peab:**  
445,956 A shares  
817,500 B shares  
and via ownership of Ekhaga Utveckling AB  
25,563,264 A shares, 36,407,059 B shares



**Malin Persson**  
Board member

Born 1968  
Elected: 2016  
Nationality: Swedish  
Education: MSc in Engineering

**Other assignments:**

- Board member Getinge AB (publicly listed)
- Board member Hexpol AB (publicly listed)
- Board member Absolent Air Care Group AB
- CEO of Accuracy AB

**Shareholding in Peab:**  
5,000 B shares



**Lars Sköld**  
Board member

Born: 1950  
Elected: 2007  
Nationality: Swedish  
Education: Master of Laws

**Other assignments:**

- Chairman Dufweholms Herrgård AB

**Shareholding in Peab:**  
25,000 B shares



**Liselott Kilaas**  
Board member

Born: 1959  
Elected: 2018  
Nationality: Norwegian  
Education: MMS, MBA IMD Business School

**Other assignments:**

- Chairman Implantica AB (publicly listed)
- Board member Orkla ASA (publicly listed)
- CEO and President of Evidia GmbH
- Board member Revoer Nordic, EQT-company
- Board member Norske Folketrygdfonder,
- Board member Avonova AB, owned by Norvestor

**Shareholding in Peab:**  
None



**Magdalena Gerger**  
Board member

Born 1964  
Elected: 2021  
Nationality: Swedish  
Master of Science in Economics, MBA.

**Other assignments:**

- Board member Curry Ltd (publicly listed)
- Board member Investor AB (publicly listed)
- Chairman Nefab AB
- Chairman Colart Ltd

**Shareholding in Peab:**  
3,000 B shares

The holdings reported were those on 31 December 2024. Holdings include those of spouses, children who are minors and private company holdings.

## Employee elected board members



**Patrik Svensson**  
Board member  
Born 1969  
Elected 2007  
Nationality: Swedish  
Foreman at Peab Sverige AB  
**Shareholding in Peab:**  
None



**Kim Thomsen**  
Board member  
Born 1965  
Elected 2008  
Nationality: Swedish  
Construction Carpenter in Peab Byggservice AB  
**Shareholding in Peab:**  
None



**Maria Doberck**  
Board member  
Born 1972  
Elected 2021  
Nationality: Swedish  
Business process architect in Peab AB  
**Shareholding in Peab:**  
10,230 B shares



**Peter Johansson**  
Deputy  
Born 1965  
Elected 2022  
Nationality: Swedish  
Paving worker Peab Asfalt AB  
**Shareholding in Peab:**  
None



**Cecilia Krusing**  
Deputy  
Born 1971  
Appointed 2019  
Nationality: Swedish  
Project manager Peab Sverige AB  
**Shareholding in Peab:**  
None

Board gender diversity ratio (AGM elected)



■ Women (4 persons) ■ Men (4 persons)

Percentage of independent Board members (AGM elected)



■ Independent (7 persons) ■ Not independent (1 person)

### Board members experience in matters relevant to Peab's products and services.

Peab's Board members have a broad competence profile, including expertise in areas such as risk management, corporate governance, business strategy and sustainability. Board members receive routine updates on current issues from Peab's operations, in addition to the members' own initiatives.

During 2024 the Board has been educated in:

- The Board's responsibility regarding sustainability
- CSRD and ESRS – content in the thematic standards as well as how they should be applied to Peab's operations
- Double materiality assessment (DMA) including consequential and financial impacts as well as action plans.

This has also been the subject of decisions by the Board and the auditor's statement.

The Board also strives to continually reinforce its work with sustainability governance to ensure that Peab can meet future challenges and opportunities in a responsible and strategic manner.

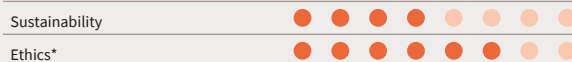
Compilation of the experience of the Board members elected by the Annual General Meeting in areas of material importance for Peab, including competence in business ethics.

● Very good ● Good ● Some

#### Experience in:



#### Expertise and competence in:



\*for example anti-corruption, whistleblowing, theft, victimization cases, competition law, other ethical matters.

# Executive management



**Jesper Göransson**  
 CEO and President  
 Born 1971  
 Various positions within Peab since 1996  
 Master of Economics  
 Board member of Annehem Fastigheter AB  
 Shareholding: 438,800 B shares and 949,500 B shares via endowment insurance <sup>1)</sup>  
 Shareholding in Annehem Fastigheter AB 656,100 B shares and in SkiStar AB 10,000 B shares



**Niclas Winkvist**  
 Chief Financial Officer (CFO)  
 Born 1966  
 Employed since 1995  
 Master of Science in Economics  
 Holding: 125,000 B shares and 405,000 B shares via endowment insurance <sup>1)</sup>



**Roger Linnér**  
 Chief Operating Officer (COO), part of business area Industry (Construction system)  
 Born 1970  
 Employed since 1996  
 Master of Science in Engineering,  
 Holding: 6,825 B shares and 347,900 B shares via endowment insurance <sup>1)</sup>



**Camila Buzaglo**  
 Chief Communications Officer (CCO)  
 Born 1971  
 Employed since 2018  
 Bachelor of Arts in Political Science  
 Shareholding: 50,400 B shares via endowment insurance <sup>1)</sup>



**Stefan Danielsson**  
 Construction Business Area Manager  
 Born 1969  
 Employed since 2015  
 Master of Science in Engineering  
 Shareholding: 152,300 B shares via endowment insurance <sup>1)</sup>



**Lotta Brändström**  
 Civil Engineering Business Area Manager, part of business area Industry (Swerock and Peab Asphalt)  
 Born 1966  
 Employed since 2017  
 Master of Science in Engineering  
 Holding: 28,900 B shares via endowment insurance <sup>1)</sup>



**Johan Dagertun**  
 Chief Strategy Officer (CSO)  
 Born 1985  
 Employed since 2016  
 Master of Science in Economics  
 Shareholding: 6,000 B shares and 10,500 B shares via endowment insurance <sup>1)</sup>



**Göran Linder**  
 Project Development Business Area Manager  
 Born 1968  
 Employed since 2011  
 Master of Science in Economics  
 Shareholding: 132,200 B shares via endowment insurance <sup>1)</sup>

## Auditor

**Ernst & Young AB**

**Jonas Svensson**  
 Authorized Public Accountant

The reported holdings are as of December 31, 2024. The holdings include those of spouses, minor children, and private companies.

<sup>1)</sup> According to employment contracts for senior officers, part of or the entire outcome of variable remuneration must be placed in an endowment insurance which primarily invests in Peab shares. For information about remuneration to senior officers, see note 9.





## Auditor's statement on the Corporate Governance Report to the general meeting of the shareholders of Peab AB, corporate identity number 556061-4330

### **Engagement and responsibility**

It is the Board of Directors who is responsible for the corporate governance statement for the year 2024 on pages 211- 225 and that it has been prepared in accordance with the Annual Accounts Act.

### **The scope of the audit**

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

### **Opinions**

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Förslöv, March 28, 2025  
Ernst & Young AB

**Jonas Svensson**

*Authorized Public Accountant*

# The Peab share

Peab's B share is listed on the Nasdaq Stockholm, Large Cap. At the end of 2024 the total market capital of Peab was SEK 23.4 billion (16.9).

## Trading in the Peab share

On December 30, 2024 the last trading day of the year the closing price of the Peab B share was SEK 79.20 (57.10), which was a 39 percent increase during the year. The Swedish Stock Exchange, measured by the Affärsvärlden Index, increased in 2024 by 6 percent. In 2024, the Peab B share was quoted at a maximum of SEK 87.70 (71.10) and a minimum of SEK 45.12 (38.26). During 2024 about 95 million B shares (142) were traded, which was equivalent to 378,000 B shares per trading day (567,000) and a turnover rate of 35 percent (55).

## Total return

The total return on the Peab share in 2024 amounted to 41.33 percent, to be compared to the SIX Return index of 8.55 percent. In the five-year period January 1, 2020 to December 31, 2024 the annual total return on Peab's B share amounted to 11.94 percent, to be compared to the SIX Return Index of 59.87 percent during the same period.

## Shares and share capital

The total number of shares at the beginning of 2024 was 296,049,730 divided into 34,319,957 A shares with 10 voting rights per share and 261,729,773 B shares with one voting right per share.

At the end of 2024 the number of A shares was 34,319,957 representing 11.6 percent (11.6) of the capital and 56.7 percent (56.7) of the votes and the number of B shares was 261,729,773 representing 88.4 percent (88.4) of the capital and 43.3 percent (43.3) of the votes. The share capital amounted to SEK 1,583.9 million (1,583.9). More information on share capital development over time is available at [www.peab.com](http://www.peab.com).

## Holdings of own shares

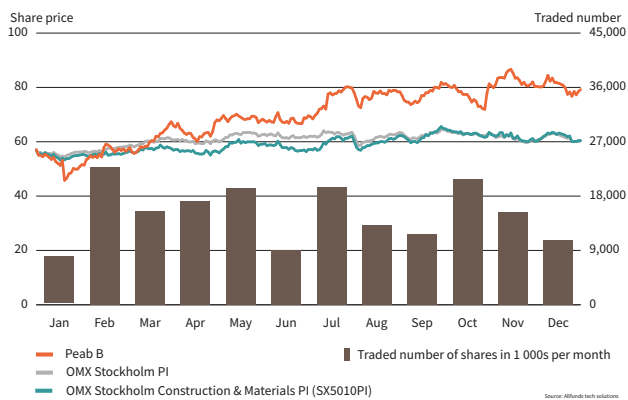
At the beginning of 2024 Peab's own B shareholding was 8,597,984 which corresponds to 2.9 percent of the total number of shares. During 2024, Peab has not repurchased or divested any of its own shares.

## Dividend

For 2024 a dividend of SEK 2.75 per share (1.50) is proposed per share divided into two payments, one in May and one in October. Excluding the 8,597,984 shares held by Peab AB per December 31, 2024 which do not entitle to a dividend, the proposed dividend entails a total dividend amount of SEK 790 million (431). Calculated as a share of recognized Group profit after tax according to segment reporting the proposed dividend amounts to 38 percent (30).

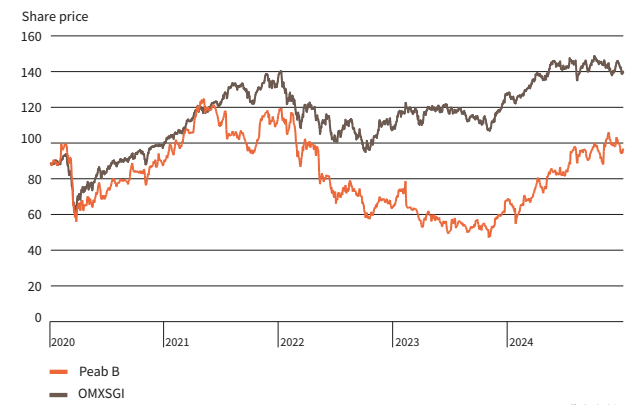
## Price trend of the Peab share

January 1 – December 31 2024



## Total return <sup>1)</sup>

December 31, 2019 – December 31, 2024



<sup>1)</sup> Distribution of Annehem Fastigheter for 2019 corresponded to SEK 7 per share. This distribution is included in the total return.



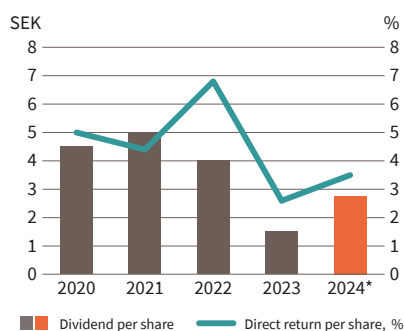
## Key ratios per share

	2024	2023
<b>Segment reporting</b>		
Earnings, SEK	7.25	4.92
Equity, SEK	58.23	52.41
Cash flow before financing, SEK	9.05	-4.58
<b>Reporting according to IFRS</b>		
Earnings, SEK	8.32	6.92
Equity, SEK	57.34	50.28
Cash flow before financing, SEK	23.46	9.24
Share price at year-end, SEK	79.20	57.10
Share price/equity, %	138	114
Dividend, SEK <sup>1)</sup>	2.75	1.50
Direct return, % <sup>2)</sup>	3.5	2.6
P/E-ratio <sup>2)</sup>	10	8

<sup>1)</sup> For 2024, Board of Directors' proposal to the AGM.

<sup>2)</sup> Based on closing price at year-end.

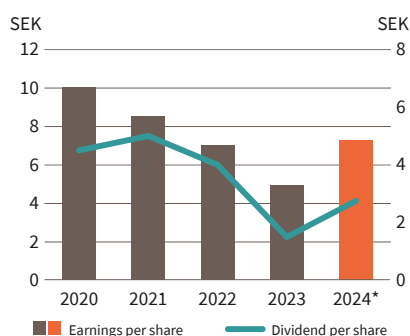
### Dividend and direct return



\* Board of Directors' proposal to the AGM.

### Earnings and dividend per share

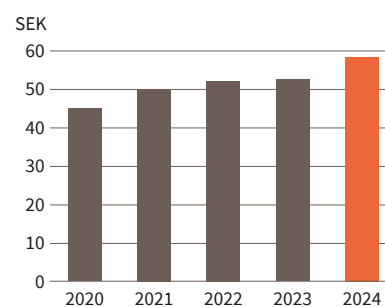
Segment reporting



\* Board of Directors' proposal to the AGM.

### Equity per share

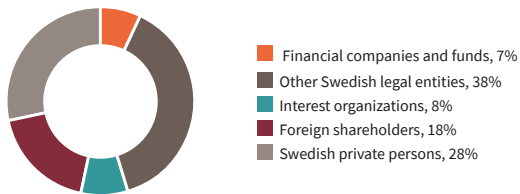
Segment reporting



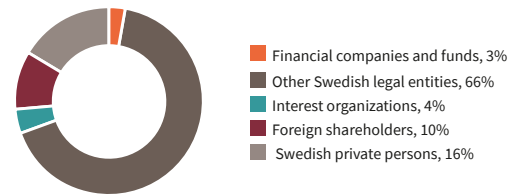
## List of shareholders per 2024-12-31

	A shares	B shares	Total number of shares	Proportion of capital, %	Proportion of votes, %
Ekhaga Utveckling AB	25,563,264	36,407,059	61,970,323	21.6%	49.0%
AB Axel Granlund	1,500,000	18,000,000	19,500,000	6.8%	5.5%
Mats & Fredrik Paulsson with families	5,680,429	10,250,425	15,930,854	5.5%	11.2%
Peab's Profit-Sharing Foundation		13,628,300	13,628,300	4.7%	2.3%
Vanguard		6,763,632	6,763,632	2.4%	1.1%
Dimensional Fund Advisors		5,942,958	5,942,958	2.1%	1.0%
Family Kamprads Foundation		4,461,756	4,461,756	1.6%	0.7%
Handelsbanken Fonder		4,361,985	4,361,985	1.5%	0.7%
Cicero Fonder		4,350,261	4,350,261	1.5%	0.7%
Norges Bank Investment Management		3,975,402	3,975,402	1.4%	0.7%
Mats Paulsson Foundations		3,677,500	3,677,500	1.3%	0.6%
Avanza Pension		3,643,167	3,643,167	1.3%	0.6%
Pension, FUTUR		3,349,979	3,349,979	1.2%	0.6%
American Century Investment Management		2,934,000	2,934,000	1.0%	0.5%
BlackRock		2,902,036	2,902,036	1.0%	0.5%
Other shareholders	1,576,264	125,927,598	127,503,862	45.1%	24.3%
<b>Number of outstanding shares</b>	<b>34,319,957</b>	<b>253,131,789</b>	<b>287,451,746</b>	<b>100.0%</b>	<b>100.0%</b>
Peab AB		8,597,984	8,597,984		
<b>Number of registered shares</b>	<b>34,319,957</b>	<b>261,729,773</b>	<b>296,049,730</b>		

### Proportion of capital per 2024-12-31



### Proportion of votes per 2024-12-31



## Allocation of shareholdings per 2024-12-31

Number of shares	Number of shareholders	Proportion of capital, %	Proportion of votes, %
1- 500	44,134	2.1	1.0
501- 1,000	7,594	2.0	1.0
1,001- 5,000	9,038	7.0	3.4
5,001- 10,000	1,454	3.6	1.8
10,001- 20,000	677	3.3	1.6
20,001- 50,000	361	3.8	1.9
50,001-	227	78.2	89.3
	<b>63,485</b>	<b>100.0</b>	<b>100.0</b>

## Shares and votes per share class 2024-12-31

Share class	Number	Number of votes	Proportion of capital, %	Proportion of votes, %
A	34,319,957	10	11.6	56.7
B	261,729,773	1	88.4	43.3
<b>Total</b>	<b>296,049,730</b>		<b>100.0</b>	<b>100.0</b>

# Five-year overview

Group, MSEK	2024	2023	2022	2021	2020
<b>Income statement items, segment reporting</b>					
Net sales	58,697	58,821	63,135	60,026	57,417
Operating profit	2,763	1,853	2,741	3,098	3,541
Pre-tax profit	2,425	1,895	2,670	3,076	3,433
Profit for the year	2,080	1,414	2,037	2,507	2,948
<b>Income statement items, IFRS</b>					
Net sales	61,283	61,600	61,933	58,923	59,852
Operating profit	3,163	2,586	2,557	2,975	3,922
Pre-tax profit	2,780	2,586	2,440	2,902	3,745
Profit for the year	2,388	1,988	1,831	2,377	3,181
<b>Balance sheet items, segment reporting</b>					
Fixed assets, not interest-bearing	13,159	13,789	13,611	12,620	12,037
Fixed assets, interest-bearing	516	1,293	1,233	1,208	1,257
Current assets, not interest-bearing	28,946	26,625	26,486	23,209	22,257
Current assets, interest-bearing	2,605	2,588	1,890	3,293	1,053
<b>Total assets</b>	<b>45,226</b>	<b>44,295</b>	<b>43,220</b>	<b>40,330</b>	<b>36,604</b>
Equity	16,760	15,082	14,978	14,656	13,251
Long-term liabilities, not interest-bearing	2,288	2,688	2,038	1,950	1,794
Long-term liabilities, interest-bearing	4,962	6,082	6,236	3,865	2,754
Current liabilities, not interest-bearing	13,939	13,968	16,182	16,819	15,376
Current liabilities, interest-bearing	7,277	6,475	3,786	3,040	3,429
<b>Total equity and liabilities</b>	<b>45,226</b>	<b>44,295</b>	<b>43,220</b>	<b>40,330</b>	<b>36,604</b>
<b>Balance sheet items, IFRS</b>					
Fixed assets, not interest-bearing	14,376	15,137	15,122	14,163	13,560
Fixed assets, interest-bearing	516	1,293	1,233	1,208	1,257
Current assets, not interest-bearing	30,271	30,158	32,766	28,506	26,294
Current assets, interest-bearing	2,605	2,588	1,890	3,293	1,053
<b>Total assets</b>	<b>47,768</b>	<b>49,176</b>	<b>51,011</b>	<b>47,170</b>	<b>42,164</b>
Equity	16,504	14,470	13,786	13,682	12,443
Long-term liabilities, not interest-bearing	2,201	2,628	1,990	1,906	1,752
Long-term liabilities, interest-bearing	6,147	7,239	8,105	5,627	4,364
Current liabilities, not interest-bearing	14,689	13,660	15,431	16,566	15,977
Current liabilities, interest-bearing	8,227	11,179	11,699	9,389	7,628
<b>Total equity and liabilities</b>	<b>47,768</b>	<b>49,176</b>	<b>51,011</b>	<b>47,170</b>	<b>42,164</b>
<b>Key ratios, segment reporting</b>					
Operating margin, percent	4.7	3.2	4.3	5.2	6.2
Equity, average during the year	15,595	14,945	14,532	13,569	12,772
Equity attributable to shareholders in parent company, average during the year	15,570	14,927	14,524	13,568	12,771
Return on equity, percent	13.3	9.5	14.0	18.5	23.1
Capital employed, at year-end	28,999	27,639	25,000	21,561	19,434
Capital employed, average during the year	28,244	28,007	23,373	20,445	20,709
Return on capital employed, percent	10.7	8.7	12.2	15.6	17.6
Equity/assets ratio, percent	37.1	34.0	34.7	36.3	36.2
Net debt	9,118	8,676	6,899	2,404	3,873
Net debt/equity ratio, multiple	0.5	0.6	0.5	0.2	0.3
Interest coverage ratio, multiple	4.7	4.1	14.1	24.3	28.5

Group, MSEK	2024	2023	2022	2021	2020
<b>Key ratios, IFRS</b>					
Operating margin, percent	5.2	4.2	4.1	5.0	6.6
Equity, average during the year	15,242	14,077	13,391	12,598	12,230
Equity attributable to shareholders in parent company, average during the year	15,217	14,060	13,384	12,597	12,229
Return on equity, percent	15.7	14.1	13.7	18.9	26.0
Capital employed, at year-end	30,878	32,888	33,590	28,698	24,435
Capital employed, average during the year	31,596	34,742	31,704	26,602	26,706
Return on capital employed, percent	10.8	9.1	8.4	11.5	15.0
Equity/assets ratio, percent	34.6	29.4	27.0	29.0	29.5
Net debt	11,253	14,537	16,681	10,515	9,682
Net debt/equity ratio, multiple	0.7	1.0	1.2	0.8	0.8
Interest coverage ratio, multiple	3.8	3.5	6.7	11.9	20.2
<b>Capital expenditures, IFRS<sup>1)</sup></b>					
Goodwill	48	-22	198	64	-145
Other intangible assets	11	54	97	131	74
Investment property	-2	5	2	-74	2
Buildings and land	324	500	451	291	398
Machinery and equipment	667	1,165	1,781	1,353	780
Shares and participations	-418	185	10	297	-293
Project and development properties	320	-1,096	2,945	2,202	-2,842
Project and development properties, segment reporting	2,471	1,608	2,268	1,067	-1,917
<b>Orders<sup>2)</sup></b>					
Orders received	56,510	45,108	53,259	55,848	49,735
Order backlog	44,906	39,060	44,389	45,318	42,709
<b>Personnel</b>					
Number of employees, at year-end	13,383	14,107	15,040	14,895	15,252
Average number of employees	12,899	13,808	14,211	14,907 <sup>3)</sup>	15,166 <sup>3)</sup>
<b>Data per share, segment reporting</b>					
Earnings before and after dilution, SEK	7.25	4.92	6.98	8.50	10.00
Cash flow, SEK	9.05	-4.58	-6.69	10.31	9.42
Equity, SEK	58.23	52.41	52.05	49.68	44.92
<b>Data per share, IFRS</b>					
Earnings before and after dilution, SEK	8.32	6.92	6.27	8.06	10.79
Cash flow, SEK	23.46	9.24	-10.81	3.57	12.72
Equity, SEK	57.34	50.28	47.90	46.38	42.18
Share price at year-end, SEK	79.20	57.10	59.10	114.20	89.65
Dividend, SEK <sup>4)</sup>	2.75	1.50	4.00	5.00	4.50
Number of shares at year-end, millions	287.5	287.5	287.5	295.0	295.0
Average number of outstanding shares, millions	287.5	287.5	292.2	295.0	295.0

<sup>1)</sup> For 2020 the amounts are adjusted for the acquisition of paving and mineral aggregates operations and the distribution of Annehem Fastigheter.

<sup>2)</sup> The order situation is based on segment reporting, which means our own housing development projects, tenant-owner associations and housing companies are considered external customers.

<sup>3)</sup> Not recalculated taking into account the new definition for calculating averages. For more information, see Alternative performance measures and definitions.

<sup>4)</sup> For 2024, the Board of Director's proposal to the AGM.



## Alternative performance measures and definitions

Alternative performance measures are used to describe the development of operations and to increase comparability between periods. These are not defined under IFRS but correspond to the methods applied by executive management and the Board of Directors to measure the company's financial performance. Alternative performance measures should not be viewed as a substitute for financial information presented in accordance with IFRS but rather as a complement.

The difference between segment reporting and reporting according to IFRS is described in more detail in note 3 and note 4. The difference primarily consists of differences in accounting principles for our own housing development projects where revenue and profit are recognized over time in segment reporting and at one point in time, when homebuyers take over their homes, in reporting according to IFRS. In segment reporting leasing fees for the lessee are recognized linearly over the leasing period for leases that are classified by the counterparty (the lessor) as operational leases. IFRS 16 Leases is applied in Group reporting according to IFRS, which entails that lessees recognize depreciation and interest attributable to leasing assets and liabilities. As a result the difference between segment reporting and reporting according to IFRS even affects the items on the balance sheet, including net debt. Nonetheless, in the key ratios below the method of calculation is the same for both segment reporting and reporting according to IFRS. For more information and calculations, see Peab's website [www.peab.com/alternative-keyratios](http://www.peab.com/alternative-keyratios).



## Financial definitions

### Available liquidity

Liquid funds and short-term investments along with unutilized credit facilities, excluding unutilized credit facilities for project financing. Shows the Group's available liquidity.

### Capital employed for the business areas

Total assets in the business area at the end of the year reduced by deferred tax recoverables and internal receivables from the internal bank Peab Finans with deductions for non-interest-bearing liabilities and deferred tax liabilities. The measurement is used to measure capital utilization and its effectiveness for the business areas, and is only presented as a net amount per business area.

### Capital employed for the Group

Total assets at the end of the year less non-interest-bearing operating liabilities and provisions. The measurement is used to measure capital utilization and its effectiveness.

### Cash flow per share

Cash flow per share calculated as the total of the cash flow from current operations and cash flow from investment activities divided by the average number of outstanding shares during the year. Shows which cash flow before financing was generated per share.

### Direct return, shares

Dividend as a percentage of the share price at year-end. Measures the direct return of the proposed dividend in relation to the price at year-end.

### Earnings per share, before and after dilution

Profit for the period attributable to shareholders in parent company divided by the average number of outstanding shares during the period. Shows earnings per share.

### Equity/assets ratio

Equity as a percentage of total assets at the end of the year. Shows financial position.

### Equity per share

Equity attributable to shareholders in parent company divided by the number of outstanding shares at the end of the period. Shows equity per share.

### Interest coverage ratio

Pre-tax profit items plus interest expenses in relation to interest expenses. The measurement shows how well the interest costs can be covered.

### Net debt

Interest-bearing liabilities including provisions for pensions less liquid funds and interest-bearing assets. Shows financial position.

### Net debt, segment reporting

Interest-bearing liabilities including provisions for pensions less liquid funds and interest-bearing assets. As of January 1, 2019 unsold part of ongoing own housing development projects is included in net debt. Shows financial position for segment.

### Net debt/equity ratio

Interest-bearing net debt in relation to equity. Shows financial position.

### Net investments

The change in the period of the recognized value of current assets (CB-OB) plus depreciation and write-downs. Shows the size of net investments made.

### Operating margin/Operating margin excl. MoS

Operating profit as a percentage of net sales. Shows profitability in the business. Operating margin excl. MoS is calculated excluding the effect of arbitration decision concerning Mall of Scandinavia. For details, see note 20.

### Operative cash flow

Cash flow before financing according to segment reporting. The cash flow does not include received internal Group interest, paid interest and paid tax that is not allocated to the business areas but only reported for the Group. Investments via leasing charge cash flow from investment operations in the business areas. Operative cash flow is only calculated for the business areas. Shows the cash flow generated per business area.

### Order backlog

The value at the end of the period of the remaining income in ongoing production plus orders received yet to be produced. Order backlog is based on segment reporting. Shows how much will be produced in the future.

### Orders received

The sum of orders received during the period. Measures how new orders replace produced work. Regarding our own housing development projects, tenant-owner associations and housing companies are considered external customers.

### P/E ratio

Share price at year-end divided by earnings per share. Shows market expectations on the company related to earnings generation.

### Return on capital employed

Pre-tax profit for the rolling 12 month period with the addition of financial expenses in percent of the average (last four quarters) capital employed. The measurement is used to measure capital efficiency and to allocate capital for new investments and shows the Group's earning capacity independent of financing.

### Return on equity

Profit for the rolling 12 month period attributable to shareholders in the parent company divided by the average (last four quarters) equity attributable to shareholders in the parent company. The measurement is used to create efficient business and a rational capital structure and show how the Group has multiplied shareholders' equity.

## Other non-financial definitions

### Average number of employees

The sum of the number of hours Peab has paid for, divided by the annual working time. The calculation of the average number of employees has changed from January 1, 2023 and is based on the sum of hours worked. Comparable figures for 2022 have been recalculated.

### Contract amount

The compensation stipulated in the contract for contract work excluding VAT.

### CSI

CSI stands for Customer Satisfaction Index and measures how satisfied Peab's customers are. CSI is a weighted measurement between 0 and 100 and is based on three questions: 1) Total satisfaction, 2) In relation to expectations 3) In relation to ideal supplier.

### Development rights

Estimated amount of construction possible on a piece of land. A development right is the maximum level of construction allowed on a property according to a zoning plan. The scope of the future zoning plan is estimated for up and coming zoning plans. In order to have the right of disposition over a development right ownership of, or the option to own, the land is required. Development rights for commercial property are measured in square meters.

### eNPS

eNPS stands for employee Net Promoter Score and measures employee engagement. The result can vary between -100 and 100 and is based on the question to employees: "How probable is it that you would recommend your employer to a friend or acquaintance?"

### Fixed price

Contract work carried out for a fixed price without the contractor being able to alter it, unless the client makes changes to in the contract work or makes supplementary orders.

### LT14 and LTIF4

LT14 refers to the number of workplace accidents resulting in more than four days absence of an employee, excluding the day of injury, and LTIF4 refers to the frequency per one million hours worked according to the same definition. LTI stands for Lost Time Injury.

### Partnering/Collaboration

A type of structured collaboration in the construction industry in which the developer, consultants, contractors and other key actors work together to achieve a construction goal. The collaboration is founded on trust where each person's professional skills supplement the others' throughout the construction process. In partnering/collaboration everyone's know-how comes to pass and everyone works together in a project from start to finish.

### Project and development property

Holdings of undeveloped land and decontamination property for future development, property with buildings for project development, processing and thereafter divestiture within Peab's normal business cycle.

### Project development

Finding project or development properties and developing these into complete projects.

### Risk observations

A risk observation means at a workplace noticing behavior, risks or shortcomings that could lead to an incident or accident.

### Serious accidents

Peab uses the Swedish Work Environment Authority's definition of a serious accident as an accident where one or more persons are injured at a workplace or a place they have visited for work. Serious accidents can be injuries such as bone fractures, effusive bleeding or nerve, muscle or tendon damage, injuries to inner organs or second or third degree burns. Serious accidents that occur in our other Nordic countries are categorized by the same definition.

### Turnkey contract

Contract work where the contractor, in addition to building, is also responsible for designing and planning the project.

# Welcome to Peab's Annual General Meeting

## Time and place

Peab's Annual General Meeting 2025 will be held on Tuesday, May 6, at 16:00 CET at Grevieparken, Grevie, Municipality of Båstad.

## Registration

Shareholders who wish to attend the meeting, either in person or by proxy, must:

- Be registered as a shareholder in the share register maintained by Euroclear Sweden AB as of Friday, April 25, 2025, and
- Submit their registration no later than Tuesday, April 29, 2025.

Registration can be made via Peab's website [www.peab.com/agm](http://www.peab.com/agm), by phone at +46 431 893 50, or by mail to: Peab AB (publ), Annual General Meeting, c/o Euroclear Sweden, Box 191, 101 23 Stockholm, Sweden.

When registering, shareholders must provide their name, address, personal or corporate identification number, telephone number, and any assistants attending.

## Postal Voting

Shareholders who wish to participate by postal voting must:

- Be registered as a shareholder in the share register maintained by Euroclear Sweden AB as of Friday, April 25, 2025, and
- Submit their postal vote no later than Tuesday, April 29, 2025, following the instructions below.

Forms and instructions for postal voting are available on Peab's website [www.peab.com/agm](http://www.peab.com/agm). Completed and signed postal voting forms should be sent:

- By mail to Peab AB (publ), c/o Euroclear Sweden, Box 191, 101 23 Stockholm, Sweden, or
- By email to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com).

Shareholders who are natural persons can also submit their postal votes electronically through Euroclear Sweden AB's website: <https://anmalan.vpc.se/euroclearproxy>, using Swedish BankID for verification. Postal votes must be received by Euroclear Sweden no later than Tuesday, April 29, 2025.

## Notice and Agenda

The notice of the Annual General Meeting and the agenda will be published on [www.peab.com/agm](http://www.peab.com/agm) on Thursday, April 3, 2025, and in the Post- och Inrikes Tidningar on Friday, April 4, 2025.

## Financial information

At [www.peab.com](http://www.peab.com) we continually provide current information on the company, financial results and how our share is developing. Financial reports and publications can be downloaded there as well. They can also be ordered by contacting: Peab AB, Margretetorpssvägen 84, SE-269 73 Förslöv or Tel +46 431-890 00.

### Follow Peab quarter by quarter

When Peab publishes our quarterly reports we also present the financial results for the previous quarter and a description of the current situation. The link to the presentations can be found at [www.peab.com/reports](http://www.peab.com/reports).

### Shareholder contact

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### Juha Hartomaa, IR

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### Annual calendar 2025

First Quarter Report	May 6, 2025
Annual General Meeting	May 6, 2025
Second Quarter Report	July 15, 2025
Third Quarter Report	October 24, 2025
Year-end Report 2025	February 4, 2026
Annual and Sustainability Report 2025	April 2026

### Analysts who follow Peab

Company	Name	Email
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