



Green Bond

Investor Report 2024

The Nordic Community Builder

With long-term owners, solid core values and a business that since 1959 has developed one step at a time, Peab has everything in place to continue to do what is best for its customers, employees, owners and society in the long run. Peab has 13,000 employees in Sweden, Norway, Finland and Denmark and has headquarters in Förslöv on Bjäre Peninsula in southern Sweden. The share is listed on Nasdaq Stockholm.

Peab is unique in that the company is organized in four business areas that collaborate to use wherever possible local resources in the form of own personnel, input goods and subcontractors. Together with its integrated climate and environmental work and engagement in local communities, this forms the foundation of “locally produced community building”. The four collaborating business areas enable Peab to be efficient and have a high level of processing and ability to meet set sustainability-related targets. Further, it provides control over a project and flexibility to adapt the operations mix as needed.

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Peab and sustainability

As described, sustainability is an integral part of Peab's daily operations and business strategy. Peab works actively with environmental and social issues and has a strong local commitment, anchored in the locally produced community building.

Peab cares about good business ethics, has signed the UN Global Compact and seeks to contribute to the UN Global Sustainable Development Goals ("SDGs"). In an updated assessment conducted by Peab in 2023, nine of the SDGs were deemed extra prioritized for the period 2024-2026.



We also stand behind voluntary initiatives of different kinds. In Sweden, for example, Peab stands behind the construction and civil engineering industry's Road map for fossil free competitiveness.

We believe that our way of conducting business also helps us in steering towards reaching the targets in our four strategic target areas. Our internal and external financial and non-financial targets are categorized under the target areas; Most satisfied customers, Best workplace, Most profitable company and Leader in social responsibility.

Environmental targets

Two of the nine external targets are climate-related. Up to 2030 our targets 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 50 percent (compared to 2015). The most long-term target of Peab's three comprehensive environmental targets is to be climate neutral by 2045.

Scope 1 and 2 include direct and indirect emissions from fuel and energy consumption in our own production.

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 been reduced 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 (tCO₂e) 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.

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

It is therefore vital that together with our customers we continue to make explicit and stringent demands for 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.

Peab's second environmental target is to be completely resource efficient by 2040. This target also contributes to our climate target since resource consumption and producing material has a substantial climate impact. The third environmental target is to phase out environmentally and health hazardous products by 2030. We want to protect people and the environment from hazardous exposure in both production and usage. We also want to avoid mixing in hazardous substances in material that will be reused.

Material climate-related aspects

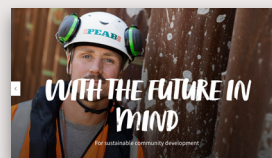
The greatest climate-related impact resulting from Peab's operations stems from production of the material we use, fossil fuel used in our production, vehicles and construction equipment as well as transportation. Carbon dioxide emissions are also generated by the use of the products, such as buildings, we deliver.

We can reduce our impact by optimized constructions using less material and developing and choosing materials with reduced climate footprint. We work on energy saving measures and replace fossil fuels with renewable energy. For example, we are using renewable fuels in the production of all our ECO-Asfalt.

Transportation planning and waste management are two other focus areas for lowering our emissions. Furthermore, our responsibility for reducing climate impact and applying a life cycle perspective not only concerns our own operations but the entire value chain as well.

Sustainability highlights from 2024

- ECO-Betong (ECO-Concrete) is now the standard concrete in Peab's Swedish operations. This is a substantial contribution to the environment by reducing carbon emissions by at least ten percent compared to traditional concrete.
- Peab became the first civil engineering company to use piles produced with SSAB Zero, a material based on recycled scrap steel and produced with fossil free electricity and biogas. This choice of material reduces carbon emissions by around 80 percent compared to the same piles manufactured with traditional steel. The piles are part of the construction of a new dock Peab is building at the Port of Skellefteå that will contribute to developing the port by enabling it to handle more and larger transportation.
- Peab is the first company in Sweden to meet the Nordic Swan Ecolabel requirements for renovating an existing house. It is an apartment building in Ronneby from the 1950s that has been preserved with an environmental certification.
- Byggelement's new factory for production of precast concrete in Hallstahammar was inaugurated. Here cost-efficient and large scale, climate improved production of slabs and walls with at least 50 percent less cement takes place. Products in ECO 50, i.e. ECO-Prefab with at least 50 percent alternative binder, are standard in this factory.
- Byggelement continued development of more climate improved elements by launching both solid walls in ECO 60 and prefab slab in ECO 60. The latter is used as a slab in all kinds of construction projects and is in the highest ECO-class possible according to the current standard. The product reduces carbon emissions by 25 percent compared to the corresponding prefab slab in ECO 30.
- Peab completed the comprehensive mapping of its impact on biodiversity and presented the basis for a road map to identify and prioritize systematic measures to protect and strengthen biodiversity.
- Peab launched a new concept for construction workplaces - ECO-Construction site - for lower energy consumption and environmental impact through instruments and guidelines for waste, water consumption, logistics and construction machines. We have calculated that in a standard project we can reduce energy consumption by around 25 percent.



Find out more about our sustainability work and progress in 2024 in our Annual and Sustainability Report at peab.inpublix.com/2024/en

Green Finance Framework

Peab's launched its first Green Finance Framework in 2021 and updated it in 2024. The framework enables Peab to link sustainable operations to sustainable finance. It is developed in alignment with the Green Bond Principles ("GBP") and Green Loan Principles ("GLP").

The framework is applicable for issuance of green finance instruments such as green bonds, hybrid bonds and other types of debt instruments such as loans, revolving credit facilities, commercial papers. These instruments can be issued by the parent company Peab AB or any of its subsidiaries. The framework is aligned with the four recommended components of the GBP and GLP; use of proceeds, process for project/asset evaluation and selection, management of proceeds and reporting and transparency. Furthermore, the framework has been reviewed by an external impartial firm, which has provided a second opinion to confirm its alignment with the GBP and GLP. The updated framework and second opinion from Sustainalytics are available on Peab's website.

Green Finance Committee

The selection of green eligible assets is managed by a dedicated group, the Green Finance Committee ("GFC"). Members of the GFC consists of the CEO, CFO, Head of Finance, and Head of Group Environment. Peab will assure that the sustainability expertise always relies within the GFC.

To be fully transparent towards investors and other stakeholders, Peab commits to regular reporting until no green finance instruments are outstanding. The reports will be published on the Peab's website on an annual basis and will cover the following areas:

- Allocation of proceeds reporting
- Total amount of green finance instruments issued
- Share of proceeds used for financing/re-financing and share of proceeds used for categories described in the green finance framework
- Share of unallocated proceeds (if any)



Allocation of proceeds reporting

An amount equivalent to the net proceeds from Peab's green finance instruments shall be used to finance or re-finance eligible assets and expenditures providing distinct environmental benefits. Green eligible assets can be owned by Peab or by any of its subsidiaries, joint ventures or associated companies. For the latter two mentioned, the value of green eligible assets is to be adjusted for the share of capital owned by Peab. The green eligible assets are allocated into five categories that reflect Peab's overall business and its four business areas:

- Green and energy efficient buildings
- Eco-efficient and/or circular economy adapted products, production technologies and processes
- Clean transportation
- Pollution prevention and control
- Sustainable water and wastewater management

The value of green eligible assets under the category "Green and energy efficient buildings" is based on the following criteria;

- buildings under construction are based on the estimated project value (subject for completion within 24 months), and
- buildings under own management are based on the acquisition value reported in the balance sheet.

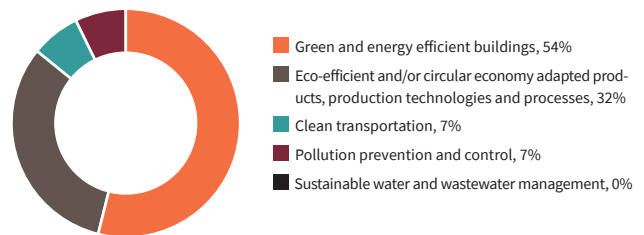
For the remaining four categories, green eligible assets correspond to the relevant invested amount and associated operating expenditures.

Reporting period (year 2024)

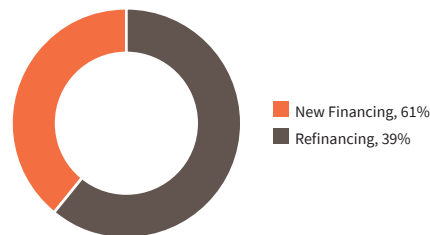
Peab reports in Swedish kronor and the reporting period ended on December 31, 2024. Peab has outstanding green bonds amounting to SEK 2,000 million of which SEK 500 million matures in September 2026, SEK 900 million matures in June 2027 and SEK 600 million matures in December 2028. The proceeds from the bonds have all been used to re-finance investments that are in alignment with Peab's green finance framework. Allocated green eligible assets amounted to SEK 2,000 million on December 31, 2024.

Allocation of green eligible assets, SEK 2,000 million

Distribution of allocated green eligible assets



Share of refinancing versus new financing



Outstanding Green bonds 2024-12-31

Volume	ISIN Code	Issuance date	Maturity date
500	119	2021-09-06	2026-09-07
900	124	2024-06-24	2027-06-24
600	125	2024-06-20	2028-12-28



Impact reporting

Peab reports on quantitative impact indicators where relevant data is available for the five main categories. Calculations are made on a best effort basis and cover the activated green eligible assets corresponding to the amount re-invested.

The following pages report the actual or expected environmental impact.

Green buildings

Peab's own developed apartment buildings by default in Sweden are certified according to the Nordic Swan Ecolabel (and in rare cases with other certifications, such as Environmental Building Silver). A Nordic Swan Ecolabelled building lives up to strict requirements throughout its life cycle and is characterized by:

- Low energy consumption, including award for the use of renewable energy. E.g. in Sweden, the Nordic Swan Ecolabel requires energy consumption 20 percent or more below BBR.
- Good indoor climate using requirements for e.g. daylight, ventilation and moisture protection.

- Strict requirements for environmentally and health-damaging substances in both building materials and chemical products.
- Stringent requirements for sustainably certified wood.
- Review of an independent third party of both the construction process and the finished construction.

Emissions are here reported as emissions avoided due to energy saving measures.

Project	Type of project	Type of certification	Standard energy consumption kWh/m ² /year [PET BBR]	Energy consumption kWh/m ² /year [PET Project]	Area (Atemp)	Energy avoided kWh/year	Emission avoided tCO ₂ e/year
1 Sergeanten	Appartement buildings	The Nordic Swan Ecolabel	75	50.8	7,377	255,033	12,433
2 Origo	Appartement buildings	The Nordic Swan Ecolabel	76	52.5	6,466	217,073	10,582
3 Partille Port kv 1	Appartement buildings	Environmental Building Silver	75	55.1	23,209	659,799	32,165
4 Ängahusen	Appartement buildings	The Nordic Swan Ecolabel	75	52.7	5,882	187,384	9,135
Total						1,319,289	64,315

PET = Primary Energy Figure, needs to be divided by 0,7 for district heat to reflect actual energy savings Assumption: all energy used is district heat
Emission factor District Heat: 48,75 g CO₂e/KWh (Ref: <https://www.energiforetagen.se/statistik/fjarrvarmestatik/miljovardering-av-fjarrvarme/>)



Eco-efficient and/or circular economy adapted products, production technologies and processes

Peab provides the construction markets with a number of different ECO products. One of these products is precast concrete called ECO-Prefab. Our recent investment in updated production facilities notably improve our possibilities to produce ECO-Prefab with up to 55 per cent lower emissions of greenhouse gases.

This is achieved by incorporating a higher proportion of alternative binders into our concrete. In ECO-prefab, we use Merit, a recycled byproduct from steel manufacturing. During 2024 we avoided 9,125 tonnes CO₂e by producing ECO-Prefab, compared to production of standard prefab.

Peab's subsidiary Swecem has its own factory for Merit production. Merit can replace parts of the cement in concrete thereby reducing both the need for cement and concrete's climate footprint. Swecem has continued to expand warehousing locations for the binder so that Merit is accessible to more projects. There are today terminals

established in Helsingborg, Skellefteå, Oxelösund and Uddevalla (Sweden) and Koverhar (Finland). Investments in the binder factory and the terminal in Skellefteå have been partially financed by the Climate Leap Initiative. By substituting traditional cement in concrete with Merit, 98,600 tonnes CO₂e emissions were avoided in 2024.

An additional product is ECO-Asfalt (ECO-asphalt) with carbon neutral biofuel. Peab's subsidiary Peab Asphalt AB currently has around 90 asphalt plants in the Nordic region. Of these, 21 plants in Sweden, four in Denmark and Finland, respectively, and two in Norway are at the moment able to offer ECO-Asfalt.

In 2024, the share of ECO-Asfalt of the total amount asphalt procured was 37 per cent. This means that Peab reduced CO₂e emissions by 69,000 tonnes.

For ECO-Prefab, the estimate is based on reported Environmental Product Declaration (EPD) and Global Warming Potential value (GWP) from the Swedish industry association Svensk betong. For ECO-Asfalt, the estimate is based on reported EPDs according to EN15804, and the estimate from Merit is based on total amount Merit sold.

Up to
55% lower
CO₂ emissions

69,000
tonnes CO₂e

In 2024, the share of ECO-Asfalt was 44%. This means reduced CO₂e emissions by 69,000 tonnes.

98,600
tonnes CO₂e

By substituting traditional cement in concrete with Merit, 98,600 tonnes CO₂e emissions were avoided during 2024.

Clean transportation

Peab's investments in transition to electric vehicles continue. These vehicles include personal cars, light trucks and working cars, e.g. concrete mixer trucks. In 2024, these investments allowed Peab to avoid emissions totaling 420 tonnes of CO₂e.

Installation of charging stations for electric vehicles facilitates the expansion of electric car usage. A limiting factor for electric car drivers today is the lack of public charging opportunities. Investing in the expansion of charging stations thereby contributes to the expansion of electric cars in the Swedish market. For Peab, these investments resulted in 37 installments of charging stations in 2024.

Project type	Number of charging points installed	Emission avoided tCO ₂ e/year
Transition to electric vehicles		447 ¹
Installation of charging stations for electric vehicles	37	

¹ Calculation based on comparison between emissions from diesel and electricity and the total number of kilometres reported. Emission factors used: Peab Standards Energy and emissions factors.




447
Emission avoided
tCO₂e/year

Pollution prevention and control

In production plants for recycling excavated soil, so-called C&D Recycling Wash Plants, Peab's subsidiary Swerock contributes to circular material flows by efficiently recycling surplus excavated soil. In the C&D Recycling Wash Plant there is a mechanical processing of non-hazardous excavated soil, where the material is

sorted into different fractions. The sorted fractions can be used as raw material again, e.g. for asphalt or concrete production, instead of being piled up on for example a landfill. This means we save landfill capacity as well as reduce the use of virgin rock material.



80%
circular product rate

During 2024, 40,000 tonnes surplus excavated soil was processed in the facility and the circular product rate reached 80%.

>90%

Invested equipment in our mineral aggregates operations contributed to reduced pollution levels in water by over 90 %.

Sustainable water and wastewater management

Peab uses different kinds of solutions to treat water effectively. By working with modules, sedimentation containers, mobile treatment plants, and technology containers, we customize the setup according to every construction or civil engineering project's needs, i.e., pollutants present in the incoming water and set requirements for the outgoing water.

Peab can also adjust the setup as a project progresses and as needs/conditions change. By treating water on-site, the

surrounding land and water environments are protected, and applicable legal requirements are met. This also means that water does not need to be transported to external treatment facilities, but is treated at the project site.

In 2024, invested equipment in our mineral aggregates operations contributed to reduced pollution levels in water by over 90 %. In 2024, 1,112 m³ of water was recycled in concrete prefab production.

Project type	Reduced pollution levels in water (%)	Water use avoided or waste water treated m ³ /year
Water circulation in cleaning equipment for concrete trucks		2,000m ³
Waste water treatment solution	>90%	
Water recycling from sludge in concrete prefab production		1,112 m ³

Auditor's Limited Assurance Report on Peab AB's Green Bond Investor Report 2024

To Peab Finans AB, corporate identity number: 556552-1324

Introduction

We have been engaged by Peab Finans AB to undertake a limited assurance engagement of selected information in Green Bond Investor Report 2024 ("the Reporting"), to corroborate that the proceeds from the issue of green bonds of SEK 2,000 million have been used in accordance with Peab AB's Green Finance Framework, May 2024 ("the Framework").

The reporting criteria against which this information was assessed, are the relevant parts of the Framework available on Peab's website. The set criteria in the framework are to finance assets or projects in the category of Green buildings, Clean transportation, Pollution prevention and control, Sustainable water and wastewater management, and Products, production technologies and processes that are eco-efficient and/or adapted to circular economy.

Our assurance does not extend to any other information in the Reporting. We have not reviewed and do not provide any assurance over any individual project information reported, including where applicable estimates of impact.

Responsibilities of the Executive Management for the Reporting

The Executive Management are responsible for use and management of proceeds in accordance with the applicable criteria, as well as evaluating and selecting eligible assets and the preparation of the Reporting. This responsibility also includes the internal control relevant to the preparation of the reporting that is free from material misstatements, whether due to fraud or error.

Responsibilities of the Auditor

Our responsibility is to express a conclusion on the Reporting based on the limited assurance procedures we have performed. Thus, our responsibility is to comment on the information stated in the Managements statement in the Reporting and the use of the issued amount according to the categories of the framework based on our limited review.

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) *Assurance engagements other than audits or reviews of historical financial information*. A limited assurance engagement consists of making inquiries, primarily to persons responsible for the preparation of the Report, applying analytical review procedures and other limited assurance procedures. The nature of the procedures performed in a limited assurance engagement vary and are less in scope than for a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards.

The firm applies International Standard on Quality Management 1, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Peab Finans AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed in a limited review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Executive Management as described above. We consider these criteria suitable for the preparation of the Reporting. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed on the information stated on page 6 in the Green Bond Investor Report 2024, nothing has come to our attention that causes us to believe that Peab Finans AB has not, in all material respects, used the issued amount to categories other than those specified by the framework.

Stockholm, August 29, 2025

Ernst & Young AB

Peab is the Nordic Community Builder with 13,000 employees and net sales of SEK 58 billion. With a local presence and focus on our own resources we develop, do the groundwork and build everyday life where it's lived. Company headquarters are in Förslöv on Bjäre Peninsula in southern Sweden. The Peab share is listed on Nasdaq Stockholm.

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