



Anti-Corruption Guidelines

REGEL/RIKTLINJE

Corporate Governance and Compliance

Translator's disclaimer: This text is a translation from Swedish, and while efforts have been made to provide an accurate rendition, it may not be a perfect representation of the original content.

WHY IS IT IMPORTANT TO FIGHT CORRUPTION?

Corruption is a global problem that affects all countries and industries, including the construction industry in the Nordic region. Large sums of money and complex projects give rise to corruption risks within our scope of operations. To prevent this and ensure fair conditions in our value chain, we need to proactively work to fight corruption.

Peab has a **zero-tolerance policy** towards corruption. *Obtaining* financial or commercial advantages through illegal or unethical means is explicitly prohibited.

It is important for you to know that:

- If you suspect corruption, you should report it immediately.
- You will not face negative consequences for reporting it.

These guidelines on anti-corruption ("guidelines") help us collectively to maintain the zero-tolerance policy against corruption established by Peab's CEO and management team.

Every employee is responsible for understanding, complying with, and implementing the requirements. Managers at every level are responsible for ensuring that the requirements are applied and adhered to within their companies, departments, or functions.

Certain parts of the guidelines are broadly described because there are country-specific governing documents, such as guidelines for conflicts of interest, gifts, entertainment, and sponsorship. Legal requirements may vary depending on the country of operation.

1. What is corruption?.....	2
2. What is a bribe?.....	3
3. Risks of giving and receiving benefits	3
For recipients in the private sector:	3
For recipients who are public officials:	3
4. Risks of conflicts of interest	4
5. Risks of sponsorship	4
6. What happens if an employee is suspected of corruption	5
7. How to report suspicions of corruption	5
8. Where can I get more information or assistance	6
9. Other.....	6

1. WHAT IS CORRUPTION?

Corruption encompasses various forms of abuse of power. A commonly accepted definition of corruption is "a form of dishonesty or a criminal offense which is undertaken by a person or an organization which is entrusted in a position of authority, in order to acquire illicit benefits or abuse power for one's personal gain".

The most blatant form of corruption is giving or accepting a bribe. Another form of corruption is a crime called embezzlement, where someone abuses their position within a company to the detriment of their employer.

Corruption can take many forms, such as fraud, misappropriation, conflict of interest, bribery, nepotism, and favoritism. To enhance understanding of corruption risks, the following are described as prohibited situations or situations that can contribute to a higher risk:

Invoice manipulation: Issuing or accepting invoices that do not reflect an actual transaction or service.

Benefits: Giving or receiving gifts, money, or other benefits in exchange for gaining an advantage, such as winning a contract or obtaining a service.

Cash handling: Suspicious handling of large amounts of cash may indicate illegal or improper transactions taking place.

Employing relatives: Hiring a relative can create a conflict of interest, as it may prioritize the relative's interests over the company's interests. It can also raise mistrust and issues of trust.

Diverting Peab's materials: Selling Peab's materials without authorization and keeping the money for oneself.

Access to confidential information: Disclosing confidential information about Peab's operations or clients to a third party.

Selective accountability: Exempting certain individuals from responsibility can result in misconduct being concealed, allowing illegal actions to persist and go unpunished.

Expensive entertainment: Receiving or providing expensive entertainment can create a sense of obligation or loyalty towards the giver, influencing the recipient's judgment and potentially leading to decisions that may not be in the best interest of the company.

By identifying risky situations and working to counteract them, we can reduce the risk of corruption.

2. WHAT IS A BRIBE?

A bribe is a form of corruption and involves someone offering, promising, giving, receiving, or soliciting something of value as a reward or encouragement to engage in something illegal or unethical.

Offering or promising something, even if it is not directly given, or requesting something, even if it is not received, can be considered a bribe. Examples include:

- ⇒ A case in Finland where a municipal employee demanded a bribe of 500 EUR from a contractor in exchange for a permit to commence construction.
- ⇒ A case in Sweden where a municipal employee demanded a bribe of 5,000 SEK from a contractor to grant permission for a construction site trailer on a public space.
- ⇒ A case in Norway where a contractor gave a bribe of 15,000 NOK to a municipal employee to obtain permission for building a pier in a protected area.

The concept of a bribe also includes so-called *facilitation payments* which refers to when a person pays a public official to secure and expedite a decision or process. It is nothing more than a bribe and is also criminalized as such. You must not make such a payment, and you must not allow anyone else (such as intermediaries, agents, suppliers) to do so on behalf of Peab.

This does not include payment of public administrative fees or fees to expedite a service if these fees are published in an official price list. For example, payments for permits or processing official documents.

3. RISKS OF GIVING AND RECEIVING BENEFITS

The assessment of whether it is permissible to give or receive a benefit, such as gifts and entertainment, varies depending on the occasion, the recipient, and the country of operation. Gifts and entertainment can help establish and maintain good business relationships and effectively promote our products and services. However, inappropriate gifts and entertainment can be, or be perceived as, a bribe.

Clear country-specific guidelines exist on this matter, including prescribed limits. Please refer to the country specific "*Guidelines for Representation and Benefits*" for further information.

For recipients in the private sector:

Remaining loyal to one's employer and clients is a fundamental principle. It is also important to promote fair competition and sound business practices. Prohibited benefits include high-value gifts, personal goods or services, entertainment or vacation trips, or any benefits that may influence decisions.

Benefits should be offered openly and in moderation, considering the recipient's role, the value of the benefit, and the occasion. Business appropriateness is crucial, and extravagant events should be avoided.

The higher the economic or personal value of the benefit, the more likely it is to be deemed impermissible. Generally, caution should be exercised with benefits that:

- Have a high value.
- Are given to the same person repeatedly.
- Have personal value (such as goods or services that can be used privately).

It is important to be aware that benefits with high or personal value can be perceived as attempts to buy loyalty or influence decisions, which can be illegal and/or ethically questionable. To avoid such situations, it is always best to be transparent and avoid benefits that could be interpreted as improper or questionable in any way.

For recipients who are public officials:

Public officials hold public trust and are responsible for safeguarding their organizations against corruption. To avoid any doubt regarding their independence, their decision-making should always be based on objective and impartial grounds. The public should be able to trust that public affairs are

conducted with absolute integrity and impartiality. Therefore, caution should be exercised when offering benefits to this category of recipients. If the benefit or gift aims to influence the actions of a public official, it is a criminal offense.

Example: A construction company had a tradition of inviting municipal officials on boat trips to Lübeck to "facilitate the decision-making process." The trips were primarily recreational, although some educational elements were included. The representatives of the construction company were convicted of giving bribes, and the municipal officials were convicted of accepting bribes.

The basic principles are:

- It is prohibited to give or receive a benefit in relation to official duties or public procurement. It is irrelevant whether a benefit is given or received before or after a decision has been made.
- A benefit is considered prohibited if it has the potential to influence the recipient's decision-making or impact the way they carry out their duties. For example, a gift with significant economic or personal value to the recipient may be seen as an impermissible benefit. The assessment of what is considered an impermissible benefit must be made on a case-by-case basis.

4. RISKS OF CONFLICTS OF INTEREST

At Peab, a conflict of interest arises when an individual's private interests conflict with Peab's interests. In practice, this can involve situations such as:

- Holding shares or being a manager in a company that conducts business with Peab.
- Using Peab's assets for personal purposes.
- Purchasing goods or services on behalf of Peab from a supplier that is directly or indirectly owned by a relative.
- Owning a property that is rented out to Peab.
- Employing a relative.
- Approving an invoice from a friend that is sent to Peab.

The presence of conflicts of interest can raise suspicions of corruption, which is why transparency is crucial. As part of this, Peab regulates how conflicts of interest should be managed, minimized, and avoided. It is important for Peab to be aware of employees who have interests that could potentially influence their decisions in a manner detrimental to Peab. Transparency is key.

Please refer to the country specific "*Guidelines for Side Activities*" or obtain more information described in point 8.

5. RISKS OF SPONSORSHIP

Sponsorship can entail corruption risks, such as a sponsorship partner demanding or expecting sponsorship to choose or continue working with Peab. Sponsorship can also be used as a pretext for engaging in illicit activities, such as creating false invoices or using sponsorship funds for personal purposes. Additionally, there can be risks of conflicts of interest if a sponsorship partner has a personal connection to a key individual at Peab. To minimize these risks, Peab has clear guidelines and processes for sponsorship, including an open and transparent allocation process. Sponsorship funds should be used ethically and efficiently.

It is important to note that Peab never sponsors political parties or political activities in any form. Please refer to "*Peab's Sponsorship Guidelines*" for more information.

6. WHAT HAPPENS IF AN EMPLOYEE IS SUSPECTED OF CORRUPTION

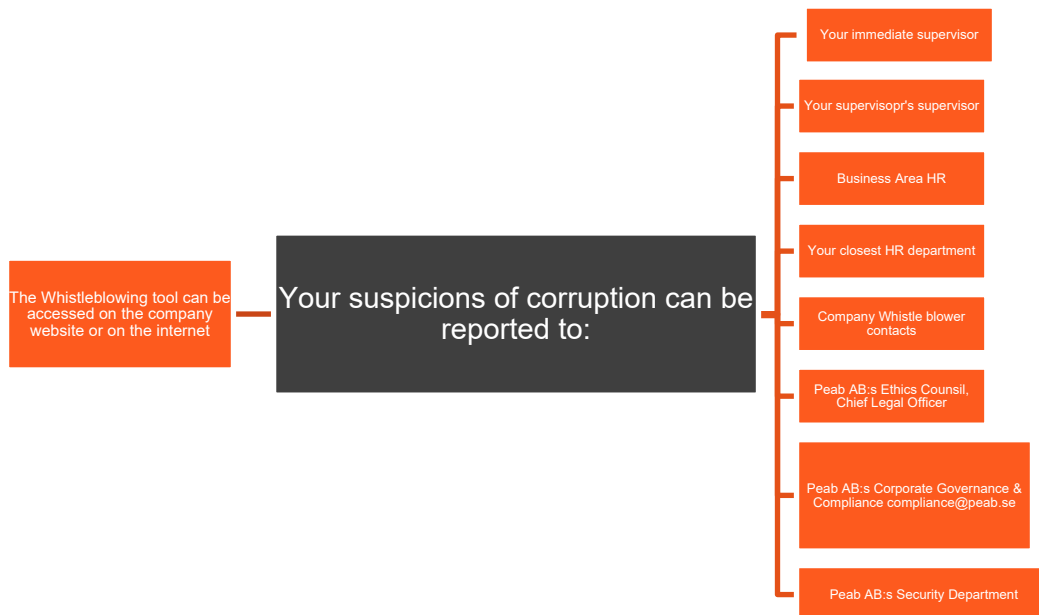
To clarify what has occurred, assess the damages incurred, and establish a basis for potential labor or organizational measures, the following process is followed:

- ⇒ **Peab conducts an investigation:** Peab conducts an internal investigation. Regardless of the extent of the incident, it is necessary for the investigation to be carried out objectively. Therefore, investigation measures are not carried out by the immediate supervisor, close colleagues, or other individuals familiar with or involved in the matter. If a suspicion or report of corruption arises, it is first investigated by an independent internal investigator. In some situations an external investigator is contracted. If evidence of a criminal offense is found, the security department files a police report.
- ⇒ **Peab takes measures to rectify the damage:** Peab may take measures to rectify the damage caused by the corruption offense. This may involve repaying money, terminating contracts, or implementing actions to restore any lost trust.
- ⇒ **Peab communicates transparently:** It is important to communicate openly and transparently about the corruption offense, its investigation, and the measures taken to prevent it from happening again. This helps rebuild trust in Peab and demonstrates that we take corruption prevention seriously. Internal and external communication should only be carried out through Peab's communication department to avoid the spread of rumors and speculation. As a rule, information about the impropriety and the labor measures taken is published on the intranet. Individual assessments are made before publication to ensure that the person's privacy is not violated. All confirmed corruption offenses are included in Peab's annual and sustainability reporting.
- ⇒ **Peab addresses weaknesses in procedures:** Finally, it is important to ensure that it does not happen again. This involves improving internal processes and procedures. Often, in the context of discovery and investigation, immediate and temporary solutions to the problem are implemented. However, a deeper review and follow-up should be a natural consequence of any impropriety that occurred.
- ⇒ **Consequences of corruption offenses:** It is expected that all employees apply and respect the rules in Peab's governing documentation. Violations of the rules may result in labor-related actions being taken. There is no general measure or consequence for corruption offenses; they must be assessed based on individual circumstances in each specific case. If the act involves criminal behavior, either internally within Peab or against Peab or its employees by an external party, the incident is reported to the police.

Peab is committed to conducting thorough investigations, taking appropriate measures to address any damages caused, maintaining transparency in communication, and continually improving internal processes and procedures to prevent future occurrences. It is essential for all employees to be vigilant, report any suspicions of corruption, and adhere to the guidelines and principles outlined by Peab in order to ensure a culture of integrity and ethical business conduct.

7. HOW TO REPORT SUSPICIONS OF CORRUPTION

It is important to report any suspicions of corruption or other improprieties to Peab so that the matter can be investigated. Employees can choose to report to their immediate supervisor, any of the departments listed below, or use our whistleblowing tool. Note that the AO HR Manager, Whistleblower Contacts, Corporate Governance & Compliance, Peab's Ethics Council, and Peab AB's Security Department have a special commitment to confidentiality when handling whistleblowing cases.



Employees are protected against retaliation. This means they should not face any negative consequences because of reporting, such as harassment, discrimination, or other forms of retaliation. Please refer to the "Whistleblowing Guidelines" and "How Your Personal Data is Processed in Whistleblowing" for more information.

8. WHERE CAN I GET MORE INFORMATION OR ASSISTANCE

The mission of the Ethics Council is to support, strengthen, and develop Peab's ethical approach. This includes responding to ethical questions from the business and employees. Peab AB's Corporate Governance and Compliance department is responsible for these guidelines and can also provide guidance. You can contact Peab's Nordic Compliance department via email:

Norway: compliance@peab.no

Finland: compliance@peab.fi

Sweden and other countries: compliance@peab.se

9. OTHER

These guidelines are also available to external stakeholders.

A. Supplier Risks, etc.

It is crucial to carefully select suppliers, intermediaries, consultants, and agents and ensure that they act in an acceptable manner. In general, it is important for Peab to have a thorough understanding of all those we collaborate with or appoint to represent Peab in any matter. Peab should have a good knowledge of all individuals and companies it collaborates with. A supplier assessment is conducted before Peab starts cooperating with a third party. The purchasing organization at Peab is responsible for performing checks on the companies we collaborate with.

Before sending a request for proposal to a supplier that Peab intends to engage, a credit and security check is conducted to ensure that Peab only engages with reputable suppliers/contractors and thereby minimizes its project risk. This security check involves obtaining information about the company, various security assessments, ongoing checks, and other parameters. Swedish companies in the supplier register are checked daily against a credit reporting agency to capture events such as insolvency factors and whether they are registered for tax, VAT, and/or employer contributions. Further information on this can be found in the purchasing processes in our business management system.

B. Payment to Intermediaries

A payment to a third party should be related to the products or services delivered to Peab. You should only pay a third party if:

- The payment is solely for products or services that have been performed or delivered.
- The amount has been approved by Peab.
- The third party has provided Peab with an invoice containing the order number.
- The payment is made directly to the third party that provided the goods or services, and it is made directly to a bank account in the country where the third party operates.

C. Ongoing Risk Analysis on Corruption by the Ethics Council

Peab AB's Ethics Council handles violations of laws and other regulations identified within the organization, including corruption offenses, with the aim of ensuring consistent handling of such violations within the group. Another aspect of the Ethics Council's work is to develop preventive measures to combat corruption, with ongoing risk analysis on corruption being an important part of it. The Ethics Council conducts ongoing risk analyses, and the action program that Peab works with is a result of these risk analyses. The measures taken are continuously monitored, evaluated, and updated as needed.

D. How Peab manages corruption risks in the business

Peab prohibits employees, suppliers, and others working for and with us from being involved in any form of corruption. Peab utilizes the Code of Conduct, these guidelines, support processes, our Code of Conduct training, and customized learning to reduce and manage the corruption risk within the organization.

A crucial success factor in Peab's ethical work is our continuous efforts to enhance skills and knowledge. Therefore, all employees in Peab receive ongoing training in anti-corruption practices.

E. Governing documents for Peab's anti-corruption efforts

Code of Conduct	Guidelines for Representation and Benefits	Application for Permission for Side Activities
Supplier Code of Conduct	Guidelines for Side Activities	Mission and Purpose of the Ethics Council
Whistleblower Guidelines		
Sponsorship Guidelines		

F. References

In the Nordic region, there are laws and regulations that promote transparency and combat corruption, which these guidelines are based on. Other references used in the development of Peab's Anti-Corruption Guidelines include:

UN Convention against Corruption (UNCAC)	UN Guiding Principles on Business and Human Rights (UNGPR)
UN Global Compact on combating corruption (UNGC)	OECD Convention on Combating Bribery and its recommendations
OECD Guidelines for Multinational Enterprises	Anti-Bribery Management Systems - Requirements and Guidance (ISO 37001:2016)
The Swedish Anti-Corruption Institute	Industry collaborations in the Nordic region

