

# 2025

## On stable ground



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Peab AB is a public company. Company ID 556061-4330. Domicile Båstad, Sweden. The official Annual and Sustainability Report 2025 in Swedish is prepared in the format for ESEF. See peab.se or peab.com for Peab's financial reports. The Annual and Sustainability Report is published in Swedish and English pdf versions that are not prepared according to ESEF and are thereby not official versions.

All values are expressed in Swedish krona. Krona is abbreviated to SEK, thousands of kronor to TSEK and millions of kronor to MSEK. Numbers in parenthesis refer to 2024 unless otherwise noted.

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

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# 65 years of community building

Peab works locally throughout the Nordic region where our customers are and where people live their lives. Every day our 13,000 employees contribute through four collaborating business areas to community building in Sweden, Norway, Finland and Denmark. Together we build everything from homes, schools, retirement homes, hospitals, detention centers, swimming pool facilities, museums and offices to airports and ports. We build and maintain roads, railroads, bridges and parks. We also provide ourselves and others in the construction and civil engineering industry with input goods, vehicles and machines as well as barrack installations and much more.

Peab has contributed to locally produced community building for 65 years. Now the journey continues. Long-lastingly and responsibly we are forging ahead, and improving everyday life where it's lived.

**Employees:**

**13,000**

**Net sales:**

**SEK 59  
billion**

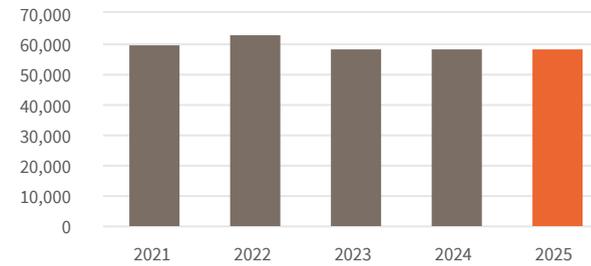
# Financial summary

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 our accounting principles and the differences between segment reporting and reporting according to IFRS, see the Board of Directors' Report as well as note 3 and note 4.

MSEK	Segment reporting		Reporting according to IFRS	
	2025	2024	2025	2024
Net sales	58,589	58,697	58,581	61,283
Operating profit	2,626	2,763	2,693	3,163
Operating margin, %	4.5	4.7	4.6	5.2
Pre-tax profit	1,674	2,425	1,695	2,780
Profit for the year	1,342	2,080	1,363	2,388
Earnings per share, SEK	4.66	7.25	4.74	8.32
Return on equity, %	8.3	13.3	8.5	15.7
Equity/assets ratio, %	39.4	37.1	37.0	34.6
Net debt	6,400	9,118	7,969	11,253
Net debt/equity ratio, multiple <sup>1)</sup>	0.4	0.5	0.5	0.7
Cash flow before financing	4,119	2,601	4,895	6,744
Dividend per share, SEK <sup>2)</sup>	3.30	2.75	3.30	2.75
Orders received <sup>3)</sup>	54,927	56,510	—	—
Order backlog <sup>3)</sup>	48,544	44,906	—	—
Average number of employees	12,377	12,899	12,377	12,899

<sup>1)</sup> Net debt in relation to equity. <sup>2)</sup> For 2025, the Board's proposal to the AGM. <sup>3)</sup> According to segment reporting.

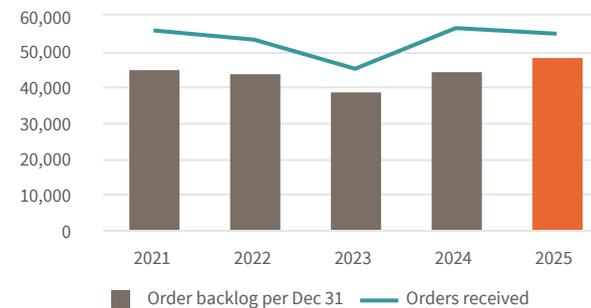
Net sales, MSEK\*



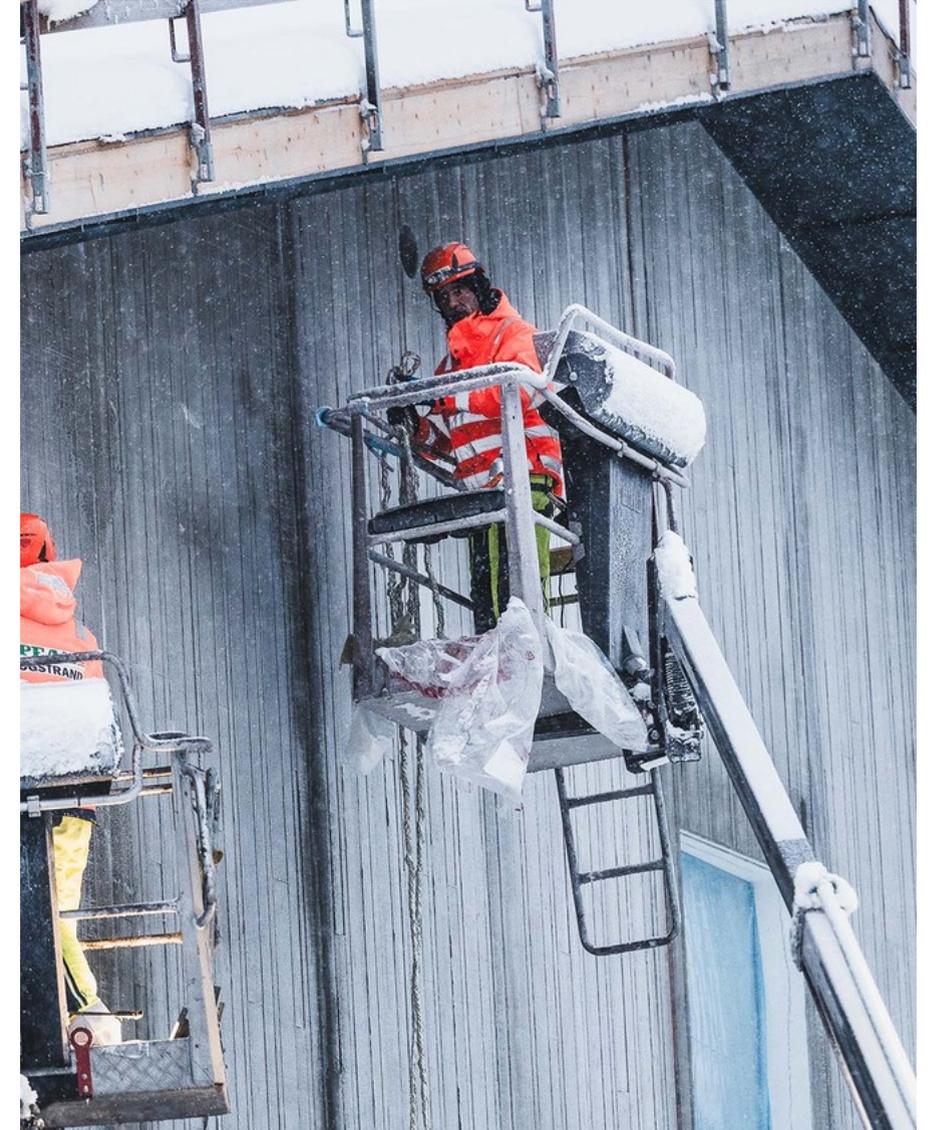
Operating profit and operating margin\*



Orders received and order backlog, MSEK\*



\*Refers to segment reporting



# 2025 in summary



2025-02-19  
**Peab builds school and health center in Karasjok**

2025-05-13  
**Peab moves cultural buildings in Kiruna**



2025-06-16  
**Peab builds transformer plant in Ludvika for Hitachi Energy**

2025-06-23  
**Peab signs settlement agreement regarding Mall of Scandinavia in Solna**



2025-06-27  
**Peab and SSAB sign partnership agreement for the first phase in the production of SSAB's fossil free steel mill in Luleå.**

2025-06-27  
**Peab develops and builds nursing home in Stockholm**

2025-07-03  
**Peab fine grades completely emission free the Meatpacking District in Stockholm**



September 2025  
**The Construction Year and trainee program start**



2025-10-13  
**Reconstruction of railroad project Olskroken in Gothenburg ready ahead of time**

2025-10-29  
**Production method set for West Link's stage Haga-Rosenlund for the Swedish Transport Administration**



2025-11-25  
**Peab holds a capital market update**



# Well positioned for the future

Peab continued to build both local communities in the Nordic region and our own business in 2025. While demand for new homes was constrained, investments and activities in civil engineering, paving and public building construction shot up. We entered 2026 with a stable order situation and strong financial position - demonstrating once more that our broad business model creates enduring values for customers, shareholders and society.

The past year was characterized by continued geopolitical uncertainty, at the same time the macro economic situation stabilized. Thanks to our four complementary business areas and strong local Nordic presence we stood firmly with both a balanced mix of customers and project volumes. In total, Group net sales in 2025 remained at SEK 59 billion. Meanwhile new orders continued to flow in at a good pace to various operations. New commissions for the year included a transformer factory in Ludvika and a new campus for Hitachi Energy in Västerås, several jails, new operation and maintenance contracts for Swedish roads as well as continued construction on West Link's stage Haga-Rosenlund for the Swedish Transport Administration. We also signed a partnering contract with SSAB for the first phase of production of the company's fossil free steel mill in Luleå.

## Business development

Activity was good in business area Construction in public and commercial construction, where projects like schools, healthcare environments and security-classed buildings as well as industrial facilities represent a growing portion of contracts. This development reflects both the needs of society and Peab's ability to enter a planning project early on and contribute with fitting and sustainable solutions. Housing production continued to remain on a low level, even though there is a rising proportion of housing projects in order backlog.

The good stability and high levels of activity in business area Civil Engineering continued to be supported in 2025 by major public investments in Nordic infrastructure. Added to that are the investments underway in water and sewage systems and power supply as well as those related to the ongoing climate transition. During the year we completed several projects ahead of time and under budget, among them the road and railroad projects Olskroken in Gothenburg and Boden Industrial Park.

Operations in business area Industry developed positively, primarily through greater profitability in the unit Swerock/Asfalt. On the other hand operations in Construction system continued to be affected by the low level of new production in housing.

In business area Project Development we increased the number of sales in our own housing developments and production starts, although from low levels. In 2025 the market for new production of housing stabilized as interest rates fell. However, supply on the second hand market continued to be high and consumers cautious, which affected different Nordic markets in different ways. Markets in Nordic big cities were and are in general better than in other geographies. We worked further on the strategy of – given our financial targets – more production of own housing developments on our own balance sheet to later on convert them into tenant-owner apartments. The strategy allows us to be flexible and long-range even in a weak market, albeit with more tied-up capital and deferred profit effects.



**On the road to our targets**

When we summarize the outcome of our nine targets we can conclude that several of them are headed in the right direction. The operating margin was 4.5 percent for the full year 2025, which is lower than our target of more than 6.0 percent. Many of our operations have developed well during the year, even though the weak housing market naturally has impacted us. The net debt/equity ratio improved and was 0.4 (0.5) per December 31, which is in the lower span of the target interval 0.3-0.7. Both customers and employees are satisfied with Peab and the outcome of both the CSI and eNPS exceed target levels. The number of serious accidents was up to the last quarter of the year clearly lower compared to the full year 2024 but unfortunately the number of accidents increased in the final quarter. In the strategic target of Leader in social responsibility our gender equality target and climate target in our own production continue to develop in the right direction while the climate target for input goods and purchased services is more difficult to achieve. Taking into consideration Group profit for 2025, our financial position and future capital needs, the Board proposes that Peab's Annual General Meeting decide on a dividend of SEK 3.30 (2.75) per share divided into two payments. This corresponds to 70 percent (38) of profit for the year according to segment reporting, which is higher than our financial target of a dividend of more than 50 percent of profit for the year.

**Sustainability is a driving force**

Sustainability is and will continue to be a key part of our strategy. Our sustainability work is based on the UN Global Compact, the 17 global goals for sustainable development, Peab's Code of Conduct and our four strategic targets. This year we fully report according to the new requirements in corporate sustainability reporting directive (CSRD). This has entailed, among other things, working intensely to develop our ability to measure and report greenhouse gas emissions where we have made great strides. We are now completely comprehensive in translating our financial operations into emissions data.

We are constantly developing our ECO-offer and during the year we launched ECO-70 in our prefab operations. We deepened different kinds of collaboration with our suppliers to drive the transition towards lower emissions in our own

production chains and continued work on our circular material flows. We continue to be highly focused on safety in our workplaces - something we never compromise with - nonetheless the number of serious accidents increased at the end of the year. We are analyzing and working actively to turn the negative trend. By investing in talent supply, trainee programs and initiatives to attract more women to construction and civil engineering professions we are strengthening the conditions for a long-term sustainable industry.

**A future full of opportunities**

Prospects for the Nordic construction markets point to a gradual improvement in the housing market during 2026. At the same time investments in civil engineering are expected to remain high and demand for public construction stable. Peab's business benefits from customers' climate transition and the volatile world around us which results in investments in the police, correctional services and defense as well as the associated infrastructure projects.

As the Nordic Community Builder with deeply rooted values Peab has a strong foundation to stand on and a unique ability to adjust to shifting circumstances. With our 13,000 skilled employees we are taking advantage of the growing opportunities in our markets. Our broad business model, local roots and strong financial position make us well positioned to meet the future. This is how we will continue to develop, do the groundwork and improve everyday life where it's lived.

I want to heartily thank our knowledgeable and engaged employees. It's their work and vital efforts that daily advance Peab and our communities. I also want to thank our customers and other partners for their confidence in us. Together we are building tomorrow's sustainable communities.

Förlöv in March 2026

**Jesper Göransson**  
President and Chief Executive Officer Peab



**As the Nordic Community Builder with deeply rooted values Peab has a strong foundation to stand on and a unique ability to adjust to shifting circumstances.**



# Macro outlook and the market

Conditions for construction investments improved during 2025 in the Nordic region as interest rates dropped, inflation slowed and households' economic situation gradually stabilized. Nonetheless recovery continues to be unevenly divided between different construction segments and geographies. The construction market, including housing production, is expected to enter a period of growth, where new production and renovations will increase in the coming years. The civil engineering market is expected to remain strong.

## Global slowdown but less trade policy volatility

The global economy is entering 2026 with moderate but stable growth. IMF estimates global BNP growth at slightly more than three percent in 2026, although it varies between different regions.

After several years of geopolitical volatility trade policy tensions subsided somewhat at the end of 2025 with the agreements made by the USA and several of its trading partners. This has diminished uncertainty for the moment. At the same time the risk of new trade barriers, customs decisions or geopolitical conflicts affect exports, investments and capital markets. The conflict in the Middle East is affecting access to oil and natural gas, and the entire geopolitical uncertainty is driving up energy prices.

During the year Europe moved towards a weak but broad recovery, supported by falling inflation and stabilized interest rate levels. Economic development on the continent continues to be impacted by high energy prices, more stringent monetary policies compared to the low interest rate period before 2022 and less industrial activity in many countries.

The global situation entails both risks and opportunities for Nordic economies. Long supply chains and export dependency make regions sensitive to global slowdowns while contracting interest rates and a recovery in global trade improves the prospects for quickening the rate of construction-related investments in 2026 and onwards.

The Nordic construction markets show signs of stabilizing after several challenging years. A combination of falling interest rates, better economic indicators and major public projects – particularly in civil engineering, defense and public facilities – creates the right conditions for growth. Meanwhile housing construction is expected to grow in all the Nordics, although from a low level.

## Climate transition is reforming the industry

Climate transition continues to be one of the most pervasive driving forces in the construction and real estate sector in the Nordic region. The EU Energy Efficiency Directive requiring higher energy efficiency and the target of zero

emission buildings no later than 2050 entail considerable changes in both construction processes and investment priorities. In addition, the energy transition, electricity grid expansion and data center investments have become increasingly significant factors in the Nordic construction market, particularly in Finland and Sweden, where substantial industrial projects continue to emerge.

Meanwhile tech developments are enabling more resource efficient solutions, a higher degree of electrification and better life cycle analyses. Focus on renovation – in both housing and premises – instead of demolition grows stronger when energy efficiency, circularity, fossil free material flows and sustainability demands weigh in more heavily.

## Major investments in the Nordic region

Despite a better macro economic situation the Nordic construction sector was marked in 2025 by continued high construction costs and a more stringent financial situation compared to the years before 2022. Material costs have stabilized but they are still on a high level in every country. This means that many projects continue to be sensitive to shifting prices and interest rates and that projects are postponed, including ones for the green transition. At the same time investment needs are substantial in several areas:

- energy and electric grid expansion connected to electrification, industrial transition and data center expansion
- water and sewage, where aging infrastructure requires long-term reinvestments
- healthcare and elderly care linked to demographics
- correctional services and law enforcement agencies
- defense and resilience infrastructure where investments are skyrocketing throughout the Nordic region
- transportation infrastructure, both roads and railroads, where maintenance lags and capacity needs keep driving high activity

The combination of strong public investment plans, structural renovation needs and a gradually improving economy points to growing activity due to these extensive needs, despite cost challenges.

**Sweden**

**Lower interest rates benefitted Swedish construction**

In Sweden the construction market rebounded in 2025 after a period of decline and broad growth is expected in 2026.

The housing market stabilized at the end of 2025. Lower interest rates, relaxation of home loan regulations and a slight incline in prices on the secondhand market will most likely augment demand in 2026, although excess supply on the secondhand market keeps it in check.

An increase in new construction of premises is also forecasted, especially in industrial projects, defense investments and new data centers. However, the investment level in public facilities is impacted by struggling municipal finances. Nonetheless the need continues to be significant in healthcare, elderly care and water and sewage systems.

The civil engineering market developed significantly in 2025 and is expected to continue to grow in the coming years. The national plan for transport infrastructure 2026-2037 with higher investments in railroads and road maintenance, water and sewage systems and expansion of the electricity grid as well as more investments in defense generate broad growth in the market.

**The Swedish Economy**

Despite geopolitical tensions the macroeconomic situation has stabilized and the Swedish economy is expected to accelerate in 2026. Falling inflation and repeated interest rate cuts have improved household economies while the government has prioritized consumption-driving measures in the budget. GDP is expected to grow by around three percent in 2026 and private consumption is the driving force behind this recovery. Unemployment continues to be high, especially among long-time unemployed, but is expected to stabilize. The export industry benefits from improved global demand but the total investment level is recovering slowly.

**Norway**

**An upturn projected for the Norwegian construction market**

Building construction investments in Norway contracted in 2025 but the development varied among segments. The Norwegian construction market is believed to have bottomed out and will rebound during 2026 in new construction of homes and premises as well as civil engineering investments.

Housing construction is still at a low level but it is expected to grow in 2026 as interest rates fall and households' purchasing power strengthens.

New construction of premises is primarily driven by major hospital projects in Oslo and robust development in agricultural and industrial buildings. The market for repairing, rebuilding and expanding premises is expected to continue to grow.

Continued growth is also projected for civil engineering construction, particularly regarding investments in roads, energy and defense-related infrastructure. However, railroad investments are contracting in deference to the significant maintenance needs.

**The Norwegian Economy**

Norwegian mainland economy developed weakly in 2025 due to high interest rates and subdued international demand. At the same time there are clear signs of recovery. Activity in the Norwegian economy is expected to increase somewhat and Norges Bank calculates a 1.5 percent increase in 2026. Norges Bank cut the interest rate twice in the autumn of 2025 to help lower inflation without hurting growth possibilities. Real wage growth and low unemployment are expected to boost purchasing power and benefit development in the construction market.

**Finland**

**Finnish construction market is recovering**

Construction investments in Finland have been on a low level for several years but the country is now expected to leave the weak construction economy behind, albeit slowly. Growth is mainly driven by the public sector, especially in education, defense and care but planned projects in industry, energy and data center construction also factor in.

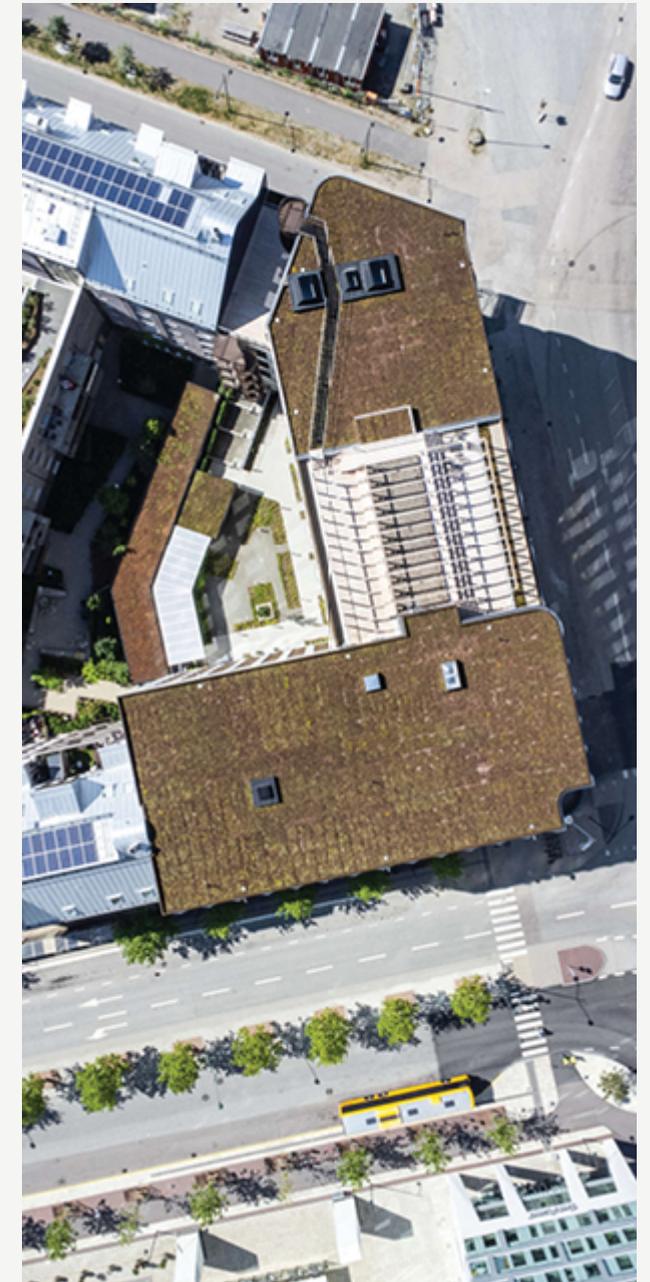
Housing construction is expected to recover in 2026 from a low level although the market is guarded and dampened by excess supply and continued sluggish homes sales.

New construction of premises is developing considerably better and has already rebounded in several segments. Major driving forces are office and industry buildings, data centers and particularly defense and infrastructure projects.

Civil engineering investments are expected to continue cautiously increasing in 2026, mainly due to higher infrastructure investments. Zero growth is projected for operation and maintenance even though the need is great.

**The Finnish Economy**

The Finnish economy was characterized in 2025 by continued weak growth, rising unemployment and uncertainty among households. GDP is estimated to have increased marginally or stood still but improvement is expected as of 2026 when falling interest rates, real wage growth and stronger export markets support and reinforce consumers' purchasing power in the coming years. Inflation in Finland is projected to remain under two percent going forward. Both public and private investments are expected to increase as financing terms improve. At the same time growth is hampered by global uncertainty and the level of unemployment in the country.



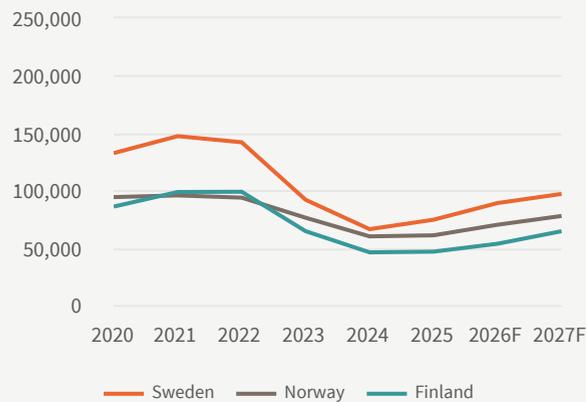
## Stable Danish paving market expected in 2026

In 2025 the Danish paving market was on the highest level it has been at for many years. This level is expected to be maintained in 2026 but some activity will shift to the east towards Zealand. The government's investments in road maintenance are projected to increase by around ten percent in 2026 compared to 2025. The infrastructure plan IP 2035 is now in full force and further federal civil engineering projects are expected in 2026, almost all of them in Zealand. In recent years municipalities have kept to the same level of investments and in 2026 they are expected to grow marginally by around two to three percent. The private construction market is expected to develop on the same level as the past few years.



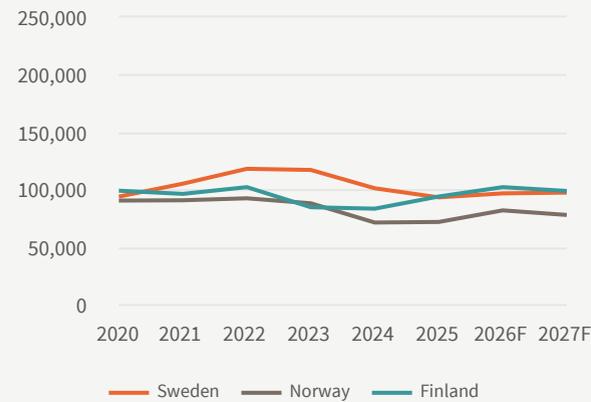
### Housing investments

Initiated construction projects, MSEK



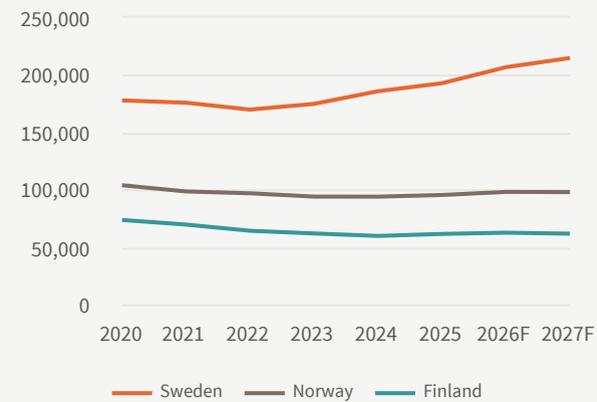
### Other building construction investments

Initiated construction projects, MSEK



### Civil engineering investments

Initiated projects, MSEK



#### Some large and many small actors on the market

Although the Nordic construction and civil engineering 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 text and graphics: Prognoscentret

# 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 for local communities by using our strategic strengths and striving for sustainable and profitable growth. This is the foundation of our offer to customers and what makes us attractive to employees.

Our business is built on four business areas. Each of them is independent with its own customer base but the core of our business model is collaboration between the business areas on local markets. This collaboration provides us with unique opportunities through our strategic assets - such as skilled and engaged employees and our own input goods - to have good control over the value chain and thereby meet customers' needs and external expectations. 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 of products and reliability while we increase our productivity and benefit from financial, operational and sustainability-related advantages. 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 ground-work 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.



# 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 2025 please see The Board of Directors' Report.



BUSINESS AREA CONSTRUCTION

## Builds locally close to customers throughout the Nordic region

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 operates throughout the Nordic region, organized in regions in Sweden, Norway and Finland. There are specialized entities in housing production in Stockholm, Gothenburg and the Öresund region.

### Peab's position

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

Net sales	Operating margin
<b>SEK 23.7 bn</b>	<b>2.2 %</b>
Number of employees	Read more
<b>4,402</b>	<b>p. 38-40</b>



BUSINESS AREA CIVIL ENGINEERING

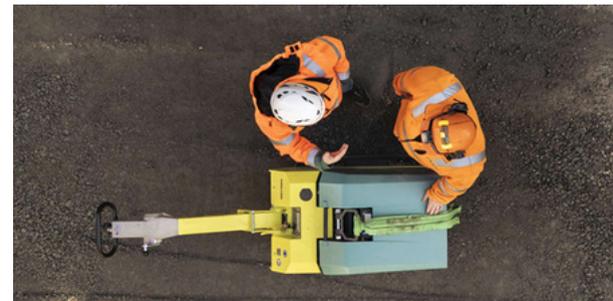
## Ties people and communities together

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 various types of 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.

### Peab's position

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

Net sales	Operating margin
<b>SEK 17.6 bn</b>	<b>4.0 %</b>
Number of employees	Read more
<b>3,237</b>	<b>p. 41-43</b>



BUSINESS AREA INDUSTRY

## Climate-focused offerings

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. With a strong local presence, assignments are undertaken for both external and internal customers. The business area consists of subsidiaries 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.

### 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
<b>SEK 20.0 bn</b>	<b>7.4 %</b>
Number of employees	Read more
<b>4,584</b>	<b>p. 44-46</b>



BUSINESS AREA PROJECT DEVELOPMENT

## Sustainable homes and properties

Business area Project Development is responsible for the Group's acquisition, development and divestment of housing, commercial property, public service 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.

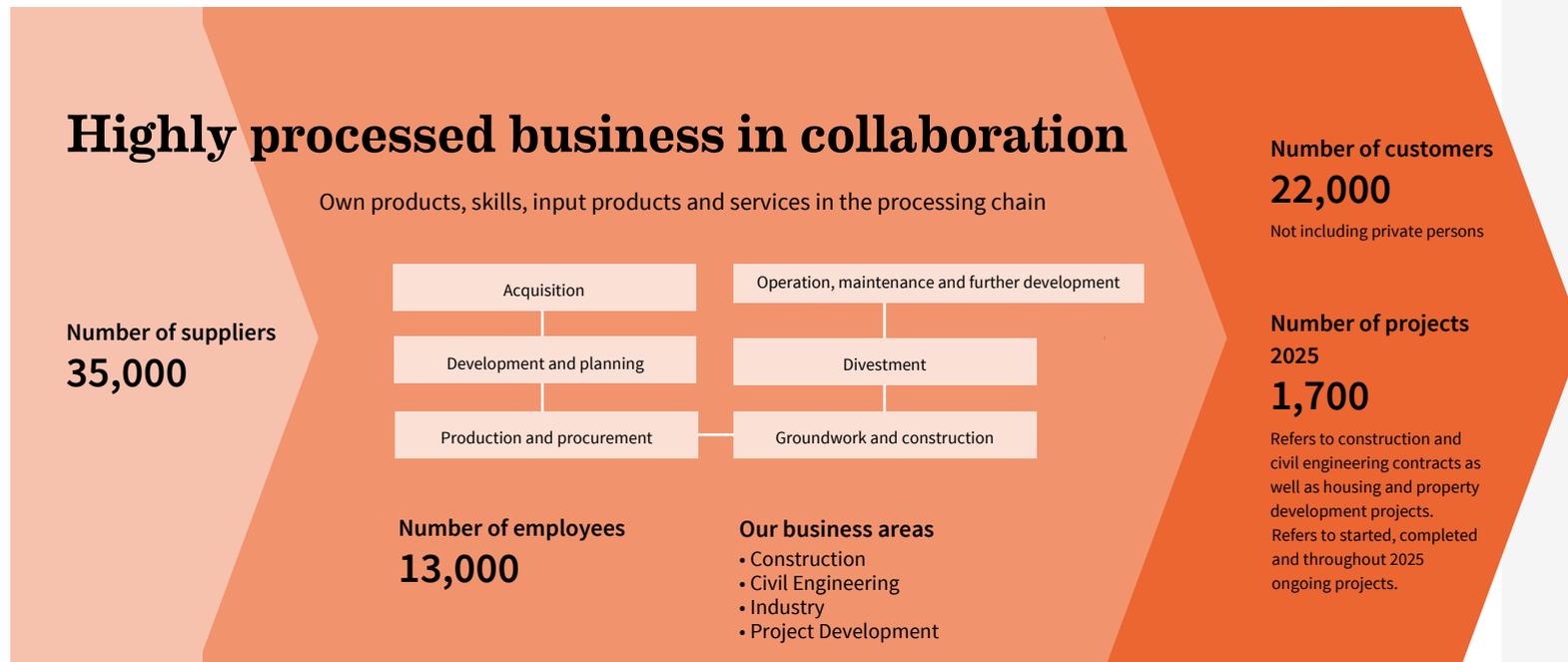
### Peab's position

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.

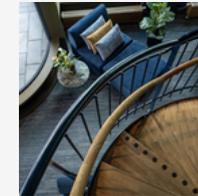
Net sales	Operating margin
<b>SEK 4.3 bn</b>	<b>5.5 %</b>
Number of employees	Read more
<b>126</b>	<b>p. 47-52</b>

# Peab's business model

Collaboration between business areas in the processing chain and local presence are the two cornerstones in our business model. These are the two cornerstones that generate synergies in our operations and the conditions to reduce our environmental and climate impact and promote positive social development. We achieve our targets across the board by having a highly processed collaborating business.



## Our targets areas



### 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.

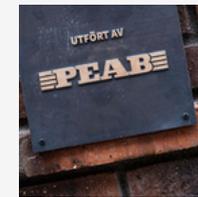
→ [Read more on pages 15-18](#)



### 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.

→ [Read more on pages 19-22](#)



### 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.

→ [Read more on pages 23-26](#)



### 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.

→ [Read more on pages 27-30](#)

# Target outcome after 2025

Our employees are the foundation for our ability to achieve our targets. Their work and efforts are what create value for our customers, other stakeholders and society. We focus on a number of Group strategic areas to develop our operations and reach set targets.

For Peab 2025 has entailed continued close collaboration with customers, focus on internal processing through collaboration between business areas and geographic cooperation, working with profitability on all levels and environmental and social sustainability.

In 2025 we continued to see strong development in civil engineering operations, premise construction and large parts of business area Industry, while the low level of housing construction impacted operations in project development and construction system. However, the market for new housing production stabilized in in 2025, although on a low level, and we continued to work with our strategy of starting new housing projects on our own balance sheet.

## Nine external targets

We report the performance of our business by monitoring nine external targets, of which three are financial and based on segment reporting and six are non-financial. The non-financial targets comprise our sustainability targets. We particularly highlight the external targets and they are a subset of all our targets and action plans. Both the internal and external targets are categorized under the strategic targets: Most satisfied customers, Best workplace, Most profitable company and Leader in social responsibility. All targets are measured in relationship to the construction and civil engineering industry.

We made important progress this year in our four strategic target areas and when we summarize the outcome of our

nine targets for 2025 we can conclude that several of them are headed in the right direction. Our customers, located all over the Nordic region, are satisfied with Peab. Our target of CSI>75 (Customer Satisfaction Index) increased to 80 (78) in 2025. The increase refers to all business areas.

Our employees are satisfied and can recommend Peab as an employer. The eNPS value (recommend Peab) increased and exceeded our target level which was quite a bit above the Nordic benchmark. The number of serious accidents was up to the last quarter of the year clearly lower compared to the full year 2024, but unfortunately the number of accidents increased in the final quarter.

The operating margin was 4.5 percent for the full year 2025, which is lower than our target of more than 6.0 percent. Many of our operations have developed well during the year, even though the weak housing market naturally impacted us. The net debt/equity ratio improved and was 0.4 (0.5) per December 31, which is in the lower span of the target interval 0.3-0.7. Peab's Board proposes that AGM decide on a dividend for 2025 of SEK 3.30 (2.75) per share. This corresponds to 70 percent (38) of profit for the year according to segment reporting, which is higher than our financial target of more than 50 percent of profit for the year.

In the target area of Leader in social responsibility our gender equality target continues to improve and the share of women recruited increased. Our climate target for our own production is developing in the right direction while the climate target for input goods and purchased services is more difficult to achieve.

We still have ways to go before achieving all our targets but we are convinced that our business model and strategy will get us there. When all our various markets function in a normal market we have a good basis to achieve all our nine targets.

➔ [Read more about our targets and outcomes on pages 17, 22, 26 and 30.](#)

Target areas	Target	2025	2024	2023
<b>Most satisfied customers</b>	CSI>75	80	78	80
<b>Best workplace</b>	Contracting trend, serious accidents <33	49	33	48
	eNPS >benchmark	31	28	26
<b>Most profitable company <sup>1)</sup></b>	Operating margin >6 %	4.5 %	4.7 %	3.2 %
	Net debt/equity ratio 0.3-0.7	0.4	0.5	0.6
	Dividends >50 % of profit for the year <sup>2)</sup>	70 %	38 %	30 %
<b>Leader in social responsibility</b>	Carbon dioxide intensity for our own production -60% 2030 (cf. base year 2015)	-58	-50	-49
	Carbon dioxide intensity for input goods and purchased services -50 % 2030 (cf. base year 2015)	-7	-12	-9
	Equal opportunity >8.0 % share of women (SW)	13.7	10.6	14.2
	Equal opportunity >30.0 % share of women (WCW)	43.8	39.1	18.8

<sup>1)</sup> Based on segment reporting.

<sup>2)</sup> Calculated on number of outstanding shares.

## Business plan period 2024-2026

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 assured and traceable value chain", which both supports the first program and contributes to our structured work and Peab's responsibility in our value chains. Within the framework of this program we have made great progress during the year in being able to comprehensively measure greenhouse gas emissions generated by our operations, which this year's report also mirrors.

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 differ. Our job is to make sure quality always comes first, in both project execution and the final result.

**From housing to park maintenance**

Peab is a complete community builder that offers its customers comprehensive solutions, or partial solutions if they prefer. No matter what the project is our reliability and ability to meet customers' quality and performance requirement is essential for success.

The character of our work varies greatly. We build everything from housing in various ownership forms and public premises to complex infrastructure projects while we also maintain parks and deliver concrete and other input goods to our customers.

This means that 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. We have around 22,000 customers in total.

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 Nordic construction and civil engineering companies. Business area Project Development sells housing to private individuals and commercial properties and community buildings to public and private clients.

Our construction contract work during 2025 included construction of hospitals and nursing homes, schools, swimming pool facilities and sports arenas, different kinds of infrastructure projects, operation contracts for road maintenance and groundwork for both new housing tracts and treatment plants. Defense and security classed projects are a growing segment in the countries where we operate due to security threats and criminality as well as industrial projects linked to the ongoing climate transition. During the year we received a number of major commissions such as developing a new transformer plant in Ludvika and a new campus in Västerås for Hitachi Energy, building healthcare centers and assisted living in Stockholm and Helsingborg as well as CHP plants and wastewater treatment plants.

**A satisfied customer is a customer that comes back. It is therefore essential that everything we do is always based on the needs of our customers and the local community.**



In western Sweden we are building part of the West Link's stage Haga-Rosenlund in Gothenburg for the Swedish Transport Administration and a number of ongoing operation contracts for road maintenance for federal roads were extended this year. Other commissions during the year include building homes in several new projects in Helsinki as well as a new school and health center in Norwegian Karasjok.

**Collaboration is often the catalyst to new solutions and innovation in construction and civil engineering operations while benefiting climate and environmental work.**

**Local presence 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. It is therefore essential that everything we do is always based on the needs of our customers and the local community. Two excellent examples from last year are the railroad project Olskroken in Gothenburg and Boden Industrial Park which we completed ahead of time and under budget. Our knowledgeable and engaged employees, along with good channels for a local supply of input goods, employees and local subcontractors are naturally also key to a successful project.

Customers are clearly making higher and higher demands on the projects they order. They want an increasing degree of digitalization in the process from planning to production, and increasingly projects are permeated by specific climate and environmental performance demands. The latter entails everything from requirements for climate calculations and certifications to thresholds for emission reductions as well as material choices and reuse. 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 customers at an early stage.

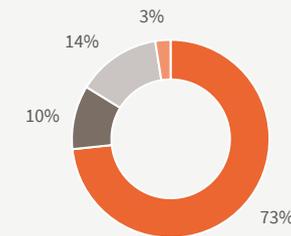
We are also pleased to see the growing phenomena of planning contracts, so-called phase 1 contracts, in business areas Construction and Civil Engineering. The planning contracts commission Peab to, together with the customer, work out an optimized product with the right quality and handle risks and uncertainties. The intention is to under the phase 1 contract period sign a final construction contract. At the end of 2025 the potential value of final construction contracts stemming from phase 1 contracts was around SEK 17 billion over the next two years.

This work method helps us in part sell in Peab's expertise early and in part create the prerequisites for structured partnership forms where the general contractor, consultants, contractors and other key actors can ensure that projects suit their purpose and are successful. Collaboration is often the catalyst to new solutions and innovation in construction and civil engineering operations while benefiting climate and environmental work. Before we begin working with a customer, we make 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 work through procurement councils to produce correct offers that have been thoroughly vetted and reduce risks for Peab and our customers.



**Well spread throughout the Nordic region**

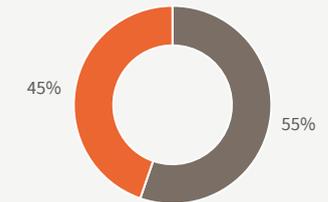
Net sales segment reporting, 2025



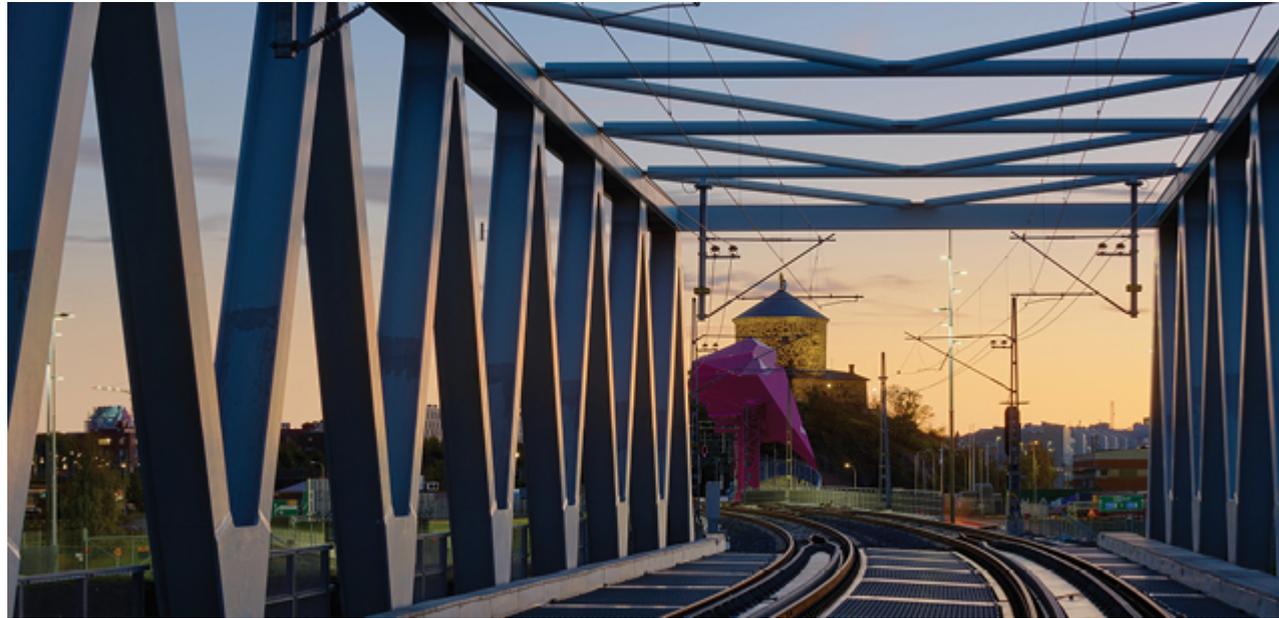
■ Sweden ■ Norway ■ Finland ■ Denmark

**High share of public customers**

Net sales segment reporting, 2025



■ Private customers ■ Public customers



## Historic railroad project finished ahead of time

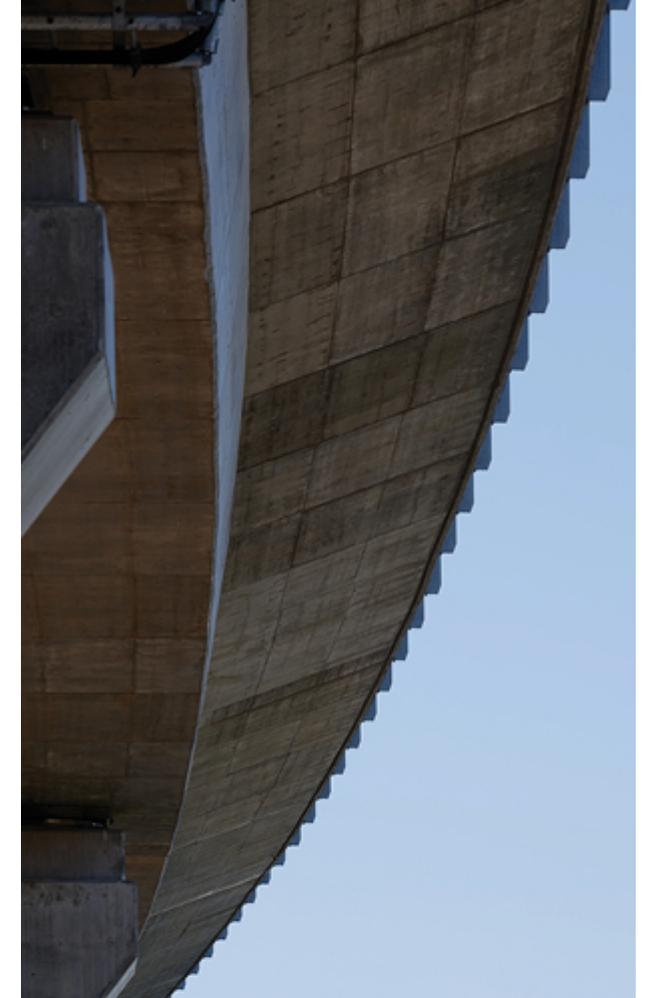
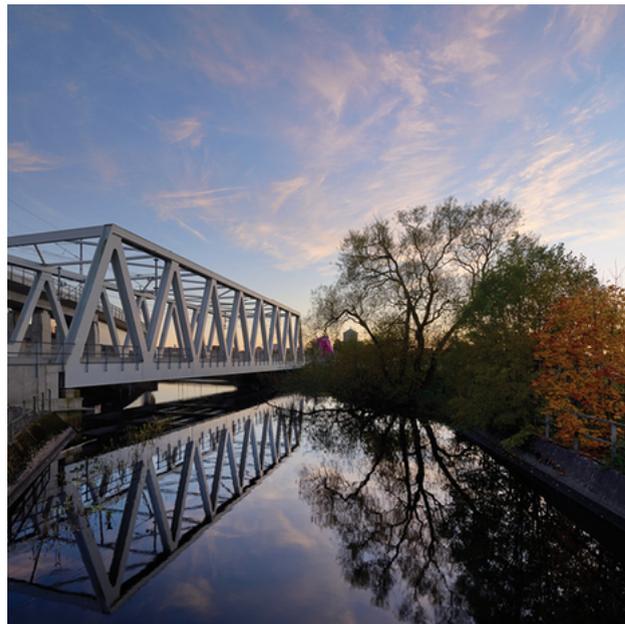
On October 9, 2025 – after ten years of collaboration – the historic reconstruction of Olskroken in Gothenburg, which is part of the West Link, was inaugurated. This is one of Sweden’s most highly trafficked railroad junctions. Five tracks meet there and more than 650 trains pass through it daily. Despite limited space Peab and the Swedish Transport Administration have completed the project ahead of time, under budget and without any major disruptions in daily traffic.

The reconstruction of Olskroken has separated freight and passenger trains by rebuilding the railroad tracks so that they cross on different levels. This has reduced the number of bottlenecks, improved daily train traffic and created conditions for higher capacity and more sustainable urban development. All in all six railroad bridges, a pedestrian bridge and about ten kilometers of new tracks were built.

The success of this project is due to a strong culture of collaboration, innovation and sustainability. Early Contractor Involvement formed the basis for a work method with joint planning and clearly defined expectations at an early stage as well as enabled adjustments in an extremely complex environment.

“Olskroken Grade Separation is a good example of what can be achieved when collaboration really works. Together with the Swedish Transport Administration we’ve had well defined goals, a strong driving force and a flexible attitude, and we’ve cooperated throughout the project to transform one of Sweden’s biggest bottlenecks into a future-proofed hub for the entire Western Sweden railroad system,” says Mattias Emanuelsson, Region Manager Peab.

Sustainability has been a common thread throughout construction. Challenging traditional work methods and developing new ones as well as optimizing design and construction solutions reduced climate impact significantly. The project also worked actively to reuse excavated soil and material and used climate improved concrete in pile slabs, pile decks, noise barriers and bridges.



### Facts: Olskroken Grade Separation

- 7 bridges (6 railroad bridges and 1 pedestrian bridge)
- 10,000 meters of single tracks, of which 3,800 meters on a bridge/ramp/deck
- 38 switches and 2 track junctions
- 250 kilometers of piles



## Customer Satisfaction Index (CSI)

CSI stands for Customer Satisfaction Index and rates how satisfied Peab's customers are.

**TARGET: > 75**

**OUTCOME 2025: 80**

# Target:

## 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.

In order to monitor our work and customers' perception of us we carry out annual customer surveys. In 2025 CSI amounted to 80 (78) which is a clear increase compared to last year and bit over our target of at least 75. We are pleased to see that all four business areas have improved their CSI ratings. In connection with the CSI survey we also ask customers how they perceive Peab based on a number of factors. Our personnel receive the top rating which continues to rise while reliability and price-worthiness maintain high ratings.

CSI stands for Customer Satisfaction Index and 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. Peab reports CSI annually. Almost 2,100 customers participated in the autumn survey.





BEST WORKPLACE

# We build communities together

Peab is located in large and small places throughout the Nordic region. Our some 13,000 employees make a difference by building the local community where they live and work. Every employee has a big personal responsibility and is 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 entail a plethora of professional roles at Peab. At the latest count there were 228 professions, 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 2025 the share of skilled workers was 52 percent while the share of white-collar workers was 48 percent. The proportion between women and men in the Peab Group continues to be uneven and is a challenge in our industry. We work actively to both spread knowledge and interest among women for different

professional positions in the construction and civil engineering industry and thereby increase the share of women in our organization.

→ [Read more about our equal treatment work on page 27.](#)

**Down-to-earth spirit**

Peab has a flat and decentralized organization and every employee can have an effect on both their work-day 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. They might even want to develop their career in some other place. To display all these opportunities we have produced a career map that employees can access, for example in annual developmental discussions.

By providing good working conditions and benefits we want all our employees to be healthy and happy. Peab offers market level salaries, terms and benefits that promote a balance between work and leisure. 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 and likewise essential that we as an employer succeed in taking advantage of each employee's unique skills and perspective. This means having a safe and inclusive work environment. Peab has an equal treatment 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. Inclusion is also measured 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. This year security, including psychological security, was the theme of our annual work environment week.

## Secure and appreciated leaders are vital for our ability to achieve the targets we set and for our employees to flourish in their professions.

### 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

Being an attractive employer is vital for our ability to continually ensure future talent recruitment and retain competent employees. Because of the significant underlying demand for our services in different sections of society we need to continually recruit new employees with different skills. During the year we have followed the Group's updated recruitment strategy and carried out a number of local recruitment programs in places where the need for talent in the future is apparent. 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" on page 27.

The third round of the trainee program for women, The Construction Year, began in 2025 with 13 new trainees and in the autumn of 2026 a new group of 27 trainees will begin. In addition, 21 college and civil engineers began Peab's trainee program 2025-2026 in Sweden. We also hired 20 trainees in Finland and twelve in Norway. The trainees, who are spread throughout the Group, will learn more about supervising, participate in a comprehensive leadership course and receive practical experience at various workplaces in the Group. In addition, we had around 350 construction apprentices in the Group in 2025.

### It all starts with a 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. Every employee, contracted personnel and anyone on site has the explicit right to refuse to do a job if it cannot be done safely.

### Accident prevention measures

Accident prevention measures are the core of our work on the work environment. 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 as well as educate our employees and partners. We hold regular safety inspections at construction sites and remedy identified shortcomings afterwards. We also put great emphasis on learning from 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. The focus in work preparations is on identifying risks and measures that increase safety and reduce accidents and incidents. Safety work is just as important at workplaces affected by passing traffic.

Employees and our partners report risk observations which we learn from and remedy as far as possible. We also learn from actual incidents and accidents.

If, however, an accident does occur Peab has a crisis organization consisting of around 100 employees that has existed for many years. Its purpose is to provide professional care in the case of an accident or crisis to reduce unnecessary suffering and injury for those affected, both employees and third parties.

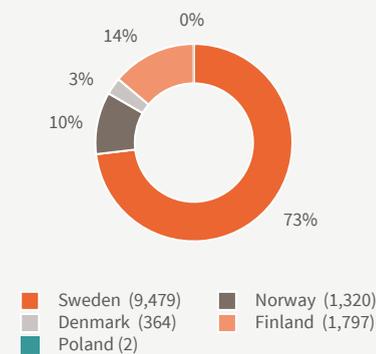
### Number of employees – per business area

Per December 31, 2025

Business area	2025	2024
Construction	4,402	4,681
Civil Engineering	3,237	3,365
Industry	4,584	4,581
Project Development	126	145
Group functions	613	611
<b>Group</b>	<b>12,962</b>	<b>13,383</b>

### Number of employees – per country

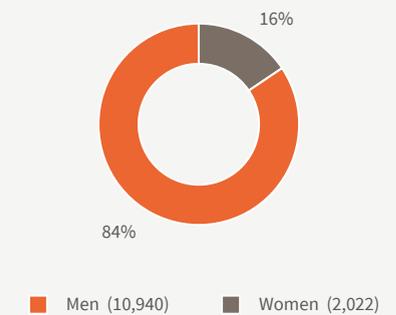
Per December 31, 2025



Number of employees in brackets

### Number of employees – per gender

Per December 31, 2025



Number of employees in brackets

## New rescue and emergency care station reinforces preparedness in Kaarina

Peab has built a new, modern rescue and emergency care station in Finnish Kaarina that is now the city's primary fire station. The new station has been designed to meet current and future demands for quick responses, modern technology and robust preparedness.

The building has a floor plan of about 3,500 m<sup>2</sup> and replaces the old fire station in the middle of the city. Peab has built a two story main building that is supplemented with a carport and storage room – everything designed to efficiently support emergency action and long-term safety. Peab's comprehensive responsibility for the project included Peab Asphalt paving the yard and Swerock providing the concrete. The new station also houses the rescue department's emergency organization, surveillance function and a workshop for vehicles and equipment. This makes the station even more self-sufficient and effective in a crisis situation. In addition, the contract fire department now has its own facilities to better support operations.

Construction began in February 2024 and was completed according to schedule in August 2025.

"Everything has gone according to plan and the project has handled every challenge, such as those due to the many technical and electrotechnical systems, with high demands on careful coordination and solid engineering. The success of the project is based on our close and trusting collaboration with our customer," says Tuomas Martikkala, Peab Site Manager.

The station is built with a high purity class and modern technology and is run with geothermal heating, which reduces the climate impact of operation and reinforces the project's sustainability profile. With its strategic location, today the new rescue and emergency care station in Finnish Kaarina is a facility prepared for the future which will promote security throughout the region.



### Facts: Rescue and emergency care station

- Customer: The City of Kaarina
- The building is around 3,500 m<sup>2</sup> and the property is about 13,400 m<sup>2</sup>
- Purity class P1 and geothermal heating
- Completion: August 2025



# Target:

## 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.

### Satisfied and engaged employees

Our target is to be able to offer our employees the best workplace in the industry. We measure this through the eNPS value (recommend Peab) which should be above the benchmark for industry and manufacturing.

### Continuous focus on reducing workplace accidents

Our vision of zero fatal accidents as well as our target of a contracting trend in serious workplace accidents includes our own employees and everyone else at our workplaces.

In the autumn survey the eNPS value was 31 (32 in the spring survey) and continues to be well above the Nordic benchmark which is 17 (18 in the spring survey). The most apparent increase in the eNPS value was among female skilled workers. In the survey employees highlight collaboration with co-workers, community and our core values as some of Peab's foremost strengths. The trend in reverse is workload.

Participation was once again high at 88.6 percent although not the record 90.9 percent participation in the spring survey. This shows the high interest our employees have in contributing to the development of our business.

The number of serious accidents increased in the final quarter of the year after a period with decidedly fewer accidents. There were 49 for the full year 2025 which can be compared to 33 for the full year 2024. During the last quarter 2025 there were 26 serious accidents, primarily in construction operations, of which 15 involved our own employees and 11 concerned employees of subcontractors. There are investigations and analyses underway to break the negative trend.

### eNPS

Stands for employee Net Promoter Score and measures employee engagement.

### TARGET: Over benchmark

(reported semi-annually)

**OUTCOME 2025: 31**

### Serious workplace accidents

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

### TARGET: < 33

(reported quarterly)

**OUTCOME 2025: 49**

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 achieving 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 categorization in purchasing and our procurement councils 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. An example of this is that while the housing market has been weak, Peab has been able to benefit from investments in other markets.

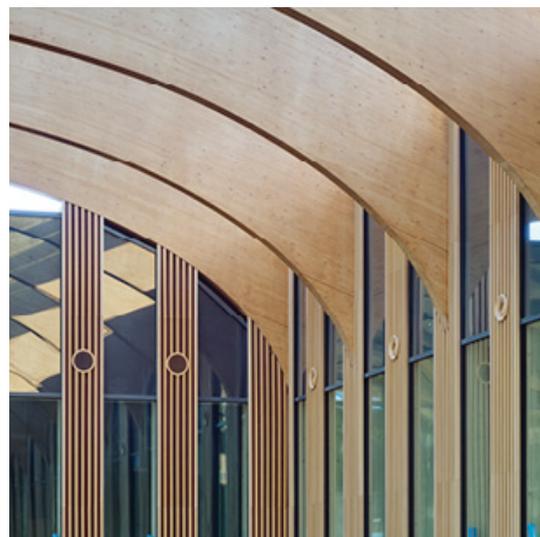
Meanwhile, we have to continually strive to be more efficient in every aspect of our business. This is particularly important in a market situation where continued high construction costs, although they are not rising anymore, and uncertainty on the market impact demand. This includes implementing

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.

As we now look forward we can conclude that market prospects have stabilized in the Nordic region, despite continued geopolitical tensions. Besides a stabilization in the housing market, although on a low level, we notice the effects of ongoing infrastructure investments and the fact that the Nordic governments have announced coming major initiatives in investments and maintenance. In general prospects for the Nordic construction and civil engineering markets are positive for 2026. In addition, Peab's business benefits from both customers' climate transition and adaptation and the uncertainty in the world around us that is a factor in current investments in the police, correctional services, security and defense related projects as well as the associated infrastructure.

We therefore find ourselves in a favorable position with our skilled employees that have the ability to take on the growing opportunities in our markets. Our strong cash flow and lower net debt provide us with good room to maneuver.





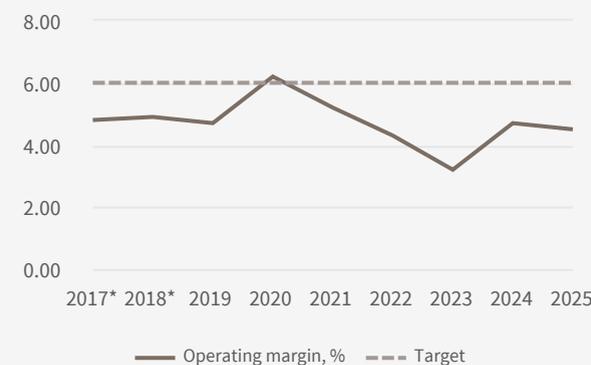
**Three financial targets**

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. The targets are that the operating margin should exceed six percent, the net debt/equity ratio should be in the interval 0.3-0.7 and that dividends should be more than 50 percent of profit for the year.

The target for the operating margin is based on our structure of four business areas and the operations mix Peab has had since 2020 and that we have cost-efficient support functions. The target entails different benchmarks for the operating margin for each business area, with higher margin demands on the capital intensive business areas Industry and Project-Development.

**Operating margin**

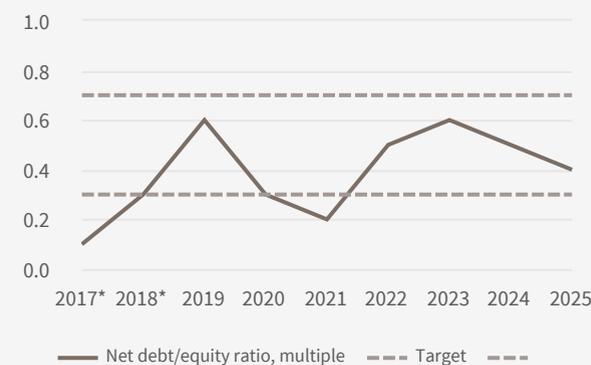
Target: >6% according to segment reporting



\* Years 2017-2018 not translated according to changed accounting principles for own housing development projects.

**Net debt/equity ratio**

Target: 0.3-0.7 according to segment reporting



\*Years 2017-2018 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 2017-2018 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.  
 \*\*\*\* For 2025, Board of Directors' proposal to the AGM.

**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.**



## New airport enables development in an entire region

After thorough planning and designing Peab and Avinor, our customer, since the spring of 2024 are working together to build a new airport in Bodø in northern Norway. When it is completed in 2029/2030 Peab will not only have built 800 meters new Norway by clearing the land, we will also have created a foundation for the continued development of the city and the entire region.

Making the New Bodø Airport into a regional hub requires creating a comprehensive, complete entity. The project includes the construction of a new runway, taxiways and parking spaces for aircraft. In addition to preparing new land the work has already comprised everything from removal of vegetation, and demolition of old infrastructure to other preparatory work such as blasting.

"This is a complex project that requires good coordination and collaboration between all parties involved. Around 350 companies and 3,000 employees will work, in one way or another, with this project. The greatest challenge is to see the whole picture and break it down into manageable parts that follow a well-crafted timetable. We have a fantastic collaboration with Avinor, working together towards the goal of contributing to development and employment in the region," says Olle Eurenus, Project manager in Peab Civil Engineering in Norway.

The project has a zero vision of injuries and serious incidents. It is likewise characterized by clear environmental consideration, such as work being done to minimize transports and Avinor has implemented a program to help aid the preservation and improvement of the local ecosystem in order to minimize the impact on nature when developing the new airport. The completed airport will also lead to lowering operations-related carbon emissions generated by aircraft in Bodø. The goal is to environmentally certify the construction work according to BREEAM Infrastructure (Excellent).

### Facts: New Bodø Airport

- 4.6 million m<sup>3</sup> of stones and debris will be moved
- 650,000 m<sup>2</sup> will be paved
- Opens for operation 2029/2030
- Will have a capacity of 2.3 million passengers annually



### Operating margin

The target is measured according to segment reporting.

**TARGET: > 6%**

**OUTCOME 2025: 4.5%**

### Net debt/equity ratio

Net debt in relation to equity. The target is measured according to segment reporting.

**TARGET: 0.3-0.7**

**OUTCOME 2025: 0.4**

### Dividends

The target is to exceed 50 percent of profit for the year. The target is measured according to segment reporting.

**TARGET: > 50%**

**OUTCOME 2025: 70%**



# Target:

## Most profitable company

### Strong end to the year

Group net sales amounted to SEK 59 billion for 2025 which is on par with last year. Civil engineering operations, premise construction and large sections of business area Industry continued to develop well while the low level of housing construction impacted operations in project development and construction system operations. Peab ended the year by continuing to growth in both net sales and the operating margin in construction contract operations as well as strong development in the operating margin in Swerock/Asfalt. Cash flow before financing was strong during the year and at the end of 2025 net debt was clearly lower than at the end of 2024. Peab is entering the new year with a stable order situation and strong financial position.

The past year once again proved that Peab has a solid foundation and a unique ability to adapt to fluctuating circumstances. With our 13,000 skilled employees we are taking advantage of the growing opportunities in our markets. In other words, with Peab's broad business model, local roots and strong financial position we are well-placed to meet the future.

Regarding our target of an operating margin that over time surpasses six percent, in 2025 the operating margin was 4.5 percent, which is lower than the target of 6.0 percent. Many of our operations have developed well during the year, nonetheless the continued weak housing market has naturally impacted us. In order for us to reach our target of an operating margin that surpasses six percent demand on the housing market needs to improve while we have to continue to produce efficiently and keep overhead down.

The net debt/equity ratio has improved and was 0.4 (0.5) per December 31, 2025, which is in the lower span of the target interval 0.3-0.7. Tying up capital effectively and optimizing the balance of payments in our construction contract operations lowers net debt and the net debt/equity ratio.

Taking into consideration profit for 2025, our financial position and future capital needs, the Board proposes that Peab's Annual General Meeting decide on a dividend of SEK 3.30 (2.75) per share divided into two payments in 2026. This corresponds to 70 percent (38) of profit for the year according to segment reporting, which is higher than our financial target of a dividend more than 50 percent of profit for the year.

LEADER IN SOCIAL RESPONSIBILITY

# We 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.

### 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 where less than ten percent of job applicants to Peab with a relevant practical education are women. As one of the largest community builders in the Nordic region we want to be at the forefront of changing this. We are willing to do our part and contribute to change but we cannot do it without help from communities and schools. We do our best to bring this matter up in various industry contexts, and in meetings with politicians and the media. We have started the trainee program The Construction Year for young women where they work for a year as skilled workers in a nearby workplace while they also receive a theoretical education. The goal is to achieve greater gender equality in Peab in general, and in production specifically. We are currently preparing for a fourth round of the program.

### Ethics are fundamental to community building

Striving for a sustainable supply chain that safeguards and respects business ethics, human rights and the environment is a given cornerstone of our business. Peab's Code of Conduct is our starting point and we also have a specific Suppliers' Code of Conduct that defines our expectations of our partners. As community builders we have a responsibility to run our business with high ethical standards and counteract corruption. This is particularly important in an industry of generally decentralized operations and complex value chains. 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, our employees and the majority of our partners are located in the Nordic region is a positive factor for our ability to promote ethical business. 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.

### Local community involvement

Our customers often emphasize the importance of working together in shared social responsibility for the local community, especially 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 residential 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. Through ongoing dialogues and collaboration with municipalities and other local actors, 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. Almost all of our projects include some kinds of demands regarding social responsibility. In recent years through our concept Peab Life we have created collaborations with partners in various Nordic locations to promote the development of children and youths.



## Circular material is tomorrow's resource

Building creates waste. Peab has explicit guidelines on how to handle leftover material from the construction process at construction sites to enable reuse.

We also have a number of initiatives for creating new ways to reuse construction material and recycle waste. Establishing a dialogue and collaboration with material suppliers and reuse actors early on is important so that we can manufacture and use more products with a higher portion of reused material. We also run various R&D projects on circular flows such as excavation soil management aimed at increasing the amount of soil reused in the industry. Creating circular flows is not only good for the environment, it also generates business potential for Peab.



**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.

We have four 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 four 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. In addition to this target we have climate targets up to 2030 regarding carbon dioxide intensity reductions, so-called Scope targets.

Peab's second environmental target is to be completely resource efficient by 2040. Here we work to optimize material use and reduce waste for instance. Our 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. In 2025 Peab's executive management adopted a fourth environmental target concerning biodiversity stating that by 2030 we will protect, preserve and strengthen the ecosystem and biodiversity.

**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. Most of the greenhouse gas emissions caused by Peab's operations occur in the manufacture of the materials we use in production like concrete, steel and asphalt.

Two other major sources of carbon emissions in production are energy consumption 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 also invest in making our factories more energy efficient and the electrification of machines and vehicles to contribute to the ongoing climate transition. As community builders we also have a comprehensive perspective on our climate work and strive to contribute in the usage stage and to local sustainability community building in general. This can entail designing flexible constructions, building solar power plants, wind farms or by building in such a way that people can live more sustainably.

In our work to reduce emissions from input goods our ECO-products are essential and we continuously develop them. We manufacture the slag-based Merit, which can increasingly replace cement in concrete. Cement represents 90 percent of the climate impact of concrete. When we use Merit in the production of our ECO-Betong (ECO-Concrete) we reduce greenhouse gas emissions by up to 70 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:**

	<b>ECO-Prefab:</b> We continually increase the portion of Merit in walls and beams.
	<b>ECO-Stomme (ECO-Frame):</b> We offer our concrete elements with a mixture of Merit and recycled steel.
	<b>ECO-Ballast (ECO-Mineral aggregates):</b> Produced from 100 percent recycled raw materials and thereby replacing virgin materials.
	<b>ECO-Asfalt:</b> We replace fossil fuel oil used in drying and heating the mineral aggregates with bio oil.
	<b>ECO-Pålar (ECO-Piles):</b> For foundation work in geotechnically demanding conditions where part of the cement in piles is replaced with Merit and the proportion of steel is reduced.

## Ban breaking hub for electrification and sustainable building emerging in northern Sweden

Along the southern side of Skellefteå River ACE Powerhouse is taking form at Campus Skellefteå. Peab is creating a seven story wooden building with 8,300 m<sup>2</sup> of flexible space that combines innovative architecture with sustainable technology and energy efficient solutions. This is a project that shows how sustainable buildings can be designed for the future. ACE Powerhouse has already made an impression by being named Sustainable Building of the Year 2025 and the first building in the country to attain the level Miljöbyggnad Gold New Building 4.0. It will also be one of the first buildings in northern Sweden to be certified according to NollCO<sub>2</sub>.

The wooden construction ties in with the municipality's ambitious wooden building strategy and is combined with advanced energy solutions and digital technology. The project stretches the limits for circular construction through its consistent focus on reuse which includes giving new life to windows, a wrought iron banister and a limestone staircase from Skellefteå Hospital.

The building will be the base for Artic Center of Energy (ACE) – a global competence center that will accelerate the transition to an electrified society. Here companies, scientists, actors in education and students meet in an environment designed to stimulate cooperation, innovation and learning. ACE Powerhouse will also be an active test environment for energy systems of the future with its labs for energy technology, digital twins and cybersecurity.

When ACE Powerhouse is completed in 2027 it will, in other words, be more than a building – it will be a regional powerhouse for sustainable development, innovation and future skills supply in electrification. It will be a catalyst for new knowledge, cutting-edge expertise and collaboration. It will be a key part of northern Sweden's green transition.

“This project illustrates what is possible when sustainability, technology and brave ambitions come together. ACE Powerhouse isn't just a building, it's an accelerator for the energy transition into the future and we're proud to build it,” says Susanne Hellberg, Region Manager Peab.



### Facts: ACE Powerhouse

- Built with a CLT frame, ECO-Betong (ECO-Concrete) and reuse as well as a 250 kWh battery store and solar panels
- Certified according to Miljöbyggnad Gold New Building 4.0 and NollCO<sub>2</sub>
- Operations will focus on three program areas: mobility, circular industry and connected cities
- Initiator to ACE: Skellefteå Municipality, University in Luleå, Sweden, Skellefteå Kraft and Northvolt
- ACE will be completed in the autumn of 2027

**Equal opportunity**  
**Skilled workers**

The target is the percentage of recruited women in production among skilled workers (production and processing) will exceed percentage of women who have graduated with, for us, relevant degrees on the education markets.

**TARGET: > 8.0 %**

**OUTCOME 2025: 13.7 %**

**Equal opportunity**  
**White-collar workers**

The target is the percentage of recruited women in production among white-collar workers (production management and production support) will exceed percentage of women who have graduated with, for us, relevant degrees on the education markets.

**TARGET: > 30.0 %**

**OUTCOME 2025: 43.8 %**

**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). Base year 2015.

**TARGET 2030: -60 %**

**OUTCOME 2025: -58 %**

**Carbon dioxide intensity:**  
**Climate target for input goods and purchased services**

The target refers to lower emissions of greenhouse gases Scope 3 (ton CO<sub>2</sub>e/MSEK). Base year 2015.

**TARGET 2030: -50 %**

**OUTCOME 2025: -7 %**

# Target:

## Leader in social responsibility

As the Nordic Community Builder we drive development in the industry concerning environmental and climate matters, ethics, equal opportunity and inclusion. We work well together with stakeholders in the world around us and we work daily to attain a sustainable value chain. With our extensive local presence we are also an important actor in local communities.

**Equal recruitment over target levels**

Our target is that the percentage of women recruited to Peab for our core skills should always be higher than the percentage of women who have graduated with, for us, relevant degrees on the education markets. We are focused on core skills in production (skilled workers) as well as in production management and production support (white-collar workers). At the end of 2025 the percentage of women in new recruitments was 13.7 percent in production and processing compared to our target of at least 8.0 percent. The share for new recruitment in production management and production support rose to 43.8 percent compared to our target of at least 30.0 percent. We are raising our target for 2026 to 32 percent. There have been relatively few recruitments during the past year because of the current market situation. The total share of women in the organization amounted to 15.6 percent (15.2).

**Challenges regarding emissions**

In 2045 Peab will be climate neutral. 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 reduce carbon dioxide intensity by at least half for input goods and purchased services (Scope 3). The base year for both targets is 2015.

The outcome for 2025 shows that carbon dioxide intensity in our own operations, pertaining to fuel and energy (Scope 1 and 2), has gone down by 58 percent since 2015. The transition to green energy is a positive factor while the change in Sweden of the reduction obligation has a counterproductive effect. We are now close to achieving our target of 60 percent reduction before 2030.

Carbon dioxide intensity for input goods and purchased services comprises concrete, cement, asphalt/bitumen, steel, waste, transportation and machine services and business trips. In 2025 carbon dioxide intensity had gone down by seven percent. The outcome for the year has been impacted by items affecting comparability that mainly refer to the much higher emission factor for bitumen, and that as of 2025 the target includes more input goods such as the binder for fundament reinforcement. Peab has a tight dialogue with suppliers, customers and other stakeholders to reduce our carbon footprint in Scope 3.

We have also worked actively to improve the scope and quality of our metrics of greenhouse gases emissions and reported data in 2025 reflects this.

# Working with the global goals in mind

Peab's executive management regularly reviews the business based on the UN's 17 global goals 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.



**Goal 5** 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 2025 we started up the third round of the trainee program for women The Construction Year in order to attract more female skilled workers to Peab.



**Goal 9** 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 launched ECO-Prefab that has 70 percent alternative binder. We also have several research partnerships with universities and colleges.



**Goal 13** 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. We also continued our work on the Group-wise development initiative The Climate Road Map and strategic input goods.



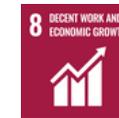
**Goal 7** regarding sustainable energy is important because Peab and the industry has to transition to renewable energy and increase its energy efficiency. We work with a number of measures to increase energy efficiency in both production processes and the finished products.



**Goal 11** 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 to work on building roads, ports and other infrastructure such as hospitals, retirement homes and schools that contribute to sustainable cities and communities.



**Goal 14** 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.



**Goal 8** 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 implemented routines in Sweden entailing that no more than two levels of subcontractors can be hired for a project and work at our workplaces.



**Goal 12** concerning sustainable consumption and production has a clear connection to our environmental target for resource efficiency. In 2025 we continued to promote reuse and circular processes through various projects and collaborations and we currently have contracts with reuse actors that cover some 130 Swedish municipalities.



**Goal 15** 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. During 2025 we produced "Road map for biodiversity Peab Group 2030".

# 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 as well as sustainability report for the 2025 financial year.

The Group has different accounting principles in segment reporting compared to reporting according to IFRS for our own housing development projects and IFRS 16. For more information concerning accounting principles and the differences between segment reporting and reporting according to IFRS see note 3 and 4. For information concerning alternative performance measures, see the section Alternative performance measures and definitions.

## Net sales

Group net sales according to IFRS contracted by four percent and for 2025 amounted to SEK 58,581 million (61,283). Adjusted for acquired and divested units and exchange rate effects net sales decreased by three percent. Adjustment to the completion method for own housing development projects affected net sales by SEK -8 million (2,586). During 2025 more own housing development projects have been production started than completed. During the previous year more homes were completed and turned over than production started.

Group net sales according to segment reporting were relatively unchanged in 2025 and amounted to SEK 58,589 million (58,697). Adjusted for acquired and divested units and exchange rate effects net sales increased by one percent. The share of public sector customers in net sales was 55 percent (56) and private customers was 45 percent (44).

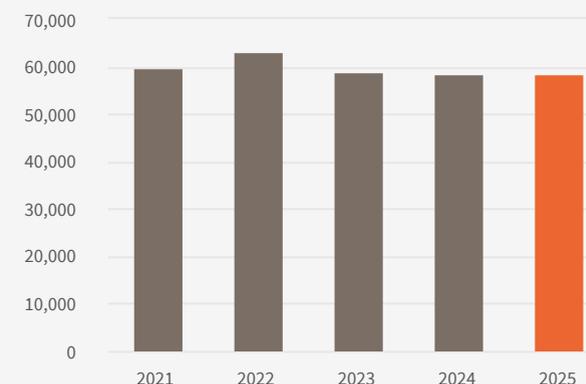
Net sales in business area Construction decreased slightly compared to last year. A large part of net sales in 2025 consisted of various kinds of premise construction for the public sector.

Activity in business area Civil Engineering was high in both Sweden and Norway during the year and net sales increased by six percent. Public sector investments in infrastructure and water and sewage facilities along with the ongoing climate transition had a positive impact.

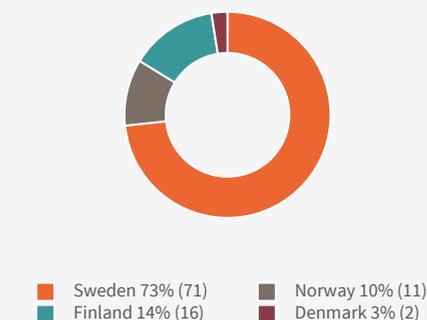
Net sales in business area Industry decreased by seven percent. The reduction is mainly related to the unit Swerock/Asphalt with lower volumes in paving in Finland and Norway. There has also been less activity in the unit Construction system as a result of the weak market for new housing production.

In business area Project Development net sales increased by two percent. Net sales were higher in the unit Housing Development as a result of more production-starts of tenant-owner apartment projects and more sold homes while net sales in the unit Property Development dropped.

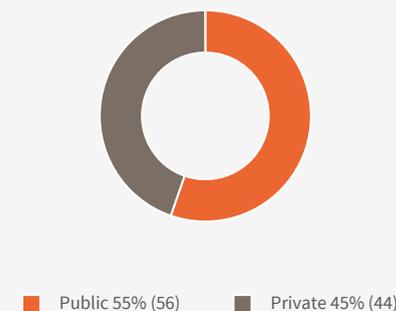
Net sales, segment reporting, MSEK



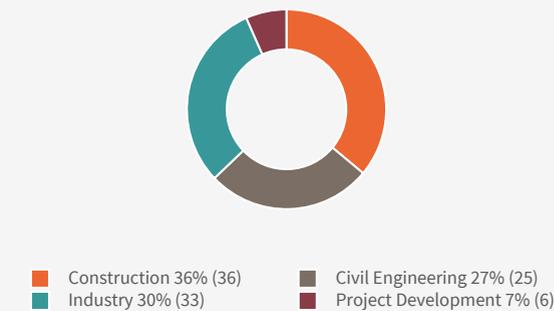
Net sales per geographic area, segment reporting 2025, %



Net sales per customer type, segment reporting 2025, %



Net sales per business area, segment reporting 2025, %



**Profit/loss**

Operating profit according to IFRS in 2025 was SEK 2,693 million (3,163) and the operating margin was 4.6 percent (5.2). Adjustment to the completion method for own housing development projects affected operating profit by SEK 24 million (364).

Group operating profit according to segment reporting amounted to SEK 2,626 million (2,763) and the operating margin was 4.5 percent (4.7). We have increased earnings in several of our operations during the year. Last year there were two major transactions in business area Project Development which together contributed SEK 620 million to the Group.

The operating margin improved in business area Construction to 2.2 percent (1.7) during the year and in business area Civil Engineering the operating margin improved to 4.0 percent (3.0). All in all, the operating margin for construction contract operations amounted to 2.9 percent (2.3).

In business area Industry, the operating margin improved to 7.4 percent (6.6) The operating margin in the unit Swerock/ Asphalt improved to 8.6 percent (6.9) with higher earnings in several of the operations there. The operating margin for the unit Construction system contracted to 1.2 percent (4.6), due to a continued weak market for new housing production.

Operating profit in business area Project Development amounted to SEK 238 million (728) and the operating margin was 5.5 percent (17.0). Capital gains from divestitures of properties and shares in joint ventures in the unit Property Development contributed with SEK 117 million (440). Last year included a capital gain of SEK 220 million from the sale of shares in the joint venture Tornet Bostadsproduktion. Profit contribution from joint ventures in Property Development amounted to SEK 163 (441). During the fourth quarter 2024 assets in the joint venture company Fastighets AB Centur were divided up and both Peab and the other partner, Fastighets AB Balder, acquired the majority of the property portfolio. The transactions had a positive effect on operating profit of SEK 367 million, which was reported in Property Development as profit from joint ventures.

During the year more sold homes and more production-starts had a positive effect in the unit Housing Development, although activity continued to be low. The operating margin in Housing Development was 0.2 percent (-2.7).

Elimination and reversal of internal profit in our own projects affected operating profit during the year by net SEK 50 million (46).

Depreciation and write-downs according to IFRS were SEK -1,805 million (-1,864).

Depreciation and write-downs for the year according to segment reporting were SEK -1,461 million (-1,499).

Net financial items according to IFRS amounted to SEK -998 million (-383), of which net interest was SEK -479 million (-738). 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 -952 million (-338) of which net interest was SEK -335 million (-402). The effect of the settlement regarding Mall of Scandinavia affected net financial items by SEK -611 million. For more information about the settlement see the section Other information.

Pre-tax profit according to IFRS was SEK 1,695 million (2,780). Tax for the year amounted to SEK -332 million (-392) and corresponds to a tax rate of 20 percent (14).

Pre-tax profit according to segment reporting was SEK 1,674 million (2,425). Tax for the year amounted to SEK -332 (-345) and corresponds to a tax rate of 20 percent (14).

Profit for the year according to IFRS was 1,363 million (2,388).

Profit for the year according to segment reporting was SEK 1,342 million (2,080).

Operating profit and operating margin, segment reporting



Operating profit per business area, segment reporting 2025



Construction 17% (14) Civil Engineering 24% (16)  
 Industry 51% (46) Project Development 8% (24)

**Operating margin**  
 Operating profit in percentage of net sales according to segment reporting.

**TARGET: >6 %**

**OUTCOME 2025: 4.5 %**

### Financial position

Total assets according to IFRS per December 31, 2025 were SEK 44,543 million (47,768). The adjustment of differences in accounting principles in relation to segment reporting has affected total assets by SEK 2,071 million (2,542). Equity according to IFRS amounted to SEK 16,479 million (16,504) which means the equity/assets ratio was 37.0 percent (34.6). Interest-bearing net debt according to IFRS amounted to SEK 7,969 million (11,253).

Total assets according to segment reporting per December 31, 2025 were SEK 42,472 million (45,226). Equity amounted to SEK 16,716 million (16,760), which entails an equity/assets ratio of 39.4 percent (37.1). Interest-bearing net debt decreased and amounted to SEK 6,400 million (9,118). At the beginning of the year dividends of SEK 1,100 million were received from Fastighets AB Centur, which were offset against interest-bearing debt that arose in connection with the acquisition of properties from Fastighets AB Centur during the fourth quarter of 2024. Net debt includes project financing of the unsold part of our own housing developments while they are in production. At the end of the year the unsold part amounted to SEK 2,131 million (2,237). Interest-bearing receivables amounted to SEK 523 million (1,643). The comparable period included an interest-bearing receivable of SEK 1,067 million on Unibail-Rodamco-Westfield regarding Mall of Scandinavia. The arbitration was settled during the second quarter 2025 and Peab received payment on July 2, 2025. For more information regarding the settlement of Mall of Scandinavia, see the section Other information.

The average interest rate in the loan portfolio was 4.4 percent (5.1) on December 31, 2025.

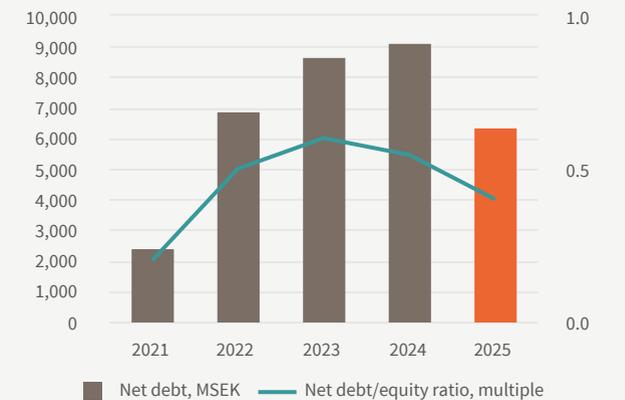
Group liquid funds according to IFRS, including unutilized credit facilities but excluding project financing, were SEK 10,079 million at the end of the year compared to SEK 8,822 million on December 31, 2024.

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 1,973 million at the end of the year compared to SEK 2,193 million on December 31, 2024. Surety for credit lines in tenant-owner associations regarding the unsold part after deconsolidation made up SEK 455 million of contingent liabilities compared to SEK 508 million on December 31, 2024.

#### Net debt

MSEK	2025	2024
Bank loans	2,968	3,790
Commercial papers	97	642
Bonds	4,098	3,722
Financial leasing liabilities	758	733
Project financing, unsold part of housing projects	2,131	2,237
Other interest-bearing liabilities	16	1,115
Interest-bearing receivables	-523	-1,643
Liquid funds	-3,145	-1,478
<b>Net debt, segment reporting</b>	<b>6,400</b>	<b>9,118</b>
Additional leasing liabilities according to IFRS 16	1,335	1,460
Project financing, sold part of housing projects	234	675
<b>Net debt, IFRS</b>	<b>7,969</b>	<b>11,253</b>

#### 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 2025: 0.4**

**Investments and divestments**

Group investments during 2025 in tangible and intangible fixed assets according to both IFRS and segment reporting amounted to SEK 900 million (596). The investments mainly refer to investments in machines, vehicles and cranes in business area Industry. During 2025 tangible and intangible fixed assets of SEK 240 million (245) were divested.

**Project and development properties**

Project and development properties according to IFRS per December 31, 2025 totaled SEK 17,451 million (18,342). The net change during 2025 was SEK -891 million (281).

Project and development properties according to segment reporting amounted to SEK 16,283 million (16,828) as of December 31, 2025. The net change during 2025 was SEK -545 million (2,432) and the reduction is mainly due to more sold rental apartment projects. The change during the previous year is largely explained by the acquisition of development rights in Nacka through the purchase of Sicklaön Bygg Invest AB and the acquisition of properties in Varvsstaden, Malmö.

**Cash flow**

Cash flow from current operations according to IFRS amounted during the year to SEK million 3,924 (5,499), of which cash flow from changes in working capital was SEK 392 million (1,836).

Cash flow from current operations according to segment reporting improved during the year and amounted to SEK 3,148 million (1,356), of which cash flow from changes in working capital was SEK -21 million (-1,617). The improved cash flow from changes in working capital comes primarily from business area Project Development. Last year cash flow in Project Development was impacted by acquisitions of development rights in, among others, Kvarnholmen, Nacka and the acquisition of properties in Varvsstaden in Malmö.

Cash flow from investment activities according to IFRS was SEK 971 million (1,245).

Cash flow from investment activities according to segment reporting was SEK 971 million (1,245) where payment of the interest-bearing receivable relating to the settlement of Mall of Scandinavia had a positive effect of SEK 1,000 million. At the same time, sales of shares in joint ventures in Project Development also had a positive effect on cash flow. Investments have increased compared to last year and mainly consisted of machines, cranes and vehicles in business area Industry. Last year cash flow was positively affected by the divestment of the shares in the joint venture Tornet Bostadsproduktion in business area Project Development and by repayment of interest-bearing receivables from joint ventures.

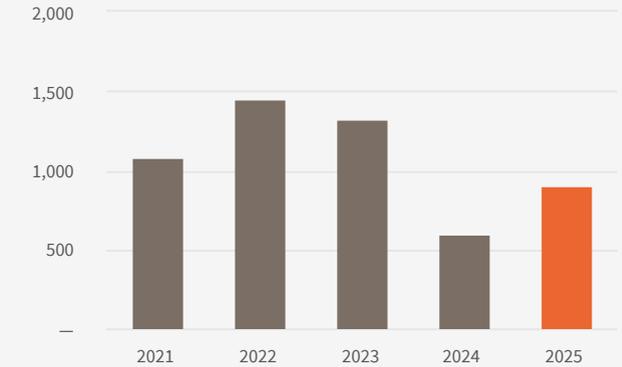
Cash flow before financing according to IFRS was SEK 4,895 million (6,744).

Cash flow before financing according to segment reporting improved to SEK 4,119 million (2,601).

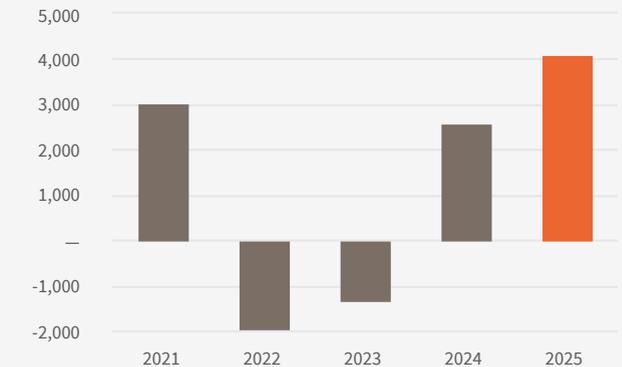
Cash flow from financing operations according to IFRS amounted to SEK -3,231 million (-6,518).

Cash flow from financing operations according to segment reporting amounted to SEK -2,455 million (-2,375), of which dividends of SEK -788 million (-431) were paid to shareholders and SEK -415 million (-) came from repurchasing of own shares. Loan repayments amounted to SEK -1,248 million (-1,946).

Gross investments in tangible and intangible fixed assets, segment reporting, MSEK



Cash flow before financing, segment reporting, MSEK



### Order situation

The level of orders received during 2025 was high and amounted to SEK 54,927 million (56,510). A large portion of orders received in the Group was projects for the public sector.

The level of orders received increased in business area Construction during the year, spread well geographically and among product areas. A large portion of orders received was for premise construction for the public sector.

The level of orders received was lower during the year in business area Civil Engineering. Orders received include around SEK 4 billion for the continuation of the Haga-Rosenlund stage of the West Link in Gothenburg commissioned by the Swedish Transport Administration. The level of orders received was high in the comparable period when several large, billion kronor projects were registered, including the New Bodø Airport in Norway worth NOK 3.3 billion, the Haga-Rosenlund stage of the West Link in Gothenburg worth about SEK 1.5 billion, a new dock in Skellefteå worth about SEK 1.1 billion and operation and maintenance contracts for about SEK 1.1 billion.

In business area Industry the level of orders received was slightly lower in 2025 compared to last year but remained at a high level. In Industry, Swerock/Asphalt had lower orders received in Finland and Norway while orders received in Construction system was higher.

Business area Project Development started production of, and converted, more tenant-owner apartments/condominiums compared to last year, which had a positive effect on the level of orders received.

Order backlog yet to be produced at the end of the year grew and amounted to SEK 48,544 million (44,906). Of the total order backlog, 38 percent (37) is expected to be produced after 2026 (2025). Swedish operations accounted for 86 percent (79) of the order backlog.

### Preliminary agreements

Operations in business areas Construction and Civil Engineering often participate in dialogues with customers at an early stage prior to planned projects, so-called phase 1 contracts. Through these 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 beginning of 2025 the potential value was around SEK 13 billion. During the period several projects went from phase 1 to phase 2, which means that the projects have been converted into construction contracts and included in Peab's orders received. At the same time, we see that new projects have flowed into phase 1 while a few have fallen away. During the period several new projects were added to both business areas but especially to the business area Construction. The value of the construction contracts generated from these phase 1 agreements at the end of December 2025 was around SEK 17 billion, and these orders will potentially be received over the next two years.

#### Orders received

MSEK	2025	2024
Construction	25,298	22,224
Civil Engineering	20,019	22,453
Industry	13,246	13,763
Project Development	2,865	2,213
Eliminations	-6,501	-4,143
<b>Group</b>	<b>54,927</b>	<b>56,510</b>

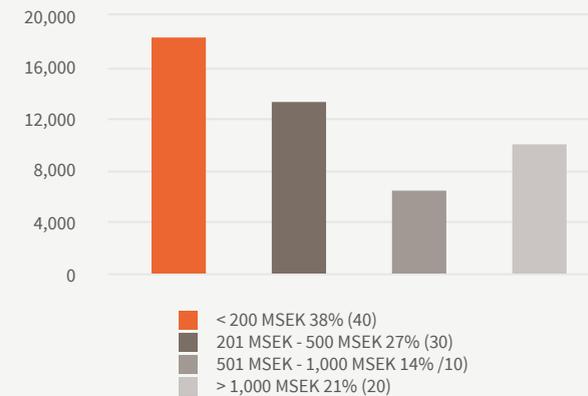
#### Order backlog

MSEK	2025	2024
Construction	25,134	23,188
Civil Engineering	22,201	19,853
Industry	5,390	4,282
Project Development	1,702	1,536
Eliminations	-5,883	-3,953
<b>Group</b>	<b>48,544</b>	<b>44,906</b>

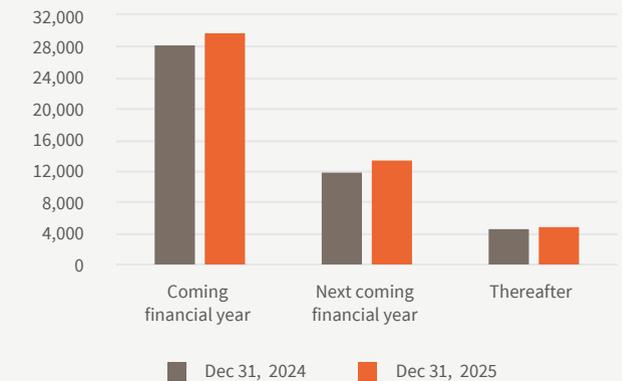
#### Orders received and order backlog, MSEK



#### Project allocation of order backlog, December 31, 2025, MSEK



#### Order backlog allocated over time, MSEK



### Overview business areas and Group functions

The Peab Group is presented in four different business areas: Construction, Civil Engineering, Industry and Project Development since this is how executive management and Peab's Board of Directors monitor the business. 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	
	2025	2024	2025	2024	2025	2024
Construction	23,683	23,817	512	416	2.2 %	1.7 %
Civil Engineering	17,607	16,539	704	499	4.0 %	3.0 %
Industry	20,037	21,548	1,485	1,415	7.4 %	6.6 %
– of which Swerock/Asphalt	16,770	17,974	1,440	1,238	8.6 %	6.9 %
– of which Construction system	3,672	3,875	45	177	1.2 %	4.6 %
– of which eliminations	-405	-301				
Project Development	4,345	4,270	238	728	5.5 %	17.0 %
– of which Property Development	166	686	228	823	137.3 %	120.0 %
– of which Housing Development	4,179	3,584	10	-95	0.2 %	-2.7 %
Group functions	1,428	1,350	-363	-341		
Eliminations	-8,511	-8,827	50	46		
<b>Group, segment reporting</b>	<b>58,589</b>	<b>58,697</b>	<b>2,626</b>	<b>2,763</b>	<b>4.5 %</b>	<b>4.7 %</b>
Adjustment housing to IFRS	-8	2,586	24	364		
IFRS 16, additional leases			43	36		
<b>Group, IFRS</b>	<b>58,581</b>	<b>61,283</b>	<b>2,693</b>	<b>3,163</b>	<b>4.6 %</b>	<b>5.2 %</b>
<i>Of which construction contract businesses according to segment reporting (Construction and Civil Engineering)</i>	41,290	40,356	1,216	915	2.9 %	2.3 %



BUSINESS AREA CONSTRUCTION 2025

# Builds locally close to customers throughout the Nordic region

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

	2025	2024
Net sales, MSEK	23,683	23,817
Operating profit, MSEK	512	416
Operating margin, %	2.2	1.7
Orders received, MSEK	25,298	22,224
Orders received/Net Sales, %	107	93
Order backlog, MSEK	25,134	23,188
Operating cash flow, MSEK	1,576	-3
Average number of employees	4,163	4,477





Business area Construction is run through 150 onsite offices throughout the Nordics, organized in regions in Sweden, Norway and 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 focused on metropolis regions. Other regions are responsible for all types of construction projects in their geographic area.

### The Business 2025

Construction operations in 2025 was characterized by growing investments in premise construction, primarily for the public sector, as well as industrial investments due to the ongoing climate transition. At the same time the market for new housing production continued to be cautious. Several so-called phase 1 contracts, where Peab is contracted at an early stage and participates in planning for the project, entered the production phase (phase 2) during the year. Peab also signed new phase 1 contracts during the year, among them a new jail in Skövde, a swimming facility in Växjö and new laboratory facilities at the University Hospital of Umeå.

Customers' considerable awareness regarding sustainable construction and reuse was apparent in many of the projects contracted in 2025.

### Substantial need for community buildings

The need to rebuild and build new public premises continues to be significant in the Nordic region. During 2025 there was a high level of production of various public projects such as schools, hospitals, sports centers and swimming pool facilities in the countries we operate in. We also work with a number of projects commissioned by judicial authorities and the military, which have stringent security and protection requirements.

Peab received several school projects in Sweden and Norway during the year comprising both new construction, renovations and extensions. They include renovating and extending Kungsfågeln High School in Luleå and Lunden School in Gothenburg. Skjetten Elementary School in Lillestrøm, Norway will be extended and transformed into a passive building with a green A energy rating. Some of the new schools Peab is building are in Solna, Nynäshamn, Ulricehamn, Hjärup in Sweden and Giske in Norway. The schools in Solna and Ulricehamn will be certified according to Miljöbyggnad Silver. Peab has been commissioned by Akademiska Hus to complete a new building for the Gothenburg School of Business, Economics and Law at the University of Gothenburg in downtown Gothenburg.

Construction of the Arctic Center of Energy (ACE) Powerhouse in Skellefteå, commissioned by Skellefteå Municipality, is underway and is slated for completion in 2027. It will be a seven story wooden building and base where research, education and innovation will meet to

accelerate electrification. ACE Powerhouse was awarded the Environmental Building of the Year for 2025 by the Sweden Green Building Council.

During the year we began construction on several nursing and retirement homes. In Varberg we started construction on modern and sustainable premises for a special accommodation, home care, a preschool and pedagogic care. We are building new nursing homes in Stockholm, Vårgårda and Helsingborg. The project in Helsingborg is following the regulations for Fair Construction and will be certified according to Miljöbyggnad Silver, entailing among other things using climate-improved concrete and solar panels and sedum on the roof.

Peab is building a new school and health center in Karasjok, Norway. The project's architecture and material selections will mirror Sami culture and traditions and some of its sustainable aspects are the buildings' insulation capacity and energy consumption that are on par with passive building norms.

### Projects that reinforce resilience

In the fields of defense, corrections, and emergency preparedness, Peab is building new barracks buildings for the Swedish Fortifications Agency, as well as new test halls and offices for BAE Systems. For Specialfastigheter, we are building a new detention center in Halmstad and new activity facilities at the Skenås Prison in Norrköping.

### Industrial projects are driving the transition

A number of industrial investments were started up in Sweden during the year. For instance, Peab was commissioned to build offices and production buildings for Hitachi Energy in Västerås, Ludvika and Piteå. The new facility, which covers approximately 40,000 m<sup>2</sup>, will be a workplace for all the company's employees in Västerås and includes a research and development center, offices and a factory for network automation products. In Ludvika Peab is building a new plant for the production of large power transformers and shunt reactors which will create fundamentals for sustainable and innovative manufacturing technology.

During the year Peab signed a contract with SSAB for the first phase in production of SSAB's fossil free steel mill in Luleå which is called a mini-mill. The contract includes a framework agreement for future call-offs in the coming

production phase. Construction began on the historical investment in the fall of 2025.

### Housing market on a new level

In recent years housing has represented a contracting portion of net sales in construction operations. In 2025 the housing market appears to have landed on a new lower level with fewer production starts than previously.

The housing projects Peab received during the year are spread all over our markets. In Sweden they included the commission to build 109 homes in Limhamn which will be certified according to Miljöbyggnad Silver and 72 rental apartments in Kalmar in the city development project Linnéstaden. We are also contributing to urban development in Uppsala by building 64 new homes in Luthagen. In Norway Peab is building 49 new homes with efficient energy solutions in Ulsteinvik. Peab is building two new apartment buildings in Espoo, Finland where the project will meet the requirements for energy class A in part through geothermal heating and energy production supplemented with solar panels. In the Swedish mountains Peab is building 100 new homes in Lindvallen according to Miljöbyggnad Silver and a new vacation home complex in Trysil, Norway.

### Merger of operations in Western Norway

Peab and the KB Group have decided to merge their operations in the companies K. Nordang and Christie & Opsahl, both of which operate in Western Norway.

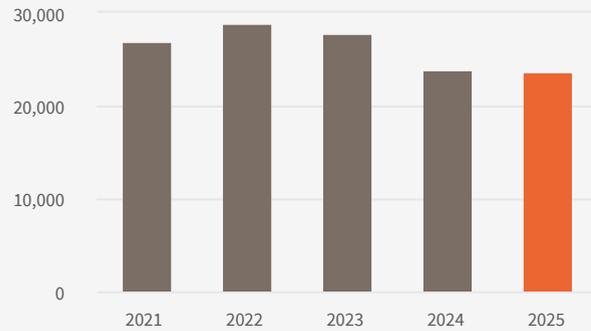
The combined net sales of the two companies are expected to amount to around NOK 1.9 billion in 2025. In total, the two companies have 350 employees. The KB Group will own 62.5 percent of the new joint venture and Peab will own 37.5 percent. Net sales in K. Nordang AS were approximately NOK 800 million in 2025. In the future Peab will recognize the company as an associated company in business area Construction. The transaction has been approved by the competition authorities and closing took place in the first quarter 2026.

K. Nordang AS will be sold into the associated company at market price and this is expected to have an effect on operating profit in the first quarter 2026 of approximately NOK 100 million.

### Net sales

Net sales for 2025 decreased slightly and amounted to SEK 23,683 million (23,817). A large part of net sales in 2025 consisted of various types of premise construction for the public sector. In net sales, there is an increased proportion related to industrial projects, while the share for housing construction decreased.

Net sales, MSEK



### Profit

Operating profit increased during the year and amounted to SEK 512 million (416) and the operating margin improved to 2.2 percent (1.7).

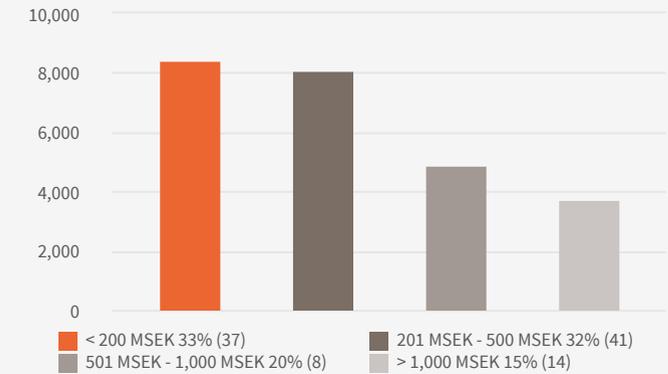
Operating profit and margin



### Orders received and order backlog

The level of orders received increased during the year and amounted to SEK 25,298 million (22,224). There is a large portion of projects for the public sector in orders received. The year's orders received include construction of Hitachi Energy's new campus at Finnslätten in Västerås for SEK 1.1 billion. Orders in 2024 included a new swimming pool block containing a swimming pool facility, homes, commercial premises and parking space in Partille worth around SEK 1.3 billion as well as construction of Gothenburg's new station building for SEK 870 million. The level of orders received amounted to 107 percent (93) of net sales for the full year 2025. Order backlog per December 31, 2025 was SEK 25,134 (23,188). The portion of housing projects at the end of the year was 31 percent (29).

Project allocation of order backlog, December 31, 2025, MSEK



Per product area, 2025



- Housing 24% (27)
- Construction maintenance 8% (8)
- Sports facilities 6% (6)
- Industrial 10% (4)
- Offices 12% (13)
- Logistics 5% (6)
- Service and retail 2% (2)
- Schools and education 12% (13)
- Health and social care 8% (9)
- Other building construction 13% (12)

Per customer type, 2025



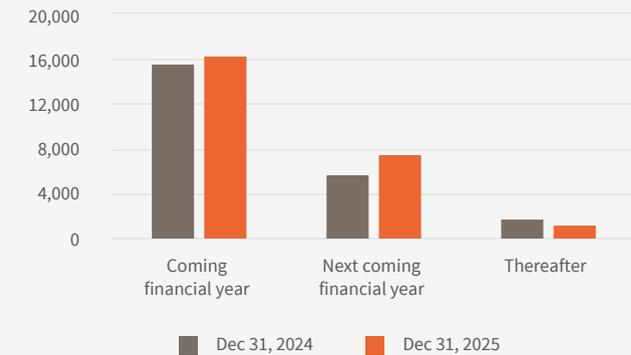
- Private 35% (35)
- Public 55% (56)
- Internal 10% (11)

Per geographic market, 2025



- Sweden 76% (77)
- Norway 12% (12)
- Finland 12% (11)

Order backlog allocated over time



BUSINESS AREA CIVIL ENGINEERING 2025

# 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 does landscaping and roadwork, lays pipelines, builds and maintains roads, railroads, bridges and other infrastructure, builds water and pipeline systems as well as does groundwork.

Key ratios

	2025	2024
Net sales, MSEK	17,607	16,539
Operating profit, MSEK	704	499
Operating margin, %	4.0	3.0
Orders received, MSEK	20,019	22,453
Orders received/Net Sales, %	114	136
Order backlog, MSEK	22,201	19,853
Operating cash flow, MSEK	900	697
Average number of employees	3,140	3,235



Operations are organized in geographic regions, a region for groundwork and as of 2026 a region for major infrastructure projects. In addition, there is a specialized nationwide region in Sweden in operation and maintenance that handles national and municipal highways and street networks, tends parks and outdoor property as well as operates water and wastewater networks.

### The Business 2025

Demand in the civil engineering market continued to be good during the year regarding both investments and operation and maintenance. Public investments contributed to a great deal of activity above all because of the ongoing climate transition and investments in infrastructure projects. There are a number of major industrial projects underway in northern Sweden driven by both the transition and the fact that businesses are growing and developing. Together with business area Construction, business area Civil Engineering is building heavy, complex and large-scale industrial buildings for energy, mining, forest and service industries.

The level of orders received was high with several new substantial projects that will take years to complete. Many of the projects 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. New phase 1 contracts have come in during the year.

Our customers continue to make increasingly comprehensive climate and environmental demands in their projects, while we continuously develop to reduce our climate impact. This entails everything from Peab's ECO products, such as ECO-Betong (ECO-Concrete), to wholly electrical equipment in civil engineering projects.

### Investment needs in the local market

Many Nordic water and sewer networks as well as wastewater treatment plants 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 Sweden. Among them are two projects for Stockholm Vatten och Avlopp (SVOA). Peab continued to be entrusted with rebuilding the wastewater treatment plant in Henriksdal. In the new project Peab will prepare for the installation of the new and improved biological treatment process. In southern Stockholm Peab will renovate the Högdalen Reservoir in order to extend the life of the reservoir and continue to have a reliable supply of water to Stockholm's inhabitants.

Peab has been commissioned to carry out a new civil engineering contract in Stockholm's Meatpacking District in southern Stockholm as part of the City of Stockholm's efforts to develop the area into a vibrant and sustainable city district. The project entails building and reconstructing streets, pipeline work and fine grading while prioritizing climate benefits. The work will be done completely fossil free by using emission-free machines. Reuse will be particularly in focus and all excavated soil will be recycled to contribute to circular material flows.

### Important infrastructure projects

There is a considerable need to improve infrastructure in the Nordic region particularly with the ongoing climate transition and the significant increase in defense-related investments. Peab received several commissions from the Swedish Transport Administration during the year, among them building double tracks in Sundsvall to increase capacity on the East Coast Line and connect northern Sweden with the rest of the world.

The West Link's Haga-Rosenlund stage in Gothenburg where Peab is going to build a railroad tunnel has entered a new phase. After in-depth planning, the Swedish Transport Administration in close collaboration with Peab has determined the production method for the implementation phase. Also in the Gothenburg area, the reconstruction of Olskroken, which separates freight and passenger trains in one of Sweden's most highly trafficked railroad junctions,

was completed in 2025. Despite the constricted space, Peab and the Swedish Transport Administration have completed the project ahead of time, under budget and without any major disruptions in daily traffic.

Another railroad project that was completed ahead of time and under budget was the new roads and railroad that Peab built for Polar Structure in Boden. The railroad will tie together the trunk line with the new industrial area Boden Industrial Park which provides good conditions to generate green electricity and establish operations that need a lot of room and can contribute to climate transition.

Another major road project is continued reconstruction of E22 in Lund where new lanes will raise traffic safety and passability. The Swedish Transport Administration has made clearly defined demands to reduce emissions which we will meet by using our ECO-products like ECO-Betong (ECO-Concrete) and ECO-Asfalt.

In Norway the Trøndelag county authority has commissioned Peab to build a new traffic solution in downtown Trondheim. The county authority has made demands on reducing carbon emissions – both in the choice of materials and during the construction work. Measures include the use of zero-emission equipment and electric trucks as well as a high degree of reusing excavated soil.

At New Bodø Airport in Northern Norway Peab is building a new landing runway, taxi runways and parking spaces for airplanes. Peab is working together with Avinor and the project is expected to be completed in the summer of 2028.

### Ports and seas

Part of the ongoing climate transition entails more environmentally-adapted freight carriage to and from ports. 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. The new lock canal is expected to be completed in 2027.

Peab is building new docks in Oxelösund and Karlskrona. In Oxelösund Peab is building a new 122 meters long dock and dredging the harbor basin, which will increase the capacity and flexibility of the port's logistics solutions for larger vessels. The project in Karlskrona is part of our customer NKT's ongoing expansion of its high voltage cable factory and includes construction of a sheet pile dock and a pile deck dock.

### Energy related projects

Peab's subsidiary ATS Kraftservice AB has been entrusted once again with a five-year framework contract for local grid services by E.ON. As part of the ongoing energy transition, E.ON is making one of its largest investments to date to modernize and strengthen the Swedish local grid to meet the increased demands on capacity, reliability and sustainability.

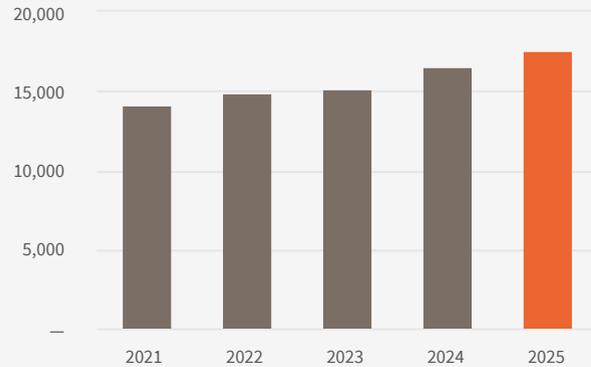
### Renewed contracts in operation and maintenance

Continuous operation and maintenance of roads and streets is vital for safety and passability. During the year Peab received extensions of several of its 19 operation contracts for road maintenance from the Swedish Transport Administration in, among other operation areas, Borlänge, Östra Värmland, Öland, Västbo and Lit. The contracts entail snow removal and anti-icing in the winter and in the bare ground road season repairing roads, fixing drainage and installing road signs and road barriers.

### Net sales

Activity was high during 2025 in business area Civil Engineering in both Sweden and Norway. Several Nordic governments have announced major investments in infrastructure, both new investments and operation and maintenance. In addition, public projects are being carried out in areas such as water and sewage and power supply as well as in investments related to the ongoing climate transition. Net sales increased during the year by six percent to SEK 17,607 million (16,539). Adjusted for divested operations and exchange rate effects, net sales increased by seven percent.

Net sales, MSEK



### Profit

Operating profit increased and amounted to SEK 704 million (499) and the operating margin improved to 4.0 percent (3.0).

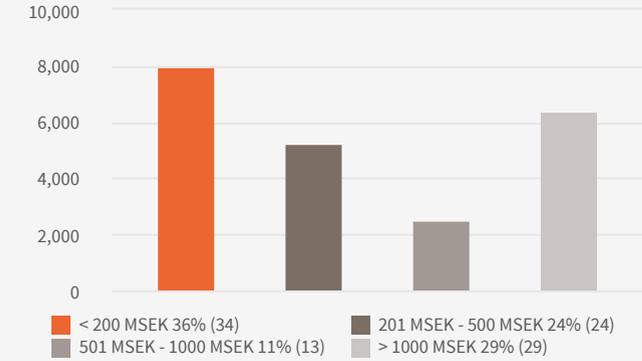
Operating profit and margin



### Orders received and order backlog

The level of orders received was lower during 2025 and amounted to SEK 20,019 million (22,453). This includes the continuation of the West Link's Haga-Rosenlund stage in Gothenburg for the Swedish Transport Administration. The commission amounts to a total of SEK 5.5 billion, of which SEK 4 billion was ordered during the fourth quarter 2025 and SEK 1.5 billion was ordered in 2024. Last year's orders received included several billion kronor projects, among them the New Bodø Airport worth NOK 3.3 billion. The level of orders received was 114 percent (136) of net sales for the full year 2025. Order backlog on December 31, 2025 amounted to SEK 22,201 million (19,853). Roads and other infrastructure make up the largest portion of the order backlog at 47 percent (38).

Project allocation of order backlog, December 31, 2025, MSEK

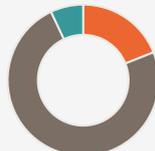


Per product area, 2025



- Operations and maintenance 17% (18)
- Energy 4% (6)
- Streets-and groundwork 35% (34)
- Ports and sea 11% (8)
- Industrial 6% (5)
- Roads/ infrastructure 27% (29)

Per customer type, 2025



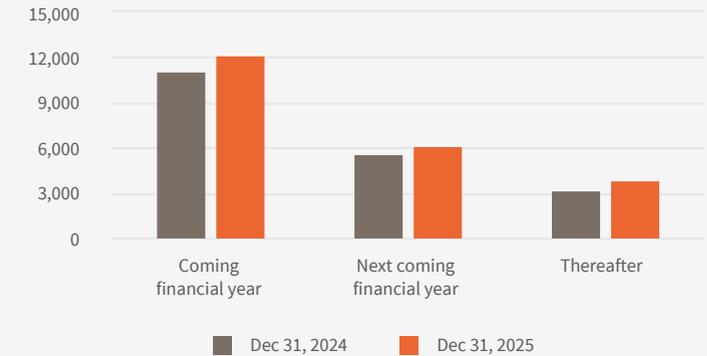
- Private 19% (19)
- Public 74% (74)
- Internal 7% (7)

Per geographic market, 2025



- Sweden 89% (88)
- Norway 11% (12)

Order backlog allocated over time, MSEK



BUSINESS AREA INDUSTRY 2025

# Continued high activity in paving

Business area Industry provides products and services needed to carry out more sustainable and cost-efficient construction and civil engineering projects on the Nordic market. With local roots we work with both external and internal customers.

Key ratios

	2025	2024
Net sales, MSEK	20,037	21,548
<i>of which Swerock/Asphalt</i>	16,770	17,974
<i>of which Construction system</i>	3,672	3,875
<i>of which eliminations</i>	-405	-301
Operating profit, MSEK	1,485	1,415
<i>of which Swerock/Asphalt</i>	1,440	1,238
<i>of which Construction system</i>	45	177
Operating margin, %	7.4	6.6
<i>of which Swerock/Asphalt</i>	8.6	6.9
<i>of which Construction system</i>	1.2	4.6
Orders received, MSEK	13,246	13,763
<i>of which Swerock/Asphalt</i>	11,430	12,469
<i>of which Construction system</i>	1,816	1,267
Order backlog, MSEK	5,390	4,282
<i>of which Swerock/Asphalt</i>	3,824	3,286
<i>of which Construction system</i>	1,566	996
Capital employed at the end of the year, MSEK	9,198	9,920
<i>of which Swerock/Asphalt</i>	6,443	7,092
<i>of which Construction system</i>	2,755	2,828
Operating cash flow, MSEK	1,951	2,324
Average number of employees	4,382	4,441





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 two units, Swerock/Asphalt and Construction system. Swerock/Asphalt runs product areas mineral aggregates, paving, concrete and transportation and machines and Construction system comprises prefab and rentals. Business area Industry contains a number of brands such as Swerock, Peab Asphalt, Lambertsson, Byggelement and Smidmek.

**Business 2025**

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 high volumes during the year in paving and mineral aggregates while the continued cautious housing market led to lower volumes in primarily concrete, prefab and crane rentals.

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. The ongoing transition to more electric vehicles and machines is also a vital part of Peab's contribution to sustainable construction.

**Continued high paving volumes**

Peab has a strong position in paving on the Nordic markets. Volumes continued to be high in 2025 although not on the same level as last year when the Finnish government approved extra appropriations for road maintenance and volumes dropped in Norway as a result of adjustments in parts of our operations due to low profitability. During the year we received several major contracts, among them three-year

federal contracts in Uppsala County, Dalarna, Bohus County and Dalsland. Among the orders received in Finland was a one-year federal contract in Northern Ostrobothnia and a four-year contract in Lahti. We started up a three-year paving contract at New Bodø Airport in Norway and on Zealand, Denmark we received a major paving commission where an expressway will be rebuilt into a four lane highway. The work will begin in April 2026 and comprises paving 105,000 tons of ECO-Asfalt on four bridges, road marking and milling the existing asphalt where new entrances and exits will be built.

A growing number of projects are using ECO-Asfalt which is available throughout the Nordic region. We also use a large amount of reclaimed asphalt pavement in our operations. Danish operations used the highest amount of reclaimed asphalt pavement at 34 (34) percent in 2025 with Sweden and Finland close behind.

**Mineral aggregates are an important resource for infrastructure**

The activity in paving operations and ongoing infrastructure projects results in a high demand also for mineral aggregates which are a vital resource for these operations. However, compared to last year volumes dropped somewhat, especially in Finland.

We work continually in mineral aggregates to ensure the supply of raw material. 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.

**ECO-Betong (ECO-Concrete) as standard concrete**

Peab through Swerock is one of Sweden's largest concrete suppliers and we are also active in Finland. As a result of the continued weak housing market concrete volumes continued to be low during the year.

Nonetheless, customers' demand for ECO-Betong, which has been on the market for six years, continues to grow. In ECO-

Betong, which is now standard in our Swedish construction and civil engineering operations, we replace part of the cement, which impacts the climate, with slag. This reduces carbon emissions substantially. Peab produces slag under the brand Merit and manufactured in 2025 more than 247,000 tons (202,000). 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 is good for both the environment and reliable deliveries.

**ECO 70 new prefab standard**

Construction system's climate-improved ECO-Prefab is now firmly rooted in the market. Peab's investment in the plants in Ucklum and Hallstahammar has automated the manufacture of concrete elements and reduced the need for cement. During the year we have therefore been able to take the next step in developing climate-improved prefab products by launching ECO 70. This means we can now replace 70 percent of the cement in our prefab products with alternative binders. Manufacturing is ongoing but to a limited extent to ensure continued high product quality and stable production flows in factories. We intend to progressively scale up production. Customer demand for climate-improved products is on the rise as climate requirements become more stringent in the construction industry.

**Rental operations in transition**

The degree of rentals in Peab's rental operations was at the same level as last year. We are working on transitioning our machinery fleet and increase the rental of electric machines as well as increase digital services for higher resource and energy efficiency. Electric machines and low energy construction barracks are part of Peab's offer of a construction site with less climate impact.

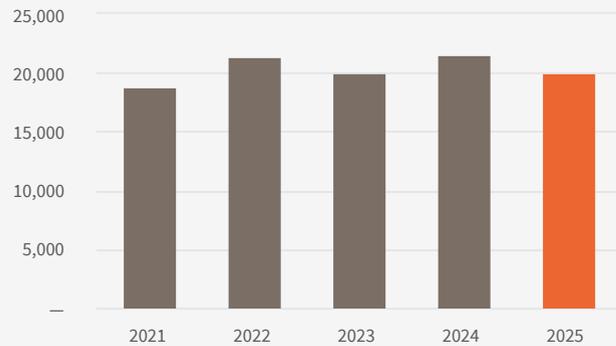
**More electric vehicles in transportation and machines**

Part of our climate responsibility is to reduce carbon emissions generated by our vehicles and machines. During the year we continued to invest in more electric vehicles in production, including a new electric crane and an all electric concrete pump, 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 for 2025 decreased by seven percent to SEK 20,037 million (21,548). Adjusted for divested operations and exchange rate effects, net sales decreased by six percent. The drop is mainly related to Swerock/Asphalt's paving operations in Finland, where volumes were higher last year due to a positive effect from the Finnish government's extra appropriations. Volumes were also lower in Norwegian paving operations during the year because of an overhaul due to low earnings for some time. In addition, there has been less activity in Construction system as a result of the weak market for new housing production, which has affected both prefab and rentals.

Net sales, MSEK



### Profit and capital

Operating profit during the year increased and amounted to SEK 1,485 million (1,415) and the operating margin improved to 7.4 percent (6.6). The operating margin in the unit Swerock/Asphalt improved to 8.6 percent (6.9) with higher earnings in several of the operations. The operating margin for the unit Construction system contracted to 1.2 percent (4.6), due to a continued weak market for new housing production.

Capital employed at the end of the year decreased and was SEK 9,198 million compared to SEK 9,920 million at the end of last year. The decrease is mainly 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 the year was slightly lower and amounted to SEK 13,246 million (13,763). The decline in orders received is related to the unit Swerock/Asphalt where volumes have been lower in Finnish and Norwegian paving operations in 2025. The level of orders received increased in Construction system during the year. Order backlog on December 31, 2025 amounted to SEK 5,390 million (4,282).

Orders received and order backlog, MSEK



Per product area, 2025



- Paving 51% (53)
- Concrete 11% (10)
- Mineral Aggregates 14% (14)
- Transportation and Machines 7% (6)
- Rentals 11% (10)
- Prefab 6% (7)

Per geographic market, 2025



- Sweden 60% (58)
- Norway 6% (7)
- Finland 27% (29)
- Denmark 7% (6)

Share of net sales, 2025



- External sales 82% (82)
- Internal sales 18% (18)

### Volumes Swerock/Asphalt

	2025	2024
Concrete, thousands tons m <sup>3</sup> <sup>1)</sup>	902	916
Paving, thousands tons <sup>1)</sup>	6,159	6,671
Mineral aggregates, thousands tons <sup>1)</sup>	25,363	27,830

<sup>1)</sup> Refers to sold volume

BUSINESS AREA PROJECT DEVELOPMENT 2025

# Stabilized housing market

Business area Project Development, which comprises Housing Development and Property Development, creates sustainable and vibrant urban environments with residential, commercial and public properties.

Key ratios

	2025	2024
Net sales, MSEK	4,345	4,270
<i>of which Property Development</i>	166	686
<i>of which Housing Development</i>	4,179	3,584
Operating profit, MSEK	238	728
<i>of which Property Development</i>	228	823
<i>of which Housing Development</i>	10	-95
Operating margin, %	5.5	17.0
<i>of which Property Development</i>	137.3	120.0
<i>of which Housing Development</i>	0.2	-2.7
Capital employed at the end of the period, MSEK	18,220	19,767
Orders received, MSEK	2,865	2,213
Order backlog, MSEK	1,702	1,536
Operating cash flow, MSEK	552	423
Average number of employees	126	155



The business area 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. Our new, own developed apartment buildings are certified in Sweden 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 works 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 districts in collaboration with municipalities and other partners. The business is primarily focused on metropolitan areas throughout the Nordic region.

**Net sales and profit**

Net sales in Project Development during 2025 were SEK 4,345 million (4,270). Operating profit amounted to SEK 238 million (728) and the operating margin was 5.5 percent (17.0).

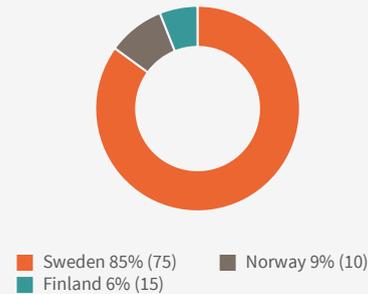
Capital employed in Project Development at the end of the year amounted to SEK 18,220 million (19,767).

**Capital employed**

MSEK	Dec 31 2025	Dec 31 2024
Operations property	31	34
Investment property	35	36
Project and development property	16,477	17,017
<i>of which housing development rights</i>	8,689	9,344
<i>of which commercial development rights</i>	1,575	1,671
<i>of which ongoing housing projects</i>	3,114	2,740
<i>of which ongoing commercial projects</i>	454	115
<i>of which completed and repurchased homes</i>	1,348	1,895
<i>of which completed commercial property</i>	1,297	1,252
Participation in joint ventures	1,613	2,880
Loans to joint ventures	492	484
Working capital and other	-428	-684
<b>Total</b>	<b>18,220</b>	<b>19,767</b>
<i>of which Property Development</i>	4,585	6,165
<i>of which Housing Development</i>	13,635	13,602

**Net sales**

Per geographic market



## Housing Development

Peab offers a broad range of housing forms including apartment buildings with tenant-owner apartments, condominiums and apartments for rent.

The demand for housing has been weak throughout the Nordic region in recent years but during 2025 the market for new production of housing has stabilized. Lower interest rates, proposed relaxation of home loan regulations and price stabilization on the second hand market helps. However, supply on the second hand market continues to be high and consumers are cautious, which means the situation varies in different markets. Markets in metropolises and good micro locations are better than in other geographies which continue to be weak. We see similar development in Sweden, Norway and Finland.

The housing market seems to have established itself on a new level, which means that in recent years considerably fewer homes have been production-started than we have been used to. We adapt and we are where the market is. At the same time, we see that the trend of higher sales as the project approaches completion continues. Since the beginning of the year we have therefore been working with the strategy – given our financial targets – of increasing production of our own housing developments on our own balance sheet to later convert them into tenant-owner apartments.

Sales levels of our own developed homes to consumers and investors have been low in our countries, although we sold at a steady pace. The number of production starts in housing grew slightly in 2025 even though the level is much lower compared to a few years ago.

In Sweden we started production of, for example, the housing project Gyllins Park 1 in Malmö comprising 22 apartments. The property will be certified according to the Swan ecolabel and constructed with material solutions that have a lower climate impact. During construction we are using green machines and electricity and ensure

transportation to and within the construction site is 100 percent fossil free.

Several of the production starts during the year were in metropolis regions where we have ongoing urban development projects. This demonstrates that it is possible to start tenant-owner housing projects in the right locations.

In Malmö we continue to develop Varvstaden where Peab is sole owner since the end of 2024 of properties and development rights after acquiring them from the partly owned company Fastighets AB Centur. 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. The housing project Brf Västra Vakten that comprises 96 apartments was completed in 2025. The buildings will be certified according to the Swan ecolabel and were constructed with ECO-Betong (ECO-Concrete), reuse, solar panels and sedum roofs.

Peab has been developing homes on Kvarnholmen in Nacka since 2013. In 2024 we acquired Folksam's shares in Sicklaön Bygginvest AB. The acquisition included more than 270 zoned development rights on 26,000 m<sup>2</sup> 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 m<sup>2</sup> housing development rights and half of them will belong to Peab. In the beginning of 2025 we production started 105 new homes in the project Kvarnholmshöjden. The buildings will be certified according to the Swan ecolabel and are being built with ECO-Betong (ECO-Concrete), solar panels and sedum roofs.

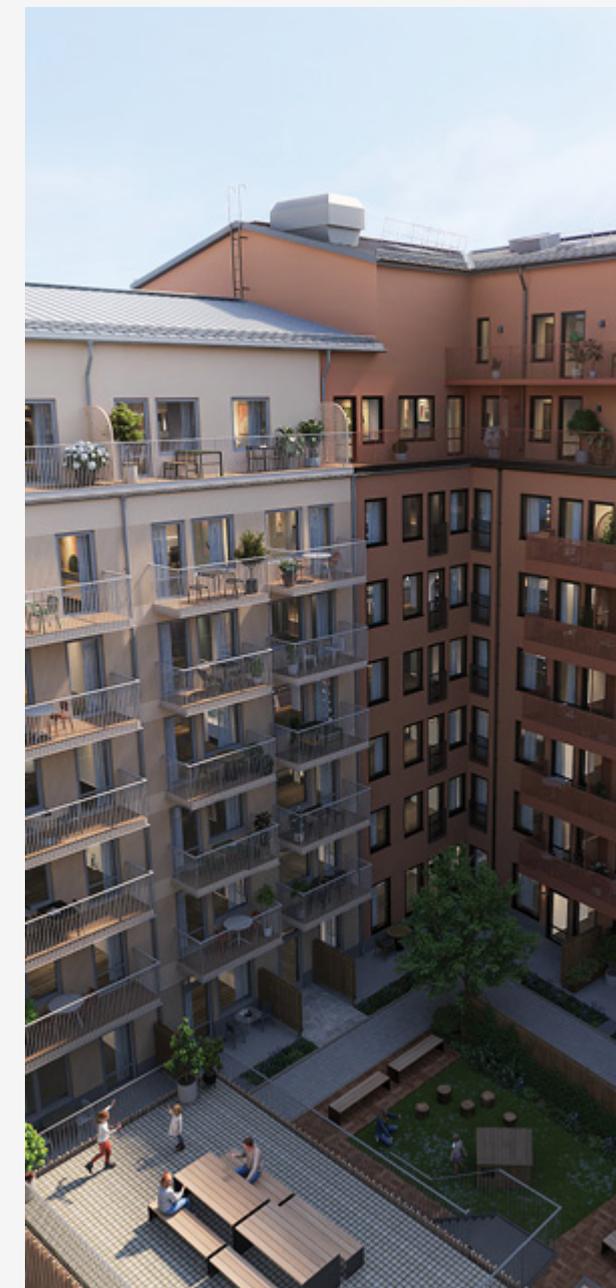
Another urban development project is underway in Solna where Peab has built several housing projects in recent years. We started the project Mittfältaren, which comprises

141 apartments, in 2025. The building will be certified according to the Swan ecolabel and are being built with ECO-Betong and solar panels. The project is expected to be completed in December 2027.

There is a considerable need for nursing and retirement homes and Peab participates in developing several such housing forms. For instance, during 2025 we started the project Villa Primus on Lilla Essingen in Stockholm with 160 housing units for seniors and one sheltered accommodation with six beds. Peab, together with Heba, is developing the nursing home and sheltered accommodation in the newly formed joint venture Villa Primus AB. Heba will acquire the nursing home and sheltered accommodation when the project is completed in 2028. The project is an important contribution to Stockholm's growing need for modern and safe housing for the elderly. Both the nursing home and the sheltered accommodation are fully leased on 20 year leases. Villa Primus will be certified according to Miljöbyggnad Silver 4.0 and achieve energy class B or better. The building will be constructed with climate-improved concrete and the roof will be equipped with sedum and solar panels to further reduce its energy and climate footprint.

In 2025 we production started the housing project Vanamo in Finnish Tampere that comprises 95 apartments. The project will be built according to the EU Taxonomy Regulation for sustainability, it will have an energy class A rating and be certified according to BREEAM-In-Use. The project is expected to completed in January 2027.

During the year Peab signed a contract for the sale of a rental apartment project in Vellinge in Skåne to the Folksam Group. The housing project Vallmovallen is located in central Vellinge where Peab has been active in its development since 2022. The project comprises 102 apartments of varying sizes and commercial space totaling over 6,000 m<sup>2</sup>. The buildings will be certified according to Miljöbyggnad Silver. The rental apartments are expected to be completed and transferred at the turn of the year 2027/2028.



### Net sales and profit

Net sales increased by 17 percent and amounted to SEK 4,179 million (3,584) in 2025. Operating profit was SEK 10 million (-95) and the operating margin was 0.2 percent (-2.7).

As of 2025 our own housing development projects are divided into three categories: **Tenant-owner apartments/condominiums** where net sales and profit in segment reporting are successively reported as the projects are completed. Orders received and order backlog are also reported for this type of property. **Rental apartments**, which are built on our own balance sheet and where net sales and profit are reported at one point in time when Peab sells the property to an external party. **Homes on our own balance sheet** are projects that are production-started and built on our own balance sheet and can then be converted into tenant-owner apartments/condominiums or sold as rental apartments. Net sales and profit are reported first when the housing project is reclassified either as tenant-owner apartments/condominiums and then successively reported as the project is completed, or sold and transferred as rental apartments.

Production started on a total of 1,161 (470) own developed homes during the year. Of these 733 (657) were tenant-owner apartments/condominiums, of which 414 (209) were converted from homes on our own balance sheet. Two of the new housing

developments are located in Stockholm, one on Kvarnholmen in Nacka and one in Råsunda in Solna. This demonstrates that it is possible to start tenant-owner housing projects with pre-sales in unique locations. Production started on 292 (-) rental apartments. Production started on net 136 (-187) homes as new housing developments on our own balance sheet.

The total number of homes sold during the year was 1,248 (1,031), of which 575 (710) were tenant-owner apartments/condominiums, 568 (298) were rental apartments and 105 (23) were homes on our own balance sheet under production.

The total number of homes in production at the end of the year was 2,006 (1,572), of which 1,225 (1,056) were tenant-owner apartments/condominiums, 209 (80) were homes in rental apartment projects and 572 (436) were homes on our own balance sheet. The sales rate for the total number of homes in production at the end of the year was 37 percent, which was the same as at the end of 2024. The sales rate for tenant-owner apartments/condominiums was 44 percent (45).

The total number of completed and repurchased homes was 370 (572), of which 364 (266) were tenant-owner apartments/condominiums and 6 (306) were rental apartments.

Capital employed amounted to SEK 13,635 million (13,602) at the end of the year.

### Own housing development construction

#### Number of production-started homes

Number	Jan-Dec 2025	Jan-Dec 2024
Tenant-owner apartments/condominiums	733	657
– of which converted from homes on our own balance sheet	414	209
Rentals	292	
Homes on our own balance sheet	136	-187
– of which converted to tenant-owner apartments/condominiums	-414	-209
<b>Total number of homes</b>	<b>1,161</b>	<b>470</b>

#### Number of sold homes

Number	Jan-Dec 2025	Jan-Dec 2024
Tenant-owner apartments/condominiums	575	710
Rentals	568	298
Homes on our own balance sheet	105	23
<b>Total number of homes</b>	<b>1,248</b>	<b>1,031</b>

#### Number of homes in ongoing production

Number	Dec 31 2025	Dec 31 2024
Tenant-owner apartments/condominiums	1,225	1,056
– of which sold share, %	44	45
Rentals	209	80
– of which sold share, %	89	100
Homes on our own balance sheet	572	436
– of which sold share, %	3	4
<b>Total number of homes</b>	<b>2,006</b>	<b>1,572</b>
<b>– of which sold share, %</b>	<b>37</b>	<b>37</b>

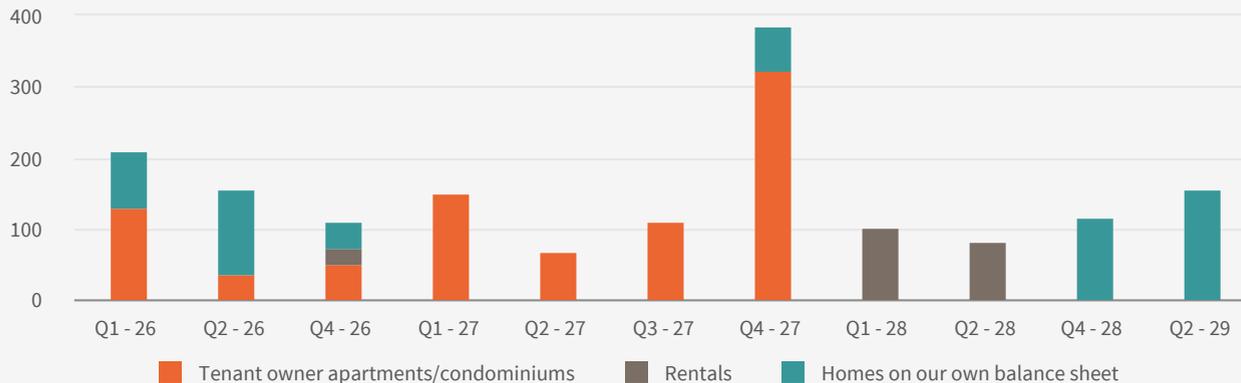
#### Number of completed and repurchased homes

Number	Dec 31 2025	Dec 31 2024
Tenant-owner apartments/condominiums	364	266
Rentals	6	306
<b>Total number of homes</b>	<b>370</b>	<b>572</b>

#### Housing development rights

Number, approx.	Dec 31 2025	Dec 31 2024
Development rights on our own balance sheet	22,900	24,000
Development rights via joint ventures	4,900	3,700
Development rights via options etc.	5,200	7,400
<b>Total</b>	<b>33,000</b>	<b>35,100</b>

Time point for completion of ongoing own housing development projects, number of homes



## 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 community buildings independent of whether the investor is public or private.

The rental market for office buildings in Nordic metropolitan regions has continued to be cautious due to uncertainty on many markets. 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 m<sup>2</sup> and during the year leases have been signed and some companies have moved in.

Peab and Fastighets AB Balder have jointly owned Fastighets AB Centur for a number of years. In November 2024 the assets of the joint venture were divided up and Peab and Balder acquired most of the property. Peab acquired four investment properties in Varvstaden in Malmö and about 280,000 m<sup>2</sup> of investment property with planned development rights. Also included was 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 the Kirseberg-Östervärn area in Malmö where a zoning plan process is underway intended to enable development of around 55,000 m<sup>2</sup> development rights for both residential and office space in the area. As noted in the section Housing Development, Peab will be operating in Varvstaden for many years to come.

During the year Peab received two commissions from Skiab which is a joint venture owned by SkiStar and Peab that owns and develops property in the Scandinavian mountains. In Lindvallen, Sälen Peab is building 100 apartments for rent. The homes will be certified according to Miljöbyggnad Silver in a two-story building with a wooden facade in a new area

that is being developed next to the commercial area in Lindvallen. In Trysil we are building the new vacation home complex Trysil Suites, which will consist of 37 vacation apartments.

### Net sales and profit

Net sales for 2025 were SEK 166 million (686) and operating profit was SEK 228 million (823). Capital gains from divestments of properties and sale of shares in joint ventures amounted in total to SEK 117 million (440). The comparable period included capital gains of SEK 220 million from the sale of shares in the joint venture Tornet Bostadsproduktion. Profit contributions from joint ventures amounted to SEK 163 million (441). During the fourth quarter 2024 assets in the joint venture Fastighets AB Centur were divided up where both Peab and the other owner, Fastighets AB Balder, acquired the majority of the property portfolio. The transactions had a positive effect on operating profit in Property Development of SEK 367 million which was recognized in profit from joint ventures.

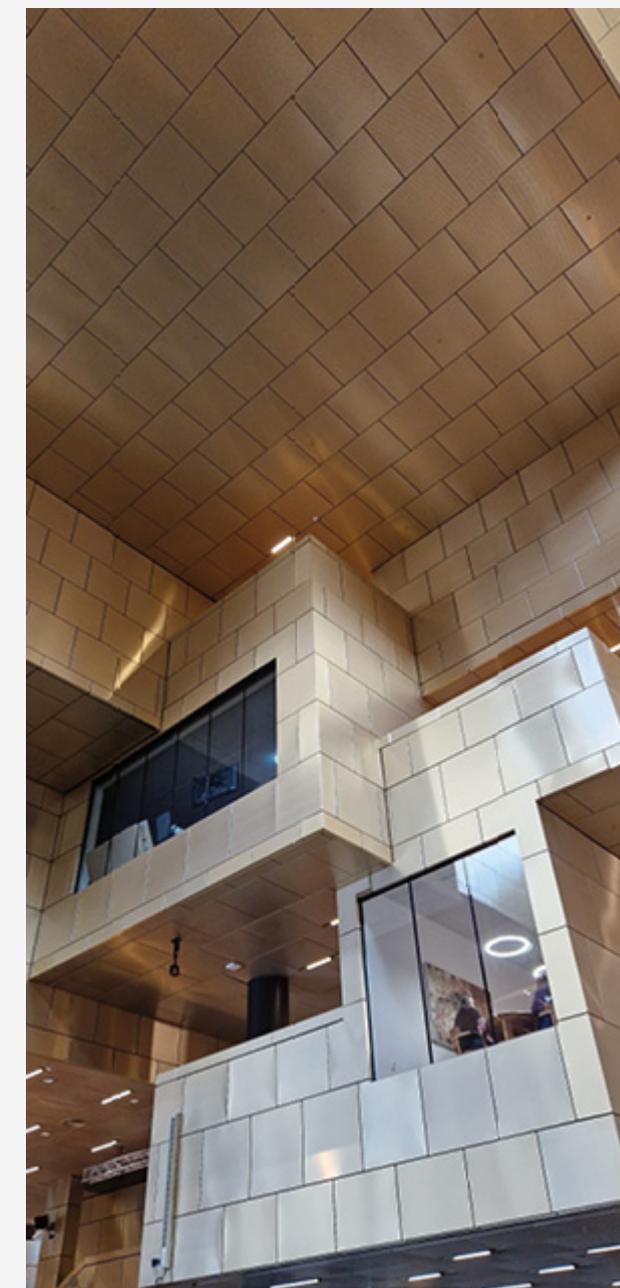
Capital employed at year-end amounted to SEK 4,585 million (6,165). Capital employed consists of shares in joint ventures, loans to joint ventures and ongoing and completed property projects. At the beginning of the year, Fastighets AB Centur distributed a dividend of SEK 1,100 million which was offset against an interest-bearing liability generated in connection with the acquisition of properties from Fastighets AB Centur in the fourth quarter 2024.

The table below presents major property projects per December 31, 2025.

### 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	8,300	43	300	592*	Q3-2027	51
Retail	Malmö	8,600	100	99	164	Q4-2026	60
Preschool	Uppland Väsby	1,200	100	30	67	Q4-2026	45
<b>Completed</b>							
Office building	Gothenburg	12,900	69	563			
Apartment hotel	Malmö	4,200	100	135			
Office building	Malmö	2,500	100	138			
Office building	Malmö	3,600	100	127			
Office building	Malmö	4,900	100	255			
<b>Total</b>							

\* The amount includes approximately 17,000 m<sup>2</sup> of parking space





## Significant joint ventures

Peab's significant joint ventures 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 from lending. Changes in market values that affect book values in the joint ventures are not included in Peab's accounts.

### 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, 2025:** SEK 1,791 million (1,840)

**Major ongoing projects:** No major ongoing projects

### Point Hyllie Holding AB

Own and manage the office property The Point as well as 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, 2025:** SEK 1,308 million (1,344)

**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:** Skandinavian mountains

**Recognized value on properties December 31, 2025 <sup>1)</sup>:** SEK 2,341 million (2,157)

**Peab's portion of unrecognized fair value exclusive tax <sup>1)</sup>:** SEK 93 million (59)

**Major ongoing projects:** 37 condominiums, Trysil Suites in Trysil, 100 apartments, Wasakölen in Lindvallen, Sälen

<sup>1)</sup>Valued at market price in joint ventures. Market prices on properties that affect the recognized values in the joint ventures are not included in Peab's accounts.

### Key ratios 2025 significant joint ventures<sup>1)</sup>

MSEK	Fastighets AB ML4	Point Hyllie Holding AB	Skiab Invest AB
Net sales	169	117	123
Profit for the year	32	9	67
Total assets	2,133	1,347	2,439
– of which recognized value of properties	1,791	1,308	2,341
Peab's portion of unrecognized fair value exclusive tax			93

<sup>1)</sup> Refers to the recognized value of the joint venture company for January – December 2025 and per December 31, 2025. Since 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.

# Corporate Governance Report 2025

Peab AB, a Swedish public limited liability company, listed on Nasdaq Stockholm OMX, Large Cap, hereby presents its Corporate Governance Report for 2025. With headquarters in Förslöv in Båstad Municipality and operations in Sweden, Norway, Finland, and Denmark, Peab is a leading Nordic construction and civil engineering company. This Corporate Governance Report, issued by the Board of Directors in Peab AB, describes how the company has been governed in a responsible and effective manner during the financial year 2025. This report is submitted according to the Annual Accounts Act and the Swedish Code of Corporate Governance.

Peab has no deviations from the Swedish Code of Corporate Governance to report for 2025. Nor have there been any breaches of applicable stock exchange rules or violations of good practice in the securities market pursuant to Nasdaq Stockholm's Rule Book for Issuers or disciplinary matters brought before the Disciplinary Committee.

The Corporate Governance Report forms part of the Board of Directors' Report and has been reviewed by Peab's auditor in accordance with RevR 16, as stated on page 218.

## Principles for corporate governance

As a Swedish public limited company with securities listed on Nasdaq Stockholm, Peab is subject to a number of rules and regulations.

The external framework for corporate governance includes, amongst other things:

- the Swedish Companies Act
- the Annual Accounts Act
- Nasdaq Stockholm's Market Rulebook for Issuers
- the Code of Conduct

Peab's governance is also based on an internal framework that includes the Articles of Association, adopted by the Annual General Meeting. Within this framework, the Board of Directors, the President, and executive management adopt codes, policies, guidelines, and instructions that define responsibilities and authorities within the Group and support effective supervision and control. This framework reflects Peab's commitment to acting sustainably and responsibly, thereby maintaining and strengthening the confidence of decision-makers, customers, employees and both existing and potential investors. The framework includes:

Internal governance documents:

- Peab's Articles of Association
- Rules of Procedure for the Board of Peab AB, including instructions for the CEO
- Code of Conduct
- Instructions for executive management's forums
- Policies such as those for the work environment, finance, communication, information security, quality, internal governance and control, the environment, and related party transactions
- Internal regulations and guidelines, for example, guidelines on data protection, competition law, anti-corruption, equal opportunity, due diligence and whistleblowing

The above is only a selection of the governance documentation applicable within the Peab Group. All policies and guidelines are readily available on Peab's intranet and are updated on a regular basis.

## From the Chairman of the Board



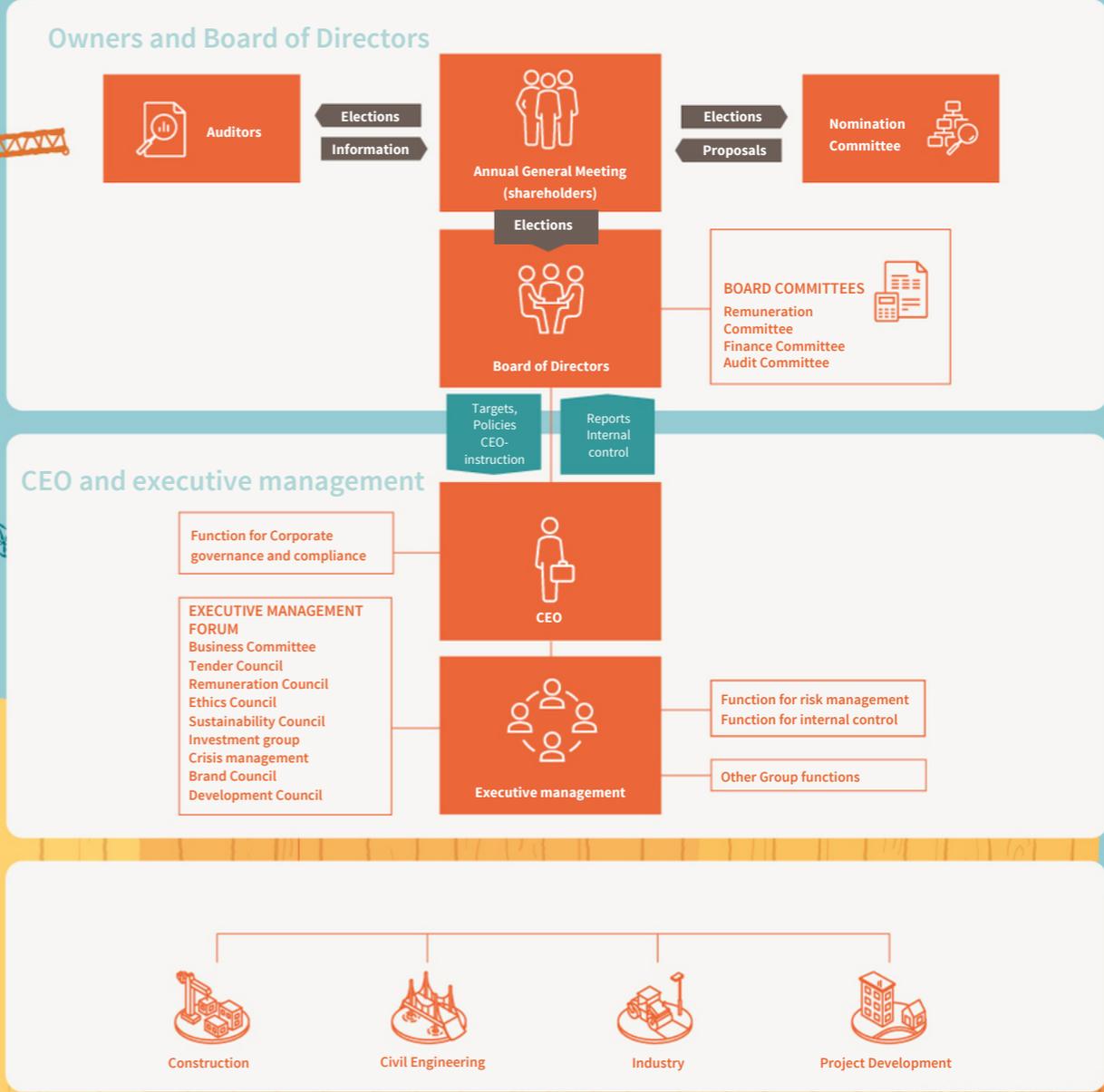
**“Good corporate governance is fundamental to Peab’s ability to operate responsibly and create long-term value. During the year, we have further strengthened our governance processes to enhance clarity, confidence and effectiveness across the Group.**

**Built on structure and transparency, our approach combines sound business acumen with responsible corporate conduct in a manner that is proportionate and sustainable over time.”**

Anders Runevad,  
Chairman of the Board

# Structure for corporate governance

Presented below is Peab's corporate governance structure, from the shareholders to business area management, together with a description of the governance hierarchy, including Peab's committees and executive management's forums.



### Shareholders in Peab

Shareholder influence forms the foundation of Peab's governance structure and directly shapes affecting leadership and decision-making processes.

As of -December 31, 2025 Ekhaga Utveckling AB was the largest shareholder, holding 23.0 percent of the capital and 48.7 percent of the voting rights. Mats and Fredrik Paulsson with families followed, with holdings representing 5.7 percent of the capital and 11.3 percent of the voting rights.

→ [Read more about shareholders and holdings on page 216 in the section The Peab Share.](#)

### General meeting of shareholders

The General Meeting of Shareholders is Peab's highest decision-making body, where shareholders exercise their decision-making rights. At the General Meeting, shareholders resolve on matters such as dividend distribution, changes relating to the members of the Board of Directors, and amendments to the Articles of Association. Each shareholder is entitled to exercise their voting rights, either in person or through a representative, in proportion to the number of shares held. The General Meeting is held within six months after the end of the financial year, and the annual General Meeting is referred to as the Annual General Meeting (AGM).

### Annual General Meeting 2025

Peab's AGM was held on May 6, 2024, in Grevie, Båstad Municipality. Shareholders could participate in the AGM either in person, by proxy, or through postal voting, in accordance with Peab's Articles of Association. Each shareholder entitled to vote was able to exercise voting rights for the full number of shares owned or represented. A shares entitle the holder to 10 votes and B shares to one vote. In addition to the statutory requirements regarding shareholders' participation rights, Peab's Articles of Association require advanced notice of registration within the timeframe specified in the notice to attend, including information on any accompanying assistants. A total of 596,331,359 votes were represented at the AGM, corresponding to 76.7 percent of the total number of votes in Peab. Of the 441 registered shareholders, 412 participated - 120 in person and 290 by proxy. Two shareholders participated through postal voting.

At the AGM 2025, the following resolutions were adopted:

- Seven members of the Board were re-elected. Karl-Axel Granlund declined re-election and resigned from his position in connection with the AGM.
- The AGM approved remuneration to the Board and its committees in accordance with the Nomination Committee's proposal.
- The income statement and balance sheets for the financial year 2024 were approved. The AGM resolved that the dividend for the 2024 financial year would be distributed on two occasions: SEK 1.50 per share with Thursday, May 8, 2025, as the record date, and SEK 1.25 per share with Tuesday, October 28, 2025, as the record date.
- The members of the Board and executive management were discharged from liability for the 2024 financial year.
- Ernst & Young AB was elected as the company's auditor, with Jonas Svensson appointed as the principal auditor.
- An adjusted Remuneration Policy was adopted to strengthen the alignment between executive remuneration, the company's long-term financial performance, and its sustainability objectives.
- The AGM approved the remuneration report for the financial year, detailing the application of the Remuneration Policy and the compensation awarded to senior executives.
- The Board of Directors was authorized, for the period until the next AGM, to resolve on the issuance of new B shares as well as the acquisition and transfer of treasury shares. The purpose of the authorization is to enable adjustments to the company's capital structure or to finance future acquisitions. It was emphasized that the authorization to acquire treasury shares may not be used for the purpose of supporting the share price.
- The Performance Share Program 2025, offered to senior officers and key personnel in the Group, was approved. The purpose of the program is to promote long-term value creation within the company. The AGM also approved the transfer of previously repurchased shares to participants in the program as part of the company's remuneration framework.

### Voting at the AGM

All proposals submitted by the Board of Directors were approved by the AGM with the required majorities, including those resolutions requiring a qualified majority of nine-tenths (9/10). There were a limited number of deviating votes, amounting to no more than 0.88 percent of the total votes. All deviating votes were submitted through postal voting, while the majority of postal votes supported the Board of Directors' proposals.

→ [For further details and resolutions from the AGM, please refer to the official minutes from Peab AB's AGM 2025, available at \[peab.se\]\(https://www.peab.se\)](#)

### The Nomination Committee

The work of the Nomination Committee is governed by the steering document "Principles for the appointment and instruction for the Nomination Committee in Peab AB (publ)," which sets out the committee's responsibilities, working procedures, and the criteria to be applied when evaluating and proposing candidates.

The Nomination Committee is primarily responsible for preparing proposals regarding members of the Board of Directors, as well as remuneration to the Board and its committees. The Nomination Committee also prepares proposals for the election of auditors and remuneration to the auditors, and proposes the Chairman of the Annual General Meeting. In carrying out its work, the Nomination Committee must ensure a balanced composition of the Board of Directors in accordance with Peab's Diversity Policy.

The Nomination Committee is also tasked with promoting transparency and sound corporate governance practices within Peab. The Committee's statement of rationale for its proposed Board nominations, including a report on its work, is presented at the AGM, which also decides on the Committee's proposal.

### The Nomination Committee's work for the AGM 2026

The Nomination Committee consists of four members including, the Chairman of the Board. The remaining three members represent the three largest shareholders in order of ownership and interest in appointing a representative.

Shareholder information is based on Euroclear Sweden AB's shareholder register as of the final banking day in June each year. The Nomination Committee of Peab AB has been constituted in accordance with the principles for appointment adopted by the Annual General Meeting. For the AGM 2025, the Nomination Committee is based on the largest shareholders of the company as per the final banking day in June 2025 that wished to appoint a representative. Cicero Fonder is the newly represented shareholder in this year's Nomination Committee. At its constituent meeting, the Nomination Committee appointed Anders Sundström as Chairman. Ulf Liljedahl, appointed by AB Axel Granlund, stepped down from the Nomination Committee in advance of the AGM 2026. The shareholders that have appointed members to the Nomination Committee together represent approximately 49 percent of the total number of votes in Peab AB. Members of the Nomination Committee do not receive any remuneration.

The overview below presents the composition of the Nomination Committee following its constituent meeting ahead of the AGM 2026.

Member	Appointed by	
Anders Sundström	Ekhaga Utveckling AB	48.7 %
Suzanne Sandler	Handelsbanken Fonder	0.7 %
Christer Sterndahlen	Cicero Fonder	0.6 %
Anders Runevad, Chairman of the Board of Peab AB		

### Process for Board of Directors nominations

In preparing proposals for the Board of Directors, the Nomination Committee establishes specific criteria for Board members, based on expertise, experience, and background. The process of identifying candidates includes evaluating both current Board members and potential new candidates. The qualifications and backgrounds of candidates are reviewed through procedures such as interviews and reference checks. Once the evaluation is complete, the Nomination Committee presents its proposals for Board member nominations. At the Annual General Meeting, shareholders elect the members of the Board of Directors and the Chairman of the Board.

**Fulfillment of Diversity Policy**

The aim of Peab’s Diversity Policy is to ensure a Board of Directors with broad diversity in terms of experience, expertise, and background. The policy is aligned with point 4.1 of the Swedish Code of Corporate Governance. As part of the policy, a quantitative target has been set whereby each gender must represent at least 40 percent of the Board of Directors. In preparing its nominations to the Annual General Meeting, the Nomination Committee performs a thorough review of potential candidates to ensure that they meet the established requirements regarding diversity and breadth. Half of the members of the current Board of Directors are female and half are male. The Nomination Committee has therefore fulfilled its mandate to propose a Board of Directors that meets the requirements of the Diversity Policy.

“The Board of Directors should have a composition appropriate to 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

**Board of Directors <sup>1)</sup>**

Peab’s Board of Directors bears the ultimate responsibility for the company’s operations and plays a central role in the governance of the company.

According to Peab’s Articles of Association, the Board shall consist of no fewer than five and no more than nine members, in addition to the statutory employee representative requirement. The members of the Board of Directors are elected annually by the Annual General Meeting.

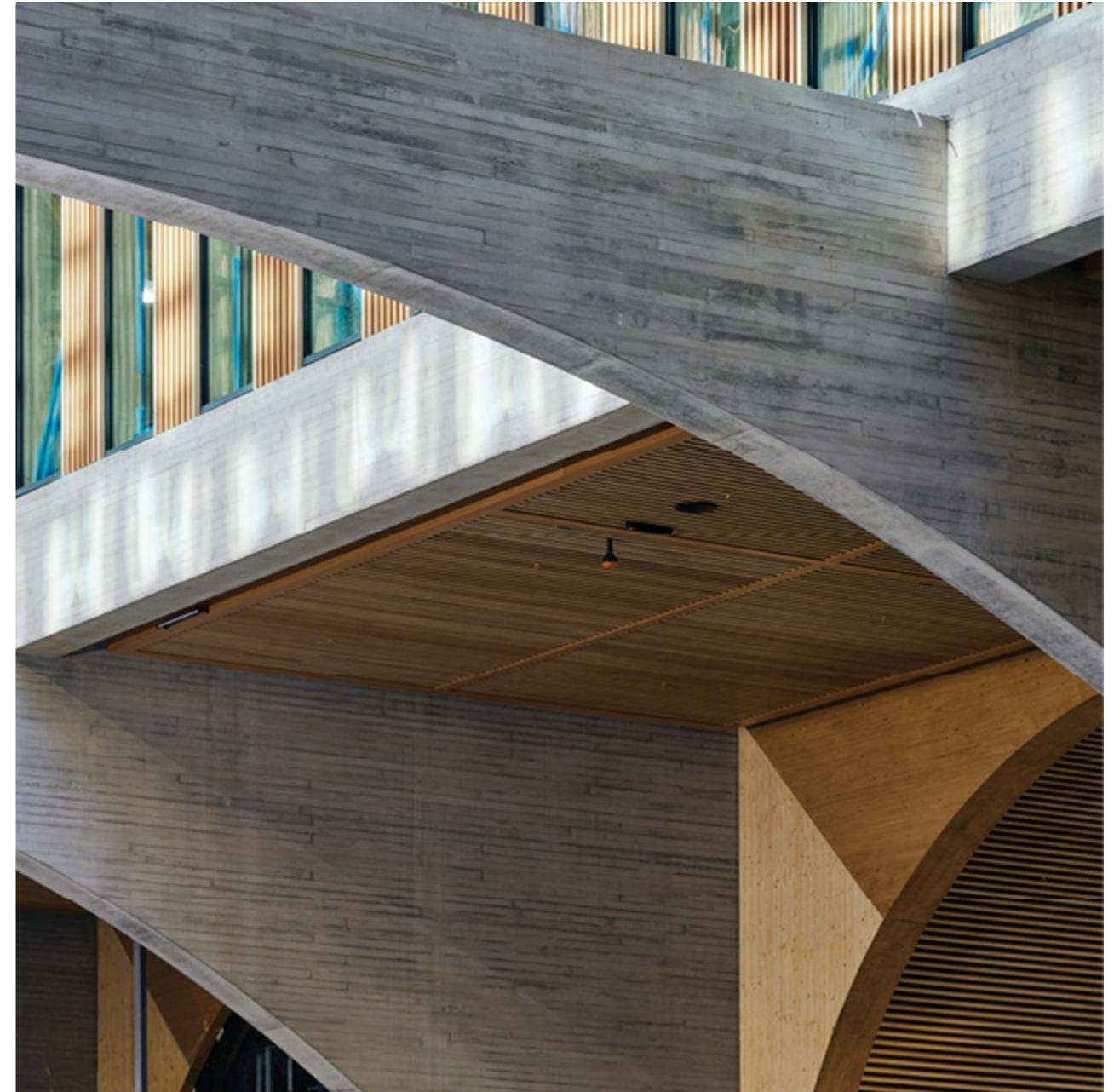
The AGM 2025 resolved that the Board of Directors would consist of seven members, compared with eight in previous years. Karl-Axel Granlund declined re-election, and the Nomination Committee chose not to nominate a new Board member. The following individuals were re-elected as members of the Board:

- Magdalena Gerger
- Liselott Kilaas
- Kerstin Lindell
- Fredrik Paulsson
- Malin Persson
- Anders Runevad
- Lars Sköld

Anders Runevad was appointed Chairman of the Board by the Annual General Meeting. In 2025 10 Board meetings were held, of which six were ordinary meetings (including the constituent meeting) and two were additional board meetings conducted per capsulam. Members of executive management provided reports at the Board meetings. The principal company auditor attended two ordinary Board meetings. Each Board meeting included an agenda item allowing the Board of Directors 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 on the Board and, where applicable, for service on Board committees, in accordance with the resolution of the Annual General Meeting. Further information regarding Remuneration to the Board of Directors is presented in not 9 of the Annual Report.

The following employee representatives were appointed by the employee unions at the 2025 Annual General Meeting: Maria Doberck, Patrik Svensson, and Kim Thomsen (members), Peter Johansson and Cecilia Krusing (deputies).



<sup>1)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-1, GOV-2.

**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). Therein it is established that the Board of Directors' primary responsibility is to manage Peab's operations to ensure a long-term good yield for its owners. This entails adopting overarching targets and strategies, evaluating the CEO, adopting governing documents and ensuring efficient control systems for the business and its risks. As part of this work the Board of Directors takes into consideration the principles for sustainable development and the company's responsibility to society, including matters regarding the environment, social responsibility, and business conduct.<sup>1)</sup>

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, 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.

Significant initiatives dealt with during the year include:

- Ongoing analysis of signals regarding markets and economies
- In-depth strategy discussions about industry and market trends, prioritizations and capital allocation aimed at strengthening competitiveness and resilience over time
- Monitoring AI strategy, cyber and information security
- Oversight of financial and sustainability related risks, including the double materiality assessment
- Further development of the framework for financial and sustainability related risks, including the double materiality assessment and prioritization of risk reducing measures
- Climate Road Map, to achieve climate neutrality 2045
- Acquisitions/divestitures/establishments

**Board members experience in areas relevant to Peab's products and services <sup>2)</sup>**

Board members have a broad competence profile, including expertise in risk management, corporate governance, business strategy, and sustainability. In addition to their own initiatives, Board members receive regular updates on current matters related to Peab's operations.

During 2025, the Board received training in, among other areas, ethics, anti-corruption, and competition law.

Below is a summary of the experience in areas of particular importance for Peab among Board members elected by the shareholders, including competence in business conduct.

Very good ● Good ● Some ●

**Experience of:**

Construction sector	●●●●●●●●
Strategic work	●●●●●●●●
Economic/financial matters	●●●●●●●●
CEO/executive management positions	●●●●●●●●
Cyber security	●●●●●●●●

**Expertise and competence in:**

Sustainability matters	●●●●●●●●
Ethical matters*	●●●●●●●●

\*For example anti-corruption, whistleblowing, theft, violation cases, competition law and other ethical matters.

<sup>1)</sup>Incorporated into the Sustainability Statement, ESRS 2, GOV-1, GOV-2

<sup>2)</sup>Incorporated into the Sustainability Statement, ESRS 2, GOV-1.

<sup>3)</sup>Incorporated into the Sustainability Statement, ESRS2, GOV-1.

Board gender diversity ratio (AGM elected)



● Independent (7 persons)  
● Not independent (1 person)

Percentage of independent Board members (AGM elected) <sup>3)</sup>



● Women (4 persons)  
● Men (4 persons)

# Board of Directors <sup>1)</sup>

## Elected by the Annual General Meeting



### Anders Runevad

Chairman of the Board

Born: 1960  
Elected: 2020  
Nationality: Swedish  
Education: Master of Science in Engineering

#### Current assignments:

- Chairman of the board Vestas Wind Systems A/S
- Board member Ekhaga Utveckling AB
- Board member Schneider Electric SE
- Chairman of the board The National Golf & Resort AB
- Board member Copenhagen Infra- structure Partners (CIP)

#### Selection of work experience and other information

- Board member Nilfisk A/S
- CEO Vestas Wind Systems A/S
- CEO Ericsson Group (Region West & Central Europe)

#### Independent

- Independent of Peab and management: Yes
- Independent of major shareholders: No

#### Shareholding in Peab:

27,300 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.

#### Current assignments:

- Board member Inwido AB (publ)
- Board member Indutrade AB (publ)
- Board member Hexpol AB (publ)
- Chairman of the board Bona AB
- Chairman of the board Chamber of Commerce and Industry of Southern Sweden
- Board member Nord-Lock International AB
- Board member IPCO AB

#### Selection of work experience and other information

- President and CEO Bona AB
- R&D Director Akzo Nobel Industrial Wood Coatings

#### Independent

- Independent of Peab and management: Yes
- Independent of major shareholders: Yes

#### Shareholding in Peab:

5,000 B shares



### Fredrik Paulsson

Board member

Born: 1972  
Elected: 2009  
Nationality: Swedish

#### Current assignments:

- Board member SkiStar AB (publ)
- Chairman of the board Bjäre Invest AB
- Board member and CEO Kranpunkten i Båstad AB
- Board member and CEO Ekhaga Utveckling AB
- Member Mats Paulsson's Foundation
- Member Stefan Paulsson's Cancerfond Foundation
- Member Mats Paulsson's Foundation for Research, Innovation and Community Building

#### Selection of work experience and other information

- Board member IKEA Foundation
- Board member IMAS Foundation
- Board member Ingka Foundation
- Board member Peab Industri AB (publ)

#### Independent

- Independent of Peab and management: No
- Independent of major shareholders: No

#### 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

#### Current assignments:

- Board member Getinge AB (publ)
- Board member Hexpol AB (publ)
- Board member Absolent Air Care Group AB
- CEO Accuracy AB

#### Selection of work experience and other information

- CEO Chalmers University of Technology Foundation
- CEO Volvo Technology AB
- Head of Strategy and Business Development AB Volvo
- Board member Ricardo
- Board member OX2

#### Independent

- Independent of Peab and management: Yes
- Independent of major shareholders: Yes

#### Shareholding in Peab:

5,000 B shares



### Lars Sköld

Board member

Born: 1950  
Elected: 2007  
Nationality: Swedish  
Education: Master of laws

#### Current assignments:

- Chairman of the board Dufweholms Herrgård AB

#### Selection of work experience and other information

- President and CEO STC Interfinans
- CEO Sveaskog
- CEO Klöver Fastigheter

#### Independent

- Independent of Peab and management: Yes
- Independent of major shareholders: Yes

#### Shareholding in Peab:

25,000 B shares

<sup>1)</sup> Incorporated into the Sustainability Statement, ESR2, GOV-1.

### Employee elected Board members



**Liselott Kilaas**

Board member  
 Born: 1959  
 Elected: 2018  
 Nationality: Norwegian  
 Education: MMS, MBA IMD Business School

**Current assignments:**

- Chairman of the board Implantica AB (publ)
- Board member Orkla ASA
- President and CEO Evidia GmbH
- Board member Varroc Engineering Ltd.
- Board member Avonova AB

**Selection of work experience and other information:**

- Board member Norsk Hydro
- President and CEO Aleris Group
- Board member Recover Nordic, EQT company
- Board member Norska Folketrygdfondet

**Oberoende**

- Independent of Peab and management: Yes
- Independent of major shareholders: Yes

**Shareholding in Peab:**

None



**Magdalena Gerger**

Board member  
 Born: 1964  
 Elected: 2021  
 Nationality: Swedish  
 Education: Master of Science in Economics, MBA.

**Current assignments:**

- Board member Curry Ltd
- Board member Investor AB (publ)
- Chairman of the board Nefab AB
- Chairman of the board Colart Ltd

**Selection of work experience and other information**

- Board member Humana
- Board member Husqvarna AB
- Board member Ahlsell AB
- Board member IKEA (Ingka Holding)
- Board member Svenska Spel AB
- CEO Systembolaget AB
- Vice President Arla Foods, Fresh Dairy, Marketing and Innovation, Division Head Nestle UK
- Sustainability Council Advisory Board at VW Group

**Independent**

- Independent of Peab and management: Yes
- Independent of major shareholders: Yes

**Shareholding in Peab:**

3,000 B shares



**Patrik Svensson**

Board member  
 Born: 1969  
 Elected: 2007  
 Nationality: Swedish  
 Forman 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



**Cecilia Krusing**

Deputy  
 Born: 1971  
 Elected: 2019  
 Nationality: Swedish  
 Project Manager Peab Sverige AB  
**Shareholding in Peab:** None



**Peter Johansson**

Deputy  
 Born: 1965  
 Elected: 2022  
 Nationality: Swedish  
 Paving worker in Peab Asphalt AB  
**Shareholding in Peab:** None

The holdings reported were those on 2025-12-31. Holdings include those of spouses, children who are minors and private company holdings.

# Executive management <sup>1)</sup>



**Jesper Göransson**  
 President and Chief Executive Officer (CEO)  
 Born: 1971  
 Various positions within Peab since 1996  
 Master of Economics  
 Board member Annehem Fastigheter AB  
 Shareholding: 438,800 B shares and 1,044,100 B shares via endowment insurance <sup>2)</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  
 Shareholding: 125,000 B shares and 445,000 B shares via endowment insurance <sup>2)</sup>



**Roger Linnér**  
 Chief Production Officer (COO), part of business area Industry (Construction system)  
 Born: 1970  
 Employed since 1996  
 Master of Science in Engineering  
 Shareholding: 6,825 B shares and 361,300 B shares via endowment insurance <sup>2)</sup>



**Johan Dagertun**  
 Chief Strategy Officer (CSO)  
 Born: 1985  
 Employed since 2016  
 Master of Science in Economics  
 Shareholding: 6,000 B shares and 38,000 B shares via endowment insurance <sup>2)</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>2)</sup>



**Stefan Danielsson**  
 Business Area Manager Construction  
 Born: 1969  
 Employed since 2015  
 Master of Science in Engineering  
 Shareholding: 152,300 B shares via endowment insurance <sup>2)</sup>



**Lotta Brändström**  
 Business Area Manager Civil Engineering and responsible for part of business area Industry (Swerock/ Asfalt)  
 Born: 1966  
 Employed since 2017  
 Master of Science in Engineering  
 Shareholding: 32,050 B shares via endowment insurance <sup>2)</sup>



**Göran Linder**  
 Business Area Manager Project Development  
 Born: 1968  
 Employed since 2011  
 Master of Science in Economics  
 Shareholding: 157,200 B shares via endowment insurance <sup>2)</sup>

**Auditor**  
**Ernst & Young AB**

**Jonas Svensson**  
 Authorized Public Accountant

The holdings reported were those on 2025-12-31. Holdings include those of spouses, children who are minors and private company holdings.

<sup>1)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-1.  
<sup>2)</sup> According to employment contracts for senior officers, part of or the entire outcome of variable remuneration can be placed in an endowment insurance which primarily invests in Peab shares. For information about remuneration to senior officers, see note 9.

**Code of Conduct and policies decided by the Board of Directors**

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 together constitute an essential part of Peab's corporate governance structure and support the promotion of sustainable and ethical business practices. The process for updating these governance documents follows an established and structured procedure that ensures they are revised based on identified risks and new legislative requirements.

The following are Peab's most critical corporate governance policies, including a description of how they contribute to Peab's ethical business culture.

**Code of Conduct**

Peab's Code of Conduct is a concrete expression of the company's core values: down-to-earth, developing, personal and reliable. The Code emphasizes the importance of sound business conduct, zero tolerance for corruption, transparency, and long-term stakeholder relationships, while also contributing to sustainable societal development and social responsibility. It provides guidance for employees to make the right decisions and is linked to other governance documents, such as the Environment Policy, and guidelines on whistleblowing, anti-corruption, sanctions, information security, competition law, and due diligence. Peab promotes ethical and lawful behavior by requiring employees to follow the Code and the policies and guidelines to which it refers. Responsibility for ensuring compliance with the Code is delegated to the executive management with the CEO bearing ultimate responsibility for operational implementation. Managers at all levels are responsible for ensuring that the requirements of the Code of Conduct are applied and complied with within their respective departments and functions. All Peab employees undergo Code of Conduct training every second year. Employees exposed to higher compliance risks receive tailored annual training on specific areas of the Code and related subject matters. Employees exposed to higher compliance risks receive tailored annual training on specific areas of the Code and related subject-matters.

Compliance matters - particularly in areas such as human rights, anti-corruption, and the value chain - are regularly managed in the operational work of the members of the executive management.

**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 policy aims to support Peab in conducting its business efficiently, achieving its objectives, and maintaining confidence in the company by preventing undesirable events and, where that nevertheless occurs, ensuring that this is detected and managed appropriately. The internal governance and control consists of target-setting, risk management and control activities. Decision-making forums and dedicated executive advisory boards address matters such as tenders, investments, sustainability and ethics.

**Information Policy**

The Information Policy guides employees in communicating a correct, consistent, and transparent manner. It applies to all forms of communication and clarifies responsibilities throughout the organization. The purpose of the policy is to ensure that all stakeholders receive a fair and accurate picture of the company, including with respect to insider information and regulatory disclosures.

**Related Party Transactions Policy**

The policy regulates transactions with related parties to ensure that they are identified, assessed and carried out on market terms. Its purpose is to secure correct, transparent, and lawful management of related-party transactions, including ensuring that material transactions are reviewed and approved in accordance with applicable regulations.

**Finance Policy**

The Finance Policy sets out the regulations and guidelines governing Peab's financial operations. The Group's financial risk-taking is regulated through risk mandates tailored to the operations and determined by the Board of Directors. The purpose of the Finance Policy is to define guidelines and allocate responsibilities for financial transactions in order to ensure effective financial management and maintain sound risk control.



Annual General Meeting elected members	Independent in relation to the company and executive management	Independent in relation to the major shareholders	Attendance Board meetings*	Audit Committee	Attendance Audit Committee	Remuneration Committee	Attendance Remuneration Committee	Finance Committee	Attendance Finance Committee
Anders Runevad	Yes	No	11/11			C	3/3	C	16/16
Magdalena Gerger	Yes	Yes	10/11	M	4/4				
Karl-Axel Granlund*	Yes	Yes	3/4			M	1/3	M	4/16
Kerstin Lindell	Yes	Yes	10/11	M	3/4				
Fredrik Paulsson	No	No	11/11			M	3/3	M	16/16
Malin Persson	Yes	Yes	11/11						
Lars Sköld	Yes	Yes	11/11	C	4/4			M*	12/16
Liselott Kilaas	Yes	Yes	11/11	M*	4/4	M	2/3		

Employee representatives	Attendance Board meetings*
Maria Doberck, ordinary	11/11
Patrik Svensson, ordinary	10/11
Kim Thomsen, ordinary	11/11
Peter Johansson, deputy	8/11
Cecilia Krusing, deputy	8/11

C – Chairman M – member

\*In connection with the Board's constituent meeting May 6, 2025, after the AGM, Lars Sköld was appointed to the Finance Committee and Liselott Kilaas was appointed to the Audit Committee. Karl-Axel Granlund stepped down from his committee appointments.

### Succession planning

Peab has a strategic and long-term succession planning process, in which the Board plays 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 HR strategy, with annual reviews conducted to ensure its continued relevance. Proposed updates to the succession plan are presented to the Remuneration Committee and the Board of Directors for approval. This process is designed to retain expertise in Peab, prepare the business for unforeseen events, and strengthen Peab's organizational resilience.

### Board oversight of internal governance and control <sup>1)</sup>

The Board of Directors continuously monitors and evaluates the effectiveness of Peab's internal governance and control structure based on the information provided by the executive management and Board committees. Peab's financial performance and financial position are reviewed at each ordinary Board meeting and assessed in relation to the company's financial and non-financial targets. Prior to

Board meetings, Board members receive reports on Peab's development. A corresponding review is conducted by the executive management and business area management. The governance and control of financial reporting is evaluated at the first ordinary Board meeting following the end of the financial year.

For the financial year 2025, the Board of Directors has assessed the need for an internal audit function and concluded that Peab's established control structure provides adequate governance and control at Group level. At this time, the establishment of a separate internal audit function is not deemed necessary.

### Independency 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. Anders Runevad is considered independent in relation to Peab and executive management. At the time of the Nomination Committee's proposal to the AGM, he was also considered independent in

relation to the company's major shareholders. As of June 2025, Anders Runevad has become a Board member of Ekhaga Utveckling AB, which means he is no longer independent in relation to the company's major shareholders. The other five members elected by the AGM are all independent in relation to Peab AB, its executive management and the company's major shareholders. The composition of the Board of Directors' therefore meets the independence requirement of the Swedish Corporate Governance Code.

### Board of Directors' evaluation

The Board of Directors conducts a structured evaluation of its work in order to further develop its working methods and effectiveness. The evaluation is based on a detailed questionnaire prepared by the Chairman of the Board, which all Board members and deputies answer. For the evaluation of the Chairman of the Board, the Chairman of the Nomination Committee has approved the contents of the questionnaire. Most of the questions are repeated each year to allow comparison over time, while updates are made

when necessary. The past three evaluations have included an in-depth focus on sustainability. As a complement to the questionnaire, the Chairman of the Board also conducted individual oral interviews with each Board member and deputy to obtain deeper insights and further support development.

The results of the 2025 Board evaluation show that Board members have strong insight into, and a solid understanding of, Peab's strategic targets, core values, and governance framework. The Board members' broad experience and sustainability expertise were highlighted as particularly valuable to Peab. <sup>2)</sup>

The results and insights from the Board of Directors evaluation were reported and discussed at a Board meeting and subsequently presented to the Nomination Committee.

<sup>1)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-1, GOV-5

<sup>2)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-1.

### Board Committees <sup>1)</sup>

The Board of Directors has established special Board committees to enhance efficiency, strengthen focus on specific areas of the Board's work, and ensure sound corporate governance. Committee members are appointed at the constitutive Board meeting for a one-year term. To ensure order and structure in committee work, each committee operates under detailed instructions. Within their respective areas of responsibility, the committees are also tasked with overseeing sustainability-related impacts, risks, and opportunities. Matters addressed at committee meetings are documented in minutes and reported at the next ordinary Board meeting.

The Board of Directors has established the following committees:

#### The Audit Committee <sup>2)</sup>

The Audit Committee is composed of members appointed after the AGM and constitutive Board meeting. The Committee for 2025 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 and to provide recommendations and proposals to ensure the reliability of the reporting. The Committee also monitors the effectiveness of the company's internal controls, governance processes, and risk management. <sup>3)</sup>

As part of the Board of Directors' responsibility under sustainability-related legislation and regulations, the Audit Committee's work includes ensuring a holistic view of the business that encompasses impacts, risks and opportunities linked to sustainability-related matters. <sup>4)</sup>

The Audit Committee is also required to stay informed about the audit of the annual and consolidated accounts, as well as the Sustainability Statement, and the result of the

Supervisory Board of Public Accountants' quality control. It is responsible for informing the Board of Directors about the outcome of the audit and its contribution to the reliability of financial reporting, as well as describing the Committee's own role in this process.

Another of the Committee's tasks is to examine and monitor the auditor's independence and impartiality. This includes being particularly vigilant regarding any non-audit service provided by the auditor that affects objectivity.

The Audit Committee also assists in preparing proposals to the AGM for the election of the auditor and leads the selection process in connection with the auditor's appointment, ensuring that the election is conducted in a well-considered and responsible manner.

Representatives of executive management provide reports on relevant matters at Audit Committee meetings. The Audit Committee held four meetings in 2025. The principal auditor participated in the relevant parts of three of these meetings. The Audit Committee reports regularly to the Board of Directors, and its meetings are minuted and submitted to the Board.

In addition to the work mentioned above, during the year the Audit Committee also addressed: <sup>5)</sup>

- The Sustainability Council's work
- The double materiality assessment
- The implementation of new system and reporting support for sustainability data
- Climate calculations
- The NIS Directive and its impact on Peab

#### The Finance Committee <sup>6)</sup>

The Finance Committee is composed of members appointed after the AGM and the constitutive Board meeting. The Committee for 2025 consisted of the following members:

- Anders Runevad, Chairman
- Karl-Axel Granlund (stepped down May 6, 2025)
- Fredrik Paulsson
- Lars Sköld (replaced Karl-Axel Granlund)

#### The Finance Committee's responsibility and work

The Finance Committee prepares and makes decisions on financial matters. Its work and authority are regulated by the annually adopted Rules of Procedure for the Board of Directors and the Finance Policy established by the Board. The Finance Committee is responsible for monitoring the company's financial strategies, ensuring that investments and financial decisions are consistent with the company's long-term sustainability targets. Representatives of the executive management provide reports on relevant matters at Finance Committee meetings.

The Finance Committee held 16 meetings during 2025 and reports regularly to the Board of Directors. During this year, the Committee addressed matters such as major tenders, investments and divestments, strategic loan agreements, and the Group's financial development.

#### The Remuneration Committee <sup>7)</sup>

The Remuneration Committee is composed of members appointed after the AGM and constitutive Board meeting. The Committee for 2025 consisted of the following members:

- Anders Runevad, Chairman
- Fredrik Paulsson
- Liselott Kilaas (replaced Karl-Axel Granlund)

#### Remuneration Committee's responsibility and work

The Remuneration Committee prepares decisions by the Board of Directors concerning remuneration principles, remuneration, and other terms of employment for senior officers and executives. It monitors and evaluates incoming, ongoing, and during the year terminated programs for variable remuneration for senior officers and executives. The Committee also evaluates application of the Remuneration Policy, adopted annually by the AGM, as well as prevailing remuneration structures and levels within the Group. In addition, the Remuneration Committee submits proposals to the Board of Directors regarding the CEO's salary and other terms, in accordance with the Remuneration Policy. The Committee also decides on the salaries and other terms for other senior officers based on proposals from the CEO. Representatives of the executive management provide

reports on relevant matters at Remuneration Committee meetings.

The Remuneration Committee held four meetings in 2025 and reports regularly to the Board of Directors.

#### Remuneration to executive management <sup>8)</sup>

The AGM 2025 adopted the Remuneration Policy for executive management. The Remuneration Policy is available on Peab's website, [www.peab.com](http://www.peab.com). Information regarding salaries and other remuneration to the CEO and the members of executive management is presented in note 9 of the Annual and Sustainability Report and on the company's website.

#### Incentive program <sup>9)</sup>

Peab currently has two share-based and share-related incentive programs. The 2025 AGM approved the Performance Share Program 2025, a three-year incentive program intended to provide incentives for senior officers and key personnel in the Group to receive shares in Peab if certain targets aimed at promoting long-term value creation are met. The Performance Share Program 2024 is already in place. All STI and LTI programs contain explicit sustainability targets linked to weighting and outcomes.

➔ For more information regarding remuneration see page 71 and note 9 on pages 170-173.

#### Chief Executive Officer <sup>10)</sup>

The Board of Directors is responsible for appointing a Chief Executive Officer (CEO) and for issuing instructions governing the CEO's duties.

<sup>1)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-1, GOV-2.

<sup>2)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-1, GOV-2.

<sup>3)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-1, GOV-2.

<sup>4)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-1, GOV-2.

<sup>5)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-1, GOV-2.

<sup>6)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-1, GOV-2.

<sup>7)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-1, GOV-2.

<sup>8)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-3.

<sup>9)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-3.

<sup>10)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-1, GOV-2.

The CEO is primarily responsible for the day-to-day management of Peab and for ensuring that internal governance and control are appropriately organized. This responsibility includes managing investments in companies, overseeing personnel, finance and treasury matters, and maintaining continuous contact with Peab's stakeholders and the financial market. The CEO is also responsible for ensuring that sustainability targets and performance objectives constitute a key component in the evaluation of executive management's work.

The CEO shall provide information and present proposals to the Board of Directors. The CEO has appointed an executive management team to support daily management and strategic decision-making within Peab.

### Executive management <sup>1)</sup>

During 2025, executive management consisted of the President and CEO, the CFO, COO, CCO, CSO, and the Business Area Managers for Construction, Civil Engineering and Project Development - a total of eight individuals. Operations within the Industry business area are managed by the Managing Directors of its major companies, who in turn report to a designated member of the executive management team.

Executive management adopts overarching targets and strategies for the Group in the business plan. Executive management meetings are held monthly and focus on business operations, monitoring progress towards the goals of the business plan, risk management and strategic matters.

Peab's Board of Directors has also assigned executive management the overall responsibility for managing and monitoring the integration of sustainability work within the business. Heads of Group functions and other officers are invited to attend meetings as necessary.

Executive management is responsible for communicating Peab's targets and risk levels, as well as the functioning of internal governance and control, to the organization in a relevant and easily understood manner.

➔ For more information regarding the CEO and member of executive management, see pages 58-60.

### Governance documents decided upon by executive management

Executive management annually adopts policies and guidelines such as the environmental policy, and guidelines concerning anti-corruption and competition law.

Other internal regulations, such as guidelines, rules, and instructions, are the responsibility of the business areas and/or Group functions.

Peab uses a business management system to ensure the consistent application of processes and procedures throughout the Group. This system describes and documents the Group's processes and serves as a central platform for ensuring that work methods and governance documents are applied in a uniform and compliant manner.

➔ For more information see page 69 (ESRS 2, GOV 1-2) and figure 66 on page 139 (G1-1).

### Business governance

According to the business plan in effect 2025, Peab works with three financial targets and six non-financial targets. The non-financial targets constitute Peab's sustainability targets. The Group's business plan is broken down and developed within the respective business areas and companies, each of which establishes its own own business plan.

### Executive management's meetings during the year

In 2025, executive management held 13 meetings focused on operational updates, external analysis, and strategic priorities to support continued growth. The work also addressed redundancy planning to ensure access to strategic input goods, while regularly monitoring the Group's strategic targets, including measures to achieve climate neutrality by 2045. In-depth analyses were conducted together with prioritization of risk reducing measures related to financial and operational risks, including work connected to the double materiality assessment. The Group's AI strategy, as well as its cyber and information security efforts, were reviewed within the overall governance framework. During the year, initiatives to reduce the risk of corruption were also prioritized.

### Group functions

The Group functions support both executive management and the business areas, strategically as well as in day-to-day operations. The functions are led by different members of the executive management team. Each Group function has a subsequent management team responsible for managing, operating, and developing the functions.

### Peab's executive management forums: <sup>2)</sup>

**Tender Council:** The decision-making body responsible for ensuring that tenders, based on project size and complexity, are founded on thoroughly prepared calculations that optimize opportunities and minimize risks. The Council is led by the COO.

**Remuneration Council:** Responsible for and decides on remuneration matters and prepares material for the Board's Remuneration Committee. The Council ensures that Peab's remuneration structures are fair, market-based, and aligned with the Group's overall strategy and policies. The council is led by the CFO.

**Ethics Council:** Responsible for managing matters related to business ethics, corruption, and financial irregularities, and ensures impartial investigations of cases involving harassment and discrimination. The Ethics Council addresses serious breaches of Peab's Code of Conduct, policies and certain guidelines, and ensures that such cases are investigated objectively in order to support a healthy corporate culture. The Whistleblowing Council is a sub-function of the Ethics Council and is responsible for the whistleblowing mechanism, including the handling of whistleblowing reports received between Ethics Council meetings. The Council is led by the Chief Legal Officer for the Corporate governance and compliance function.

**Sustainability Council:** Monitors, coordinates, and develops Peab's sustainability work and ensures that the business complies with internal and external regulations, standards, and laws. The Council plays a central role in integrating sustainability matters in Peab's strategy and operations, and reports regularly to executive management, the Audit Committee and the Board of Directors. The council is led by the CSO.

**Investment group:** The Group's decision-making forum for investments and divestments relating to machinery, equipment, and project development. The Investment Group is responsible for the governance of Peab's capital allocation with the objective of achieving expected return 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 the governance and decision-making on development projects carried out within the framework of the business plan and Peab's digital strategy. The Development Council ensures that development projects are cost-effective and remain within established cost frameworks. The council is led by the CSO.

**Brand Council:** Responsible for the Peab's brands. The Sponsoring Council forms part of the Brand Council and ensures compliance with Peab's sponsoring guidelines, including the development, implementation, and evaluation of sponsoring collaborations. The council ensures that sponsoring activities align with Peab's values and guidelines and generate added value for both Peab and society, and ensures that no political contributions are made. The council is led by the CCO.

**Crisis management (PCM):** Executive management's forum for leadership and coordination in the event of serious incidents that cannot be managed through ordinary procedures or resources. PCM is activated when needed and assumes the overall responsibility for directing the response. PCM consists of selected members of the executive management and is supported by a crisis management staff with specialist expertise and functions. Preparedness is maintained through systematic work involving risk analyses, training and exercises, continuity planning, security measures, and communication planning. The forum is led by the Group Head of Security.

<sup>1)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-1, GOV-2.

<sup>2)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-1, GOV-2.

Aforementioned forums form part of Peab's comprehensive control environment, and their mandates are defined in specific steering documents. The Board of Directors regularly monitors and evaluates the effectiveness of 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, effective governance is ensured throughout the Group.

**Business area management**

The Group's operational activities are conducted within the four business areas: Construction, Civil Engineering, Industry and Project Development. In the Construction, Civil Engineering and Project Development business areas, each has a management team led by the respective Business Area Manager and otherwise consisting of operational managers and managers of support functions within the business areas. Operations within business area Industry are more diversified than in the other business areas and are run by the Managing Directors of the major companies within the business area. Each Managing Director reports to a designated member of Peab's executive management. The Business Area Managers, as well as the responsible Managing Directors within business area Industry are accountable for managing the operations by delegating responsibility and authority. They are responsible for ensuring that their respective business units maintain sound internal control and operate in accordance with Peab's established policy framework, processes and tools.

**Function for corporate governance and compliance <sup>1)</sup>**

The function for Corporate governance and compliance is organizationally placed under the CEO and reports regularly both to the CEO and the Board of Directors. Its primary task is to ensure Peab's compliance with applicable laws and regulations. This is achieved, for example, by providing and conducting training on relevant regulations. The function also develops and further refines governing documents and works in cross-functional forums, such as the Ethics Council and the Sustainability Council, to streamline and monitor compliance activities.

**Function for Risk Management and Internal Control <sup>2)</sup>**

The function for Risk Management and Internal Control is responsible for carrying out and following up on risk analyses at both business area and Group function levels, and for consolidating the identified risks on Group level. The risk process is based on the risk registers used by each business area and function, including associated ownership, response and remediation plans. The function compiles the consolidated risks in an annual risk report and perform various internal control activities to ensure compliance.

**Internal governance and control in operations <sup>3)</sup>**

Peab's Board of Directors is responsible for ensuring that effective procedures and systems are in place for Group governance and for the 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 lines of defense, with responsibilities delegated from operational activities to external auditing.

**Control environment**

The control environment is founded on Peab's core values and encompasses the organizational structure, internal regulations and governing documents, delegation and limitation of responsibility, talent management, and monitoring internal governance and control.

The Board of Directors has the ultimate responsibility for the overall governance of Peab and for overseeing the risks associated with the business. Executive management is responsible for developing and implementing Peab's internal governance and control structure within the operations, including organizational structure, delegation of responsibilities and mandates, talent management, and continuous monitoring thereof.

**Risk analysis**

Risk analyses are carried out based on the established targets within Peab's various operations. Operational and project-level risk analyses are performed in accordance with the process described in Peab's business management system. An comprehensive risk analysis, including risk management measures for each identified material risk, is conducted annually within each business area and subsequently by executive management, after which it is reported to the Board of Directors. A detailed description of risks and risk management in Peab can be found in the section "Risks and risk management" on pages 149-153.

**Control activities**

At Peab, control activities are an integral part of daily work, designed to help achieve targets and manage risks efficiently. These activities are based on individual accountability, where every employee is responsible for adhering to the established work methods, processes and governance documents set out in Peab's business management system.

Specific control mechanisms - such as the "four eyes principle" for financial transactions and IT systems with authorization controls and attestation functions - are central to maintaining effective control.

Furthermore, executive management has established executive management forums to focus on specific areas within the Group. These forums, consisting of representatives from various Group functions, follow defined procedures and governance documents to ensure efficiency and compliance within their areas of responsibility. They also monitor impacts, risks and opportunities, and report their observations to executive management. The forums regularly report to the Board of Directors.

**External auditors**

According to Peab's Articles of Association, one or two auditors shall be appointed by the AGM. At the 2025 AGM, Ernst & Young AB was re-elected as the company auditor, with Authorized Public Accountant Jonas Svensson

appointed as the principal auditor until the end of the 2026 AGM.

In addition to the statutory audit, Ernst & Young AB has provided services to Peab solely in the form of accounting advisory services and expertise in sustainability reporting.

**Other mandatory information in accordance with chapter 6, section 6 of the Annual Accounts Act**

- Direct and indirect shareholdings in the company representing at least one tenth of the number of the voting rights for all shares in the company are presented in "Other information", section The Peab share.
- There are no limits in Articles of Association regarding the number of votes each shareholder may cast at a General Meeting, which is also stated in "Other information", section The Peab share.
- The Articles of Association stipulate that the election of Board members shall take place at the company's Annual General Meeting. The Articles of Association do not contain any provisions regarding the dismissal of Board members, or amendments to the Articles of Association.
- The General Meeting's authorization to the Board of Directors to resolve on the issuance of new shares is presented in "Other information", section The Peab share.
- The General Meeting's authorization to the Board of Director's to resolve on the acquisition of the company's own shares is also presented in "Other information", section The Peab share.

<sup>1)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-1, GOV-2.  
<sup>2)</sup> Incorporated into the Sustainability Statement, ESRS 2, GOV-1, GOV-2.  
<sup>3)</sup> Incorporated into the Sustainability Statement, ESRS 2, G1, GOV-1, GOV-2.



# Sustainability Statement

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ESRS2

# General Disclosures

BP-1

## General basis for preparation of sustainability statements

Peab has prepared this Sustainability Statement on a consolidated basis in accordance with the Annual Accounts Act, the European Sustainability Reporting Standards (ESRS), which are implemented in Swedish legislation since July 1, 2024 and according to the Taxonomy Regulation. This means that this Sustainability Statement 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 relationships in our value chains upstream and downstream after carrying out the double materiality assessment.

The Sustainability Statement is published annually, follows the financial year and comprises the period from January 1 to December 31, 2025. It is included as part of Peab's Board of Directors' Report and has been reviewed by a third party.

The latest information has been used in some of the calculations which means that the information in these cases can refer to a different period than the financial year. The calculation periods applied are noted together with each calculation and associated method description.

The Sustainability Statement covers the Peab Group's operations in Sweden, Norway, Finland and Denmark and the companies where Peab has operational control. Associated companies, joint ventures and joint operations are also included in consolidated sustainability reporting, which is the same as in the financial statements. We have not excluded any subsidiary from sustainability reporting. Peab has not left out any information regarding intellectual property rights, know-how or the results of innovation nor information about imminent developments or matters under negotiation. We have not used the exception for companies based in an EU member state to exempt information about imminent developments or matters under negotiation.

We have analyzed and assessed impacts, risks and opportunities in our value chains upstream and downstream in accordance with the sustainability topics defined in the ten ESRS. In other words, we have attempted to identify and include the occurrence of the different sustainability topics in the sections of our value chains upstream and downstream where we consider them material. In total we have identified eight value chains in Peab's business that we consider key to operations.

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 some areas we have concrete plans.

The sustainability topics Peab has determined material are presented in figure 12 on page 76. These topics are in line with our strategy and business model as well as our stakeholders' priorities.



**Figure 1: Materiality in the value chain**

Material sub-topic	Upstream	Own operation	Downstream
<b>E1 Climate change</b>			
Climate change adaption	X	X	X
Climate change mitigation	X	X	X
Energy	X	X	X
<b>E2 Pollution</b>			
Substance of concern	X	X	X
Substance of very high concern	X	X	X
<b>E3 Water and marine resources</b>			
Water withdrawal	X	X	X
<b>E4 Biodiversity and ecosystems</b>			
Direct drivers on biodiversity loss	X	X	X
Impact on the extent and condition of ecosystem	X	X	X
<b>E5 Resource use and circular economy</b>			
Resource inflows	X	X	
Resource outflows		X	X
Waste	X	X	X
<b>S1 Own workforce</b>			
Working conditions		X	
Equal treatment and equal opportunities for all		X	
Other work-related rights		X	
<b>S2 Workers in the value chain</b>			
Working conditions	X		X
Equal treatment and equal opportunities for all	X		X
Other work-related rights	X		X
<b>S3 Affected communities</b>			
Economic, social and cultural rights	X	X	
<b>S4 Consumers and end-users</b>			
Personal safety		X	X
Social inclusion		X	X
<b>G1 Business conduct</b>			
Corporate culture	X	X	X
Protection of whistle-blower	X	X	X
Corruption and bribery	X	X	X
Management of relationships with suppliers, including payment practices		X	

For more information on our approach to the double materiality assessment, see page 85-86.

BP-2

## Disclosures in relation to specific circumstances

As of the financial year 2025 sustainability information has been fully prepared according to the requirements in CSRD and the European Sustainability Reporting Standards (ESRS). This means that to a greater extent than previously reporting follows the structured standard with data points and comparative figures in comparison to Peab's reporting for 2024 which was inspired by the CSRD framework. In addition, we have gathered and compiled data in this reporting period with the aid of a new system support to increase the systematics in our work and information presentation.

Comparative figures are only presented for data points of a quantitative nature when the information has been presented in previous reporting periods and where no method changes have been made. New data points which were not reported in the Sustainability Report 2024 or earlier are therefore reported without comparative figures. Additionally, the presentation has been changed to achieve greater transparency, traceability and comparability in line with ESRS requirements.

Based on the double materiality assessment we ensure that the statement is focused on the issues where our business has the greatest impacts, risks and opportunities. We revised our material sustainability aspects when we made this assessment in the fall of 2023 and in 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.

We have assessed the time intervals for both impact materiality and financial materiality according to the time definitions in ESRS 1 for short-, medium- and long-term horizons.

- Short-term: Up to 1 year
- Medium-term: 1 to 5 years
- Long-term: More than 5 years

We apply the proposed definitions for time intervals to promote comparability and consistency in our sustainability reporting and in relation to other reporting organizations as well as to facilitate different stakeholders' interpretation of our assessments and our compliance with the CSRD regulations.

### Phase-in

As shown in figure 1 on page 68 we consider a number of subcategories in the thematic standards E4, S1, S2, S3 and S4 as material for Peab but we have chosen to apply EU's Quick Fix for E4, S3 and S4. This means that we only meet the minimum disclosure requirements (MDR) and SBM-3 for these standards in accordance with Appendix C in ESRS 1 17 (a-e).

For this information, please read:

- E4: Pages 100-102
- S3: Pages 130-132
- S4: Pages 133-135

In all, Peab applies phasing-in rules for the following disclosure requirements:

- ESRS 2, SBM-1 (40 b) Strategy, business model and value chain (allocation of comprehensive income into significant ESRS-sectors)
- ESRS 2, SBM-1 (40 c) Strategy, business model and value chain (register over further significant ESRS-sectors)
- ESRS 2, SBM-3 (48 e) Material impacts, risks and opportunities and their relation to strategy and business model (anticipated financial effects)
- E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities,
- E2-6: Potential financial effects from pollution-related impacts, risks and opportunities,
- E3-5: Anticipated financial effects from material water and marine resources-related impacts, risks and opportunities,
- E4: All disclosure requirements except MDR and SBM-3,
- E5-6: Anticipated financial effects from impacts, risks and opportunities pertaining to resource use,
- S1-7: Characteristics of non-employees in the undertaking's own workforce
- S1-11: Social protection
- S1-12: Persons with disabilities,
- S1-15: Work-life balance metrics,
- S3: All disclosure requirements except MDR and SBM-3,
- S4: All disclosure requirements except MDR and SBM-3.

➔ **For a complete register of the disclosure requirements Peab reports see figure 69 on pages 142-143.**

### Methods and assumptions

We have made certain assumptions, assessments and estimates when reporting several disclosure requirements. For a number of data points comprising value chains upstream and downstream, in particular data for Peab's Scope 3 emissions, the data is completely or partially based on indirect sources such as industry standards, emission factors and estimates based on financial data. This is due to limited access to primary data from our value chains and dependence on external actors, which results in some uncertainty in the reported data. The reported data should therefore be assessed with caution. 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 where there are any. 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. For more detailed information concerning, for example, how we calculate emission data see pages 90-93. There we also describe how we work to successively increase the reliability of the data value chain emission reporting is based on.

No corrections have been made in the information reported for previous periods.

Disclosures presented according to ESRS are structured according to the requirements set out in CSRD (Directive (EU) 2022/2464) and the delegated acts for ESRS. Reference is made to the respective disclosure requirement in the report (e.g. ESRS 2 BP-2, ESRS E1-6, ESRS E5-4 etc.). Peab has also taken into account and applied other established frameworks and regulations in the Sustainability Statement. These are used when they supplement or clarify the ESRS requirements:

- The GHG Protocol, which is the methodological basis for calculation and reporting Group greenhouse gas emissions. The calculation of greenhouse gas emissions follows the GHG Protocol's Corporate Standard (2004, revised version) with definitions of Scope 1, 2 and 3 as well as the associated "Guidance for Scope 3 Accounting and Reporting" (2011).
- National regulations and guidelines, such as the Swedish Corporate Governance Code (chapter 3, point 10) for governance-related information and guidance on environmental-related information from the Swedish Environmental Protection Agency.
- National and industry specific initiatives, including guidance and recommendations.

Information regarding method descriptions in each thematic ESRS section for more details on metrics connected to the above frameworks and regulations.

## GOV-1-2

## Governance and sustainability

### The Board's responsibility

Peab has established and defined structures for the governance and reporting of sustainability within the company's management and supervisory bodies. The Board of Directors has the overall responsibility for ensuring that the company's operations are conducted in accordance with the principles of sustainable development, that sustainability is integrated into strategic decisions, and monitoring that the work is anchored in the company's impacts, risks, and opportunities. This responsibility is formalized in a number of governing documents adopted

by the Board (the Rules of Procedure for the Board and the Policy for Internal Governance and Control) which also govern the work and responsibilities of the Board committees in relation to sustainability. The Board's committees, particularly the Audit Committee, are essential in this work.

Within the Board of Directors of Peab AB, it is ensured that the relevant skills and the competencies required to oversee sustainability matters exist or further developed, particularly through the work carried out in the Board's various committees. Sustainability matters are an integral part of the decision-making processes and are addressed both as stand-alone items and as part of other agenda items at Board meetings.

Peab's Board is characterized by expertise in risk management, corporate governance, business strategy and sustainability matters – areas that are essential for the company's strategy as the leading Nordic community builder. The Board consists of members with solid experience in the construction and civil engineering industry, industrial development and social planning, which provides knowledge and understanding of both sustainability risks and opportunities in the value chain of the construction and civil engineering industry.

➔ **Read more about Board members' experience in the Corporate Governance Report on pages 57-59.**

Sustainability-related expertise is provided and strengthened through the specific areas of responsibility assigned to the Board committees.

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 stays informed about the audit of the Sustainability Statement and its impact on the reliability of the reporting. The Audit Committee reports regularly to the Board on these matters, thereby ensuring that sustainability competence is duly integrated in Peab's governance.

The Finance Committee contributes to the company's sustainability work by monitoring financial strategies from a sustainability perspective and ensuring alignment 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 how Peab's sustainability targets are integrated into the remuneration framework. This includes ensuring that incentives for senior executives are designed to promote sustainable development, which requires an understanding of how sustainability matters affect the company's long-term targets.

The Board's combined sustainability expertise covers Peab's material sustainability topics. Through its committees with specific sustainability-related responsibilities, the Board ensures that sustainability matters are integrated into the company's overall strategy and business decisions, while also includes mitigating associated risks.

Peab also has a well-established structure for employee representation, particularly through unions and safety committees. These bodies are involved in matters concerning the work environment, security, equality and competence development. Employee representatives participate in the governance of the company, including through representation on the Board of Directors, in accordance with Swedish company law.

Peab's Corporate Governance Report provides an overview of the composition and diversity of the Board (including CEO) and describes their roles, responsibilities and sustainability-related expertise. In 2025, women accounted for 57 percent and men 43 percent of the Board members elected by the AGM. Including employee representatives and deputies, the Board comprised of 50 percent women and 50 percent men.

➔ [For more information, see the Corporate Governance Report on pages 53-65.](#)

**Governance in the business**

Peab's President and CEO, supported by the executive management team, is responsible for sustainability work and governance in the business and for ensuring that the Board is kept informed about the development of the company's sustainability efforts. Sustainability targets and performance play a key role in management evaluation and are monitored at least once a year in connection with Board and committee meetings.

Peab's executive management is responsible for:

- Monitoring and ensuring work on sustainability-related impacts, risks and opportunities throughout the organization.
- Ensuring that sustainability-related matters are integrated into strategy, business planning, risk management and investment decisions.
- Monitoring progress on prioritized sustainability targets, such as reduced greenhouse gas emissions, an improved work environment and increased gender equality; and
- Implementing internal control systems and reporting procedures for sustainability-related data.

This governance structure ensures that sustainability matters constitute an integral part of Peab's business model and decision-making processes. The work is supported by a number of sustainability-related policies, together with associated rules and guidelines, all of which are based on Peab's Code of Conduct and further define the company's actions within each area. Figure 2 provides an overview of the most important policies.

➔ [For more information on policies and guidelines, see the Corporate Governance Report on page 61. These are also found on Peab's website.](#)

Figure 2: Policies for sustainability matters				
Policies	Contents	Adaptations to standards	Decided by	ESRS
Code of Conduct	Peab's Code of Conduct constitutes the Group's fundamental governing document for responsible business conduct and sets out the principles intended to guide all employees and business partners. The Code applies throughout the Group and across Peab's entire value chain. It serves as guidance for employees in making sound and responsible decisions and is interconnected with all other governing documents within Peab, including policies and guidelines relating to the environment, whistle-blowing, anti-corruption, sanctions, information security, competition law, and the due diligence process. The Code of Conduct is based on internationally recognized frameworks, such as the Universal Declaration of Human Rights, the ILO Core Conventions, the OECD Guidelines for Multi-national Enterprises, and the UN Global Compact. The Code contains no exceptions or limitations.	<ul style="list-style-type: none"> <li>• UN Universal Declaration of Human Rights</li> <li>• ILO Declaration on Fundamental Principles and Rights at Work</li> <li>• OECD Guidelines for Multinational Enterprises on Responsible Business Conduct</li> <li>• UN Global Compact</li> <li>• UN Guiding Principles on Business and Human Rights</li> <li>• Children's Rights Principles for Business</li> </ul>	Board of Directors	E1-E5, S1-S4, G1
Policy for Internal Governance and Control	The Internal Governance and Control Policy aims to ensure appropriate organization and management of the business, reliable reporting and compliance with laws and regulations. The policy applies to the entire organization and contains no exceptions or limitations.		Board of Directors	E1-E5, S1-S4, G1
Supplier Code	The Supplier Code is based on Peab's Code of Conduct and sets out the requirements that Peab places on its suppliers, subcontractors and partners throughout the value chain. The Supplier Code of Conduct is based on internationally recognized frameworks, such as the Universal Declaration of Human Rights, the ILO Core Conventions, the OECD Guidelines for Multinational Enterprises, and the UN Global Compact. The Supplier Code is signed by strategic partners in connection with the conclusion of agreements. The policy applies to all suppliers, their subcontractors and the value chain and contains no exceptions.	<ul style="list-style-type: none"> <li>• UN Universal Declaration of Human Rights</li> <li>• ILO Declaration on Fundamental Principles and Rights at Work</li> <li>• OECD Guidelines for Multinational Enterprises on Responsible Business Conduct</li> <li>• UN Global Compact</li> <li>• UN Guiding Principles on Business and Human Rights</li> <li>• Children's Rights Principles for Business</li> </ul>	Board of Directors	E1-E5, S1-S4, G1
Due Diligence Process Guideline	The guideline describes how Peab integrates due diligence into its operations in order to identify, prevent, remedy adverse impacts on people and the environment. The purpose is to strengthen responsible business conduct, comply with applicable laws and international standards (including the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises), and foster a culture of accountability within Peab and among its business partners. The guideline contains no exceptions.	<ul style="list-style-type: none"> <li>• OECD Guidelines for Multinational Enterprises on Responsible Business Conduct</li> <li>• UN Guiding Principles on Business and Human Rights</li> <li>• OECD Due Diligence Guidance on Responsible Business Conduct</li> </ul>	Group management	E1-E5, S1-S4, G1
Environmental policy	Peab's environmental policy requires operations to minimize environmental impact through systematic environmental management, compliance with applicable laws, and continuous improvement in areas such as resource use, emissions, and sustainable construction. The policy serves as a key governing instrument for how environmental considerations are integrated in Peab's operations. The policy applies across the entire Peab Group and its suppliers, and contains no exceptions.	<ul style="list-style-type: none"> <li>• ISO 14001</li> </ul>	Group management	E1-E5
Work Environment Policy	Peab's Work Environment Policy aims to ensure that everyone present at Peab's workplaces, has a safe, healthy and secure working environment. Peab conducts systematic work environment management, prevents risks through safety inspections, training and safe working methods, and ensures that both employees and subcontractors comply with the same requirements in order to minimize accidents and work-related health hazards. The policy applies to the entire organization and contains no exceptions or limitations.	<ul style="list-style-type: none"> <li>• ISO 45001</li> </ul>	Group management	S1
Quality Policy	Peab assumes a long-term and preventive responsibility to ensure that its products and services are of high quality and contribute to strong customer relationships and future business. Quality is integrated into daily operations through systematic work methods, ambitious quality targets, and continuous competence development. The policy is based on Peab's core values and Code of Conduct and applies across the entire Peab Group and its suppliers. The policy applies in full, without any deviations or exceptions.	<ul style="list-style-type: none"> <li>• ISO 9001</li> </ul>	Group management	E1-E5, S1-S4, G1
Anti-Corruption Guidelines	The guidelines define bribery and facilitation payments, clarifies Peab's zero tolerance approach, and govern the reporting and investigation of suspected corruption. The guidelines apply fully to all employees, all levels and across all operations, and contain no exceptions. Peab applies an absolute zero tolerance towards corruption.	<ul style="list-style-type: none"> <li>• OECD Guidelines for Multinational Enterprises on Responsible Business Conduct</li> <li>• UN Global Compact</li> </ul>	Group management	G1

Peab has several executive management forums that are key in the Group's governance structure. These forums are responsible, among other things, for overseeing and managing sustainability-related impacts, risks and opportunities within their respective areas of responsibility. The Sustainability Council, which consists of the COO, Head of Compliance, Head of Non-Financial Reporting, Head of Investor Relations, Head of Risk and Security, Environmental Manager, and Sustainability Controller, and is chaired by the CSO (Chief Strategy Officer), operates as a cross-functional forum to oversee, coordinate, and develop Peab's sustainability work and to ensure that operations comply with internal and external regulations, standards, and laws. The members work jointly 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 purchasing. The Council continuously assesses whether additional sustainability expertise - internal or external - is required and, when relevant, advises the executive management on needs and resources.

Through the CSO, the Sustainability Council reports on its work to the Audit Committee and the Board of Directors. Reporting is conducted in accordance with a formal instruction and takes place on a regular basis, and at least once a year. The reporting is designed to enable strategic monitoring and coordination of Peab's sustainability targets, with particular focus on identified climate risks, human rights, and transparency in the value chain.

Peab's Ethics Council reports to the Board of Directors on breaches of the Code of Conduct and business ethics, as well as on whistleblowing matters when required.

Each business area is responsible for ensuring that appropriate sustainability competence is available and that established strategies and decisions are implemented and adhered to. In addition, four environment-related councils - the Climate Council, the Chemicals Council, the Biodiversity Council, and the Circularity Council - provide a Group-wide perspective within their respective focus areas and work to drive continuous progress. All sustainability expertise is aligned with the Group's business plan, in which sustainability is an integral component. Two key Group development programs support the business plan: "Climate Roadmap and Strategic Input Goods" and "Quality-Assured and Traceable Value Chain," both of which are based on the structures described above.

➔ For an overarching view of reporting channels and information about governance and control and how oversight is conducted, see the Corporate Governance Report on page 54.

Peab has ensured that its administrative, management, and supervisory bodies have, or have access to, the competence and expertise required to identify, assess, and manage material sustainability-related impacts, risks, and opportunities. This competence covers areas such as environmental impact, social matters, business ethics, risk and risk management, governance, and compliance. The expertise is either

directly represented within the Board of Directors or made available through internal functions, external advisers, or education and training. The company regularly assesses the need for expertise related to the sustainability topics identified through the double materiality assessment and updates its competence profile accordingly.

Peab's administrative, management, and supervisory bodies consider sustainability-related impacts, risks, and opportunities in their strategic governance and oversight through a number of integrated processes and structures. Peab's operations are guided by four strategic targets that are directly linked to sustainability aspects and that steer the Group's strategic decision-making:

- Most satisfied customers
- Best workplace
- Most profitable company
- Leader in social responsibility

Sustainability considerations are a core component of Peab's business planning process. Decisions relating to major transactions, investments, and projects are assessed in relation to the company's sustainability targets. Investments in production capacity for more climate-improved materials, such as ECO-Betong (ECO-Concrete), illustrate how sustainability-related opportunities are integrated into Peab's strategies and investment decisions.

Peab's Group-wide risk management process incorporates sustainability-related risks and is aligned with the outcomes of the double materiality assessment.

➔ Read more in the section on Risks and risk management on page 149.

With regard to oversight and monitoring, the Board and control functions are responsible for monitoring sustainability targets and risks, while executive management works closely with operations to ensure that Peab's sustainability strategy is implemented. The Sustainability Statement is subject to review by the company's auditors in accordance with applicable review standards.

Figure 2 on page 70 illustrates the material impacts, risks and opportunities that are addressed by Peab's administrative, management, and supervisory bodies, or by their relevant committees.

**GOV-3**

### Integration of sustainability-related performance in incentive schemes

Peab's Remuneration Policy is designed to support to the company's strategies, long-term value creation and sustainability, and to ensure that Peab has the appropriate competence in key positions, such as

heads of functions and other critical roles. This is achieved through the following fundamental principles:

- offering market-based remuneration to enable Peab to attract and retain competent senior executives. Remuneration levels are regularly benchmarked against other companies operating in the same markets.
- providing short-term and long-term incentive programs aligned with the above objectives,
- conducting annual evaluations of individual performance and target achievement in relation to Peab's financial and non-financial results.

Peab has integrated sustainability-related targets into the performance assessment of members of its governing bodies. The assessment is carried out within the framework of both short-term and long-term incentive programs, in accordance with the company's Remuneration Policy adopted by the Annual General Meeting in 2025.

In Peab's current short-term incentive program (STI), incentives are linked to the company's strategy through targets relating to profitability, environment, and work environment. Profitability targets account for a total of 66 percent of the maximum outcome for variable remuneration, while the environmental and work environment targets together account for up to 34 percent of the total outcome.

The environmental target is calculated as a weighted outcome based on the performance of the business areas in reducing greenhouse gas emissions (Scope 1 and Scope 2), and includes efforts to promote environmentally improved products and reuse. The work environment target is defined as a contracting trend in serious workplace accidents. These targets underscore Peab's ambition to be a leader in social responsibility within the industry.

The long-term incentive program (LTI) measures two predefined performance criteria - profitability (earnings per share based on segment reporting) and emissions reductions (Scope 1 and Scope 2) - over the periods 2024–2026 and 2025–2027. Reductions in greenhouse gas emissions are weighted at ten percent of the total performance outcome. Based on a recommendation from the Board of Directors and following approval by the Annual General Meeting, the intention is to launch new three-year programs on an annual basis.

The long-term incentive programs cover approximately 600 employees within the Peab Group. The purpose of the programs is to support Peab's strategic objectives and long-term value creation. At the start of each program period, participants are allocated a number of share rights based on fixed salary and participant category. Upon completion of the vesting period, participants receive Peab shares free of charge, provided that they remain employed and that the predetermined performance targets have been met. If the minimum threshold for the performance target relating to earnings per share is not achieved, the share rights do not entitle the participant to any allocation of performance shares.

Conversely, each share right entitles the participant to one performance share if the maximum level within the performance interval is achieved. Between the minimum and maximum levels, allocation is made on a linear basis corresponding to intermediate performance outcomes. For the performance target relating to reduced greenhouse gas emissions, achievement of a predefined emissions reduction level is required.

**Performance targets in the Performance Share Program are as follows:**

Figure 3: Performance target	Formula for calculating the outcome	Weighting
Earnings per share according to segment reporting, 2024-2026	Minimum level: SEK 13.50, maximum SEK 20, linear allocation in between	90%
Carbon dioxide emissions (CO <sub>2</sub> e), 2024-2026	Less than 155,000 tons CO <sub>2</sub> e, calculated on direct (Scope 1) and indirect emissions (Scope 2) based on calculation principles according to the GHC protocol	10%
Earnings per share according to segment reporting, 2025-2027	Minimum level: SEK 15.00, maximum SEK 22, linear allocation in between	90%
Carbon dioxide emissions (CO <sub>2</sub> e), 2025-2027	Less than 137,000 tons CO <sub>2</sub> e, 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 regarding remuneration principles, remuneration, and other terms of employment for senior executives. The committee monitors and evaluates ongoing variable remuneration programs, as well as programs that have been concluded during the year, for senior executives. The Remuneration Committee also evaluates the application of the Remuneration Policy, adopted annually by the AGM, as well as the applicable remuneration structures and levels within the Peab Group. Deviation from the Remuneration Policy may only be made if necessary to safeguard the company's long-term interests, sustainability, or financial viability, and must be justified in the subsequent remuneration report.

➔ Read more about the Remuneration Committee's responsibility on page 63 in the Corporate Governance Report and about remuneration at Peab on pages 155-158 in not 9.

GOV-4

### Statement on due diligence

To promote sustainable operations and reduce negative impacts on people, the environment, and society, Peab's work with due diligence is critical. By integrating due diligence into our governance, strategy, and business model, and by building on our stakeholder analysis (see section SBM-2 "Interests and views of stakeholders" on page 77), we aim to meet both internal and external requirements and expectations, create value for our stakeholders, and contribute to responsible conduct across the value chain.

Due diligence work is complex and requires continuous development. During the year, we identified areas where further improvement is needed, particularly with regard to strengthening risk management in our supply chains and improving cooperation with business partners. For example, valuable feedback was received during audits conducted by customers, highlighting areas where our work can be further enhanced. Such insights provide guidance for the ongoing refinement and clarification of our processes and ways of working. In addition, we are further developing our key performance indicators to improve measurement and follow-up on due diligence activities. 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 Peab's due diligence work and continuously strengthening its integration into Peab's governance, strategy, and business model.

The company's approach to due diligence follows the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

**Structured process**

Peab applies a systematic due diligence process that, in summary, comprises the following steps:

*Embedding responsibility into policies and management systems:* Our governing documents form the basis of Peab's due diligence work. The Code of Conduct (where due diligence is described in section 8) and the Supplier Code of Conduct (where due diligence is described in section 6) are adopted by the Board of Directors, while the guidelines governing the due diligence process are adopted by the CEO. These guidelines are integrated into applicable ways of working throughout the Group and across the value chain through training, communication, and compliance controls.

*Identifying and evaluating negative impacts and risks:* With the support of ongoing risk assessments, environmental aspect evaluations in accordance with ISO 14001, and the double materiality assessment, we identify actual and potential adverse impacts within sustainability-related areas. These impacts are prioritized based on severity and likelihood, with a focus on the most material aspects.

*Avoiding, mitigating and managing impacts:* We implement measures to prevent and reduce risks and mitigate adverse impact. When material impacts are identified, for example within our supply chain, action plans are developed in close cooperation with business partners and other relevant stakeholders.

*Monitoring and improving:* Regular monitoring is a cornerstone of our due diligence process. Internal and external audits help us ensure that our measures are effective and that lessons learned are used to further develop our ways of working. We continuously refine methods, targets, and metrics to strengthen monitoring and follow-up activities.

*Reporting and being transparent:* We report openly on our due diligence efforts, with a focus on the most significant risk areas and the measures implemented. Transparency is key in our responsibility towards stakeholders.

*Remediation, where necessary:* When adverse impacts are identified, we work actively to provide or cooperate on remediation. This may include, for example, remediation of environmental damage, financial compensation, or other corrective measures.

Examples of areas in which Peab applies due diligence are presented in Figure 4.

GOV-5

### Risk management and internal controls over sustainability reporting

Peab has a risk management process based on the Group's Risk Management Guideline. Material risks identified through the double materiality assessment have gradually been integrated into the overarching risk management process in order to ensure a systematic approach to risk management and a consolidated view of risks across the organization.

➔ [Read more in the section Risks and risk management on pages 149-153.](#)

Peab is in the process of further developing its internal control framework for sustainability reporting. This work will include both controls designed to ensure compliance with applicable regulatory requirements and controls intended to ensure the reasonableness and reliability of reported data.

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

**Scope:** The risk management and internal control process covers all business areas and Group functions involved in sustainability reporting. The process is carried out both at Group level and across Peab's four business areas.

**Key functions:** Peab applies a risk management and internal control approach that includes risk identification, risk assessment, risk mitigation, and monitoring.

**Components:** The core components of Peab's risk management process include the Group's risk registers, risk assessment matrices, and systems for managing and documenting response and action plans.

**Risk assessment method**

Peab's risk assessment methodology comprises processes for risk identification, assessment, and prioritization. Both quantitative and qualitative analyses are used to identify and prioritize risks. Particular attention is given to risks related to the methods for collecting sustainability-related data.

**Integration into internal functions and reporting**

The outcomes of risk assessments and internal control activities are integrated into relevant internal functions and processes through:

- A long-term ambition for internal control over sustainability data to follow the same processes as those used for financial reporting,
- Regular evaluations of the effectiveness of internal controls, in order to identify improvement measures in accordance with established procedures;
- Regular reporting to executive management, the Audit Committee, and the Board of Directors.

**Organizational structure and governance of sustainability reporting.**

Peab has established a Non-Financial Reporting function to meet the requirements for sustainability reporting. This function is responsible for coordinating reporting activities, providing internal training and information on standards and reporting requirements, and ensuring the establishment of robust and documented processes for sustainability reporting.

To ensure that Peab's sustainability work is conducted in a coordinated manner and in compliance with regulatory requirements, the Sustainability Council described above has been in place since 2023. The Council operates in a cross-functional manner and addresses all sustainability-related areas - including environmental matters, social responsibility and business ethics, as well as risk management and compliance, including in the value chain - in order to monitor and manage impacts, risks, and opportunities. The council's responsibilities also include integrating due diligence into Peab's governance, strategy and business model, and reporting annually on its work and on key sustainability-related matters to both executive management and the Audit Committee.

➔ [Read more about Peab's Sustainability Council in the Corporate Governance Report on page 64.](#)

*Control mechanism to minimize risks in sustainability reporting*

Peab has established a structured and systematized intern control environment to mitigate risks in sustainability reporting and to ensure that the information reported is accurate, reliable, and compliant with applicable regulations.

Figure 4: Basic elements of due diligence	Purpose	Disclosure requirements	Page
<b>Due diligence in governance, strategy, and business model</b>	Ensure functioning internal control, risk management and reporting channels internally and throughout the value chain.	ESRS 2 GOV-1 ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3 Corporate Governance	69 70 71 78-81, 86, 101, 118, 126, 131, 134 61, 62, 65
<b>Collaboration with affected stakeholders</b>	Identify, involve and engage in informed and responsible dialogue with stakeholders who are affected by the business's decisions, risks and impacts.	ESRS 2 SBM-2 ESRS 2 IRO-1 ESRS 2 MDR-P	77 82, 86, 95, 99, 105, 138 85, 95, 99, 101, 104, 117, 126, 131, 134, 137
<b>Identify and assess negative impacts on the environment and people</b>	Ensure a structured, documented and risk-based process to minimize risks and mitigate impact.	ESRS IRO-1 ESRS 2 SBM-3	82, 86, 95, 99, 105, 138 78-81, 86, 101, 118, 126, 131, 134
<b>Measures to address negative impacts on the environment and people</b>	Ensure that proper, effective and proportionate measures are taken to minimize consequences where necessary.	Environment Social Corporate Governance	87 (E1), 101 (E4), 105 (E5-2) 119 (S1-4), 131 (S3), 134 (S4) 138 (G1), 140 (G1-3)
<b>Monitoring the effectiveness of measures</b>	Ensure systematicity, documentation and that the measures taken work and are adjusted if necessary.	Environment Social Corporate Governance	88 (E1-4), 101 (E4), 107 (E5-3) 121 (S1-5), 129 (S2-5), 131 (S3), 134 (S4) 69-70 (GOV 1-2), 140 (G1-3), 141 (G1-4)

This work is carried out through clearly defined roles and responsibilities, standardized working procedures, and multiple integrated control mechanisms throughout all stages of the reporting process. A CSR working group, comprising of representatives from relevant Group functions and business operations, collaborates continuously throughout the reporting cycle to ensure consistent interpretation and application of reporting requirements.

Quality assurance is performed through multiple levels of internal controls, whereby reported data is reviewed, compared, and validated in accordance with the four-eyes principle. This applies to both qualitative and quantitative disclosure requirements and includes reasonableness checks, reviews of methodologies and data sources, and reconciliations with financial information where relevant. Internal experts from both Group functions and operations contribute to subject-matter expertise and independent reviews.

To enable an efficient and traceable reporting process, a dedicated reporting platform is used. The platform supports the collection, consolidation, and documentation of sustainability data and provides functionality for version control, role and responsibility management, internal review workflows, and documented validation. This ensures transparency and traceability from data source to reported disclosure.

In addition to operational controls, enhanced internal reviews are conducted in preparation for the annual reporting process as part of the Group's non-financial reporting work. These reviews include, among other things, sample testing, reviews of supporting documentation, and assessments of compliance with applicable standards and regulatory frameworks, such as ESRS, the EU Taxonomy, and the GHG Protocol.

Insights gained from internal and external reviews are used to further develop reporting processes, system support, and governing documents, with the aim of continuously strengthening the quality, control, and reliability of sustainability reporting.

Taken together, these control mechanisms establish a robust framework for managing risks in sustainability reporting and ensuring that reported information meets both internal quality requirements and external regulatory expectations.

**Identifying and managing risks**

In connection with the double materiality assessment, reporting capabilities and risks were analysed for each ESRS standard. The risk assessment was based on likelihood and impact, taking into account traceability, verifiability, completeness, and representativeness to the extent applicable:

In relation to Peab's most material sustainability topics, Scope 3 emissions, resource inflows and outflows, and waste are assessed to carry the highest risks, as they involve estimations, manual data collection, and uncertainty related to data sources. Risks are also associated with workers in the value

chain due to limited transparency among suppliers and subcontractors. Development resources have therefore been prioritized in these areas to ensure technical solutions with a high degree of digitalization and traceability. In addition, investments have been made in external training and information initiatives directed at suppliers.

Lower levels of risk are assessed within Scope 1 and Scope 2 emissions, own workforce disclosures, and rules and compliance, where the focus has been to ensure complete documentation in general and, more specifically, clear descriptions of internal control processes.

Peab also participates in various industry forums aimed at advancing the development of standardized and harmonized data formats across product categories. Over time, this contributes to further improving the reliability of sustainability reporting, particularly in relation to Scope 3 emissions and resource inflows and outflows.

➔ [Read more about internal control in the Corporate Governance Report on page 65.](#)

**SMB-1**

**Strategy, business model and value chain**

Collaboration between business areas in the processing chain and local presence are the two cornerstones of our business model. They generate synergies in operations and help us to reduce our environmental and climate impact, promote social responsibility and positive community development as well as 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 the core of our sustainability work and business conduct. We do this 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**

With almost 60 billion Swedish kronor in net sales and some 13,000 employees (information on employees, including geographic allocation is found on pages 121-122 in section S1 Own workforce) our operations are run through the four business areas: Construction, Civil Engineering, Industry and Project Development. 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. The impacts, risks and opportunities generated by Peab's business occur in these four business areas.

➔ [Read more about Peab's four business areas on pages 53-65.](#)

Our business model becomes stronger when our business areas collaborate with each other in the processing chain, from land acquisition to production

and operation. This provides us with good access to local resources and input goods like our own employees, concrete, asphalt and local subcontractors, which increases our control over the value chain and our ability to meet customers' demands and external expectations. Above all it enhances our opportunities to steer operations towards greater sustainability and reduce negative impact on humans and the environment. Naturally this includes our sustainable offers in the form of, for example, ECO-products, recycling and reuse as well as the responsibility we take in the local communities where we work. In this way we not only reduce the negative impact of our operations, we also create long-term and sustainable values.

**Figure 5: List of significant ESRS sectors:**

<b>Construction</b>	Construction and civil engineering services	CCE
<b>Manufacturing</b>	Material, chemicals, electronics, vehicles etc.	MMB-MMV
<b>Real Estate</b>	Real estate and related services	RRE

Peab's highly processed business in collaboration helps us achieve broad target fulfillment. The advantages of Peab's business model are as follows:

- 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
- Economies of scale
- Job opportunities and local development

Capacity to steer towards sustainability:

- Good work environment and safety
- Greater equality and diversity
- Less environmental and climate impact
- Ethical business practices

Peab creates value through six primary phases 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 (see the illustration on page 10). The business areas and the operations within them have their own logic and are structured according to the circumstances of their respective markets and submarkets and are divided by 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 sells homes to private persons and commercial properties and community properties to public and private customers.

**Sustainability in business model and strategy**

As described above sustainability is integrated into our strategy and business model and expressed in what we call "Locally produced community building". Running our operations close to our customers is the basis for being able to reduce transports, use local resources like input goods, material and labor and use them efficiently. This is the foundation for our sustainable offer as well as control over, and being responsible for, our operations and processing chain.

**Sustainability targets**

We govern operations from our overall Group targets, several with a clear connection to sustainability. Our strategic targets Best workplace and Leader in social responsibility contain Peab's work environment targets and environmental and climate targets as well as our goal to promote equality in the industry.

We break down Group-wide targets into sub-targets in our business areas depending on the operations (see figure 6 on page 74). Our overarching target of climate neutrality is reflected in 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. Resource efficiency is translated into practical goals such as increasing the portion of recycled asphalt in our paving contracts or reducing the amount of waste and scrap in construction contracts.

Our ability to meet our targets improves the earlier we can initiate dialogues with customers. Our public sector customers – and increasingly our private ones – are making more and more specific demands on sustainability performance in projects which contributes to both Peab's and the customers' own sustainability targets. Since the majority of Peab's operations are in Sweden this development is most apparent in Peab's Swedish business.

**Strategic initiatives and focus areas**

We run several strategic initiatives linked to sustainability. The program "Climate roadmap and strategic input goods" is aimed at achieving climate neutrality and securing the supply of critical input goods such as steel, cement, bitumen and fuel. The program runs cross-functionally throughout the Peab Group with assigned teams per emission source/input good. The program "Quality assured and traceable value chain," aims to create digital traceability of sustainability-related information in our collective value chain. With higher traceability Peab can in part demonstrate the impact of our sustainable customer and business offer and in part strengthen our ability to govern our own sustainability-related targets.

By improving our ability to govern the processing chain we can to a greater extent take responsibility for sustainability in our entire delivery, from ingoing material and construction technical solutions to the workforce, work environment, safety and work conditions for everyone at our workplaces.

Figure 6: Sustainability topic	Group targets	Examples of milestones in our business areas
<b>E1 – Climate change</b>	<ul style="list-style-type: none"> <li>Climate neutrality by 2045</li> <li>Carbon dioxide intensity for own production -60% in 2030 (compared to base year 2015)</li> <li>Carbon dioxide intensity for purchased goods and services -50% in 2030 (compared to base year 2015)</li> </ul>	<ul style="list-style-type: none"> <li>Increase sales of ECO products</li> <li>Reduce the energy intensity of our projects</li> <li>Increase the share of alternative binders in our concrete production</li> </ul>
<b>E2 – Pollution</b>	<ul style="list-style-type: none"> <li>By 2030, we will have phased out products that are hazardous to the environment and health.</li> </ul>	<ul style="list-style-type: none"> <li>Increase the proportion of unique chemical products that meet the Peab criteria</li> </ul>
<b>E3 – Water and marine resources</b>	<ul style="list-style-type: none"> <li>Peab has no group targets in this area</li> </ul>	
<b>E4 – Biodiversity and ecosystems</b>	<ul style="list-style-type: none"> <li>By 2030, we will fully protect, conserve and enhance ecosystems and biodiversity</li> </ul>	
<b>E5 – Resource use and circular economy</b>	<ul style="list-style-type: none"> <li>100% resource-efficient operations by 2040</li> </ul>	<ul style="list-style-type: none"> <li>Reduce waste intensity</li> <li>Increase source sorting rate</li> <li>Increase the proportion of recycled asphalt</li> <li>Increase sales of ECO-Ballast</li> </ul>
<b>S1 – Own workforce</b>	<ul style="list-style-type: none"> <li>Vision Zero and a contracting trend in serious workplace accidents</li> <li>Recruitment of women in production-related roles &gt; the 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 and downward trend in serious workplace accidents (refers to subcontractors)</li> <li>Safe purchasing: At least 75% of our purchases are made from suppliers with written agreements</li> </ul>	<ul style="list-style-type: none"> <li>Promote safety culture through risk observations, safety rounds and safety walks</li> <li>Increase the proportion of purchases from suppliers with written agreements</li> </ul>
<b>S3 – Affected communities</b>	<ul style="list-style-type: none"> <li>Peab has no group targets in this area</li> </ul>	<ul style="list-style-type: none"> <li>Local sponsorship of all projects within 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>Reduced claim costs</li> <li>Fewer warranty cases</li> </ul>
<b>G1 – Business Ethics</b>	<ul style="list-style-type: none"> <li>100% of employees have completed Code of Conduct training within a two-year period</li> </ul>	

The figure above illustrates how we manage our operations based on set targets linked to sustainability. Peab has targets both at a Group level and targets broken down at business area level.

**Sustainability in our customer offer**

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 transports 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. For example, we environmentally label our housing projects in business area Project Development, usually through Nordic Swan certification. In business area Construction customers increasingly ask for sustainable construction, energy efficient buildings and environmentally certified projects.

In business area Civil Engineering significant investments are being made in water and wastewater facilities and Peab is working on several industrial projects that are important for climate transition. We now have projects where we only work with completely electric construction machines. 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. In 2025 the portion of ECO-products was around 35 percent of net sales in business area Industry, including sales to other business areas in Peab. We use more and more products that generate less greenhouse gas emissions. For example, during the year we increased the amount of Merit in ECO-Prefab from 50 to 70 percent for some products - and thereby further reduced the portion of cement. Otherwise Peab's ECO-offer is the same as last year. Peab does not operate in the fossil fuel industry, has no prohibited products or services in our markets nor do we have any operations that can cause material impacts.

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 we and our suppliers have a responsibility to act with high ethical standards and to 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.

**Technical and production-related challenges**

Developing technical and production-related solutions for increased sustainability is an important investment. Our climate neutrality target, for example, 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 greenhouse gas 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 which in turn requires resources and investments.

**Traceability-related challenges**

Digital traceability of sustainability-related information is another challenge we work with in the industry. 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.

**Broad and complex supplier base**

The number and variation of suppliers and subcontractors we collaborate with is extensive and we have around 35,000. Excavation services, for example, is an area where the market consists of a large number of small businesses that operate locally. Another exacerbating 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 and material from the installer who in turn can have a range of material suppliers. Increasing control and traceability in our supplier base is a considerable undertaking but it is under constant development. Part of the solution is in more delineated category and supplier governance as well as greater collaboration in the industry, especially in standardizing.

### Figure 7: Peab's ECO-products



**Up to 70 percent lower emissions**

- Replaces at least 30 percent of cement
- Reinforcement of recycled steel
- Green electricity in manufacturing
- Transportation by train for long distances



**Lower emissions in all components**

- Housing -30 percent
- Commercial property - 25 percent



**Up to 60 percent lower emissions**

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



**100 percent recycled raw material**

- Produced from recycled material
- Replaces or supplements virgin material
- CE-marked, environmental and health declared (third-party reviewed)



**65 percent lower emissions**

- Renewable replaces fossil fuel
- Reclaimed asphalt pavement depending on purpose
- Environmental Product Declaration (EPD)



- Up to 34 percent lower emissions
- Lower portion steel
- Reinforcement of recycled steel
- Alternative binders, e.g. Merit replaces cement
- Environmental Product Declaration (EPD)

**The business 2024-2026**

The primary areas of the Peab Group business plan for 2024 to 2026 are customer focus, sustainability and sustainable offers along with efficiency. Collaboration in our geographies is key to succeeding in all these areas. We have established two Group development programs that support these shifts:

- 1) "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
- 2) "Quality assured and traceable value chain", which supports the first program and contributes to our work with Peab's value chains.

**Value chains**

Given Peab's broad operations with four business areas we have 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 with its rental operations, prefab operations and paving and material sales operations. There are also often variations within each value chain, particularly considering that the 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 analyzed our eight primary value chains - construction, civil engineering, prefab construction elements, rentals, paving, concrete, raw material supplies and project development.

➔ [Read more about Peab's stakeholders and see the value chain illustration \(figure 10\) on pages 76-77.](#)

**Upstream**

Peab handles around 35,000 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 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. We therefore work systematically with these input goods to secure access to them and contribute to their transition. This reinforces Peab's resilience, minimizes our vulnerability and accelerates the transition to future renewable products, solutions and construction methods.

We are also working to develop solutions that enable substituting materials which currently have a large climate impact considering technology, performance, quality and the market, and on improving the conditions for reuse and recycling. Products that are not considered strategic input goods today may become ones tomorrow.

This entails that Peab:

- has cross-functional teams that work to secure access to strategic input goods.
- ensures governance, with stakeholder demands in mind, aimed at planning for and achieving progress.
- strives for good control over supply chains and risks.
- works well 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 and 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.

Figure 8: Strategic initiative:

### Climate Road Map och strategic input goods

**Summation of purpose and targets**

- Climate neutrality
- Reliable supply of strategic input goods

**Approach**

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

**Strategies**

- Skills 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 selection, increasing energy efficiency and renewable energy in our own production
- Supplier development – dialogue, specifications and monitoring

Figure 9: Strategic initiative:

### Quality assured and traceable value chain

**Summation of purpose and targets**

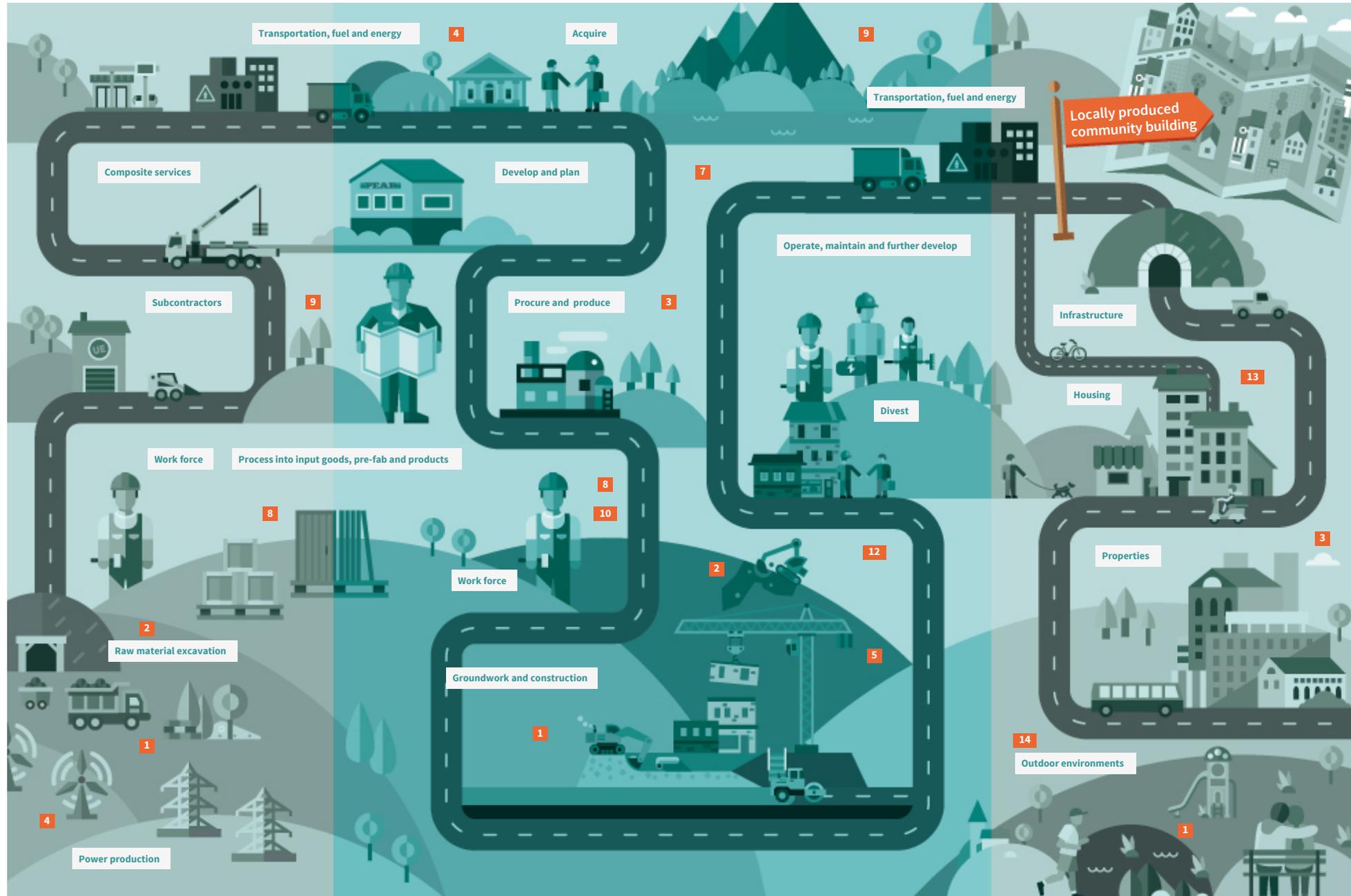
- Create digital traceability in our value chain for sustainability-related information to: Demonstrate the value of Peab's sustainable customer and business offer
- Strengthen Peab's ability to steer towards sustainability-related targets
- Comply with existing and future reporting requirements

**Approach**

- Teams that work across the business areas and functions in the Peab Group

**Strategies**

- Sustainability considered at an early stage
- Establishing climate reporting as a new area
- Requiring climate data from supply chain



**Figure 10: Peab's value chain**

The illustration is an overview of Peab's value chain as well as where our material sustainability-related impacts, risks and opportunities occur. See figure 13a and 13b for a complete presentation of impacts, risks and opportunities.

**Impacts, risks and opportunities**

**Upstream**

- 1 Land-use
- 2 Excavation and use of virgin resources
- 3 Greenhouse gas emissions
- 4 Use of (renewable) energy
- 8 Use of hazardous substances
- 9 Impacts on eco systems

**Own operations**

- 1 Land-use
- 2 Excavation and use of virgin resources
- 3 Greenhouse gas emissions
- 4 Use of (renewable) energy
- 5 Waste generation
- 6 Recycling and reuse
- 7 Climate: Transition and physical risks
- 8 Use of hazardous substances
- 9 Impacts on eco systems
- 10 Business conduct
- 11 Safe and healthy workplaces
- 12 Creation of local jobs

**Downstream**

- 1 Land-use
- 3 Greenhouse gas emissions
- 13 Impact on local communities
- 14 Design of safe and accessible communities

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### Interests and views of stakeholders

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.

We are in constant dialogue with representatives from our stakeholder groups in many different parts of our organization. These dialogues occur 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, documented and analyzed. The accumulated result from these dialogues plays a part in both our business plans and our double materiality assessment and the sustainability topics we have identified as material.

We successively inject stakeholders' various demands and requests into how we run projects and formulate our offers, especially when it comes to the ongoing climate transition. An example of this is the development of our various ECO-products or the two Group programs described above. We can clearly see how driving development in our operations in this direction makes Peab more attractive to customers, employees, investors and other stakeholders. A result of this ongoing development of our sustainable offer is that we are increasingly working in - or entering -

segments that follow our stakeholders' interests and views, for instance projects concerning climate adaptations, additional and more complex water and sewage infrastructure projects or projects linked to power generation.

Because stakeholder dialogues are part of Peab's business planning process they make an imprint on our strategy and business model. This can be seen in practice in the two business plan programs for the years 2024 to 2026. Further steps may be taken within the framework of our next business plan period 2027 to 2029, which will contain assessments of our stakeholder dialogues.

Stakeholder dialogues are primarily aimed at providing us with a deeper understanding of the demands and expectations – today and tomorrow – stakeholders have on our business. In the dialogues we strive to both communicate the progress made in our operations, provide good

examples and initiatives but also point out the challenges. We want to create and maintain constructive and transparent conversations and promote collaboration that leads to actual sustainable development.

Stakeholder dialogues are part of Peab's business planning process, including conducted materiality assessments, and within the framework of these processes they have been presented to the Board and reviewed by executive management. Within the work done by executive management there are always discussions related to demands and desires expressed by Peab's customers and other stakeholders.

Figure 11 below 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.

Figure 11: Stakeholder	Expectations for Peab	Dialogue forms	Main counterparties at PEAB	Created values
<b>Existing and potential employees</b>	Responsible ethical business, good working environment and high safety, skills development, good leadership, equal opportunity, gender equality and diversity, good working and employment conditions, awareness and measures to reduce environmental and climate impact, community involvement, including in the form of local development, responsibility along the entire value chain.	Daily dialogue, employee survey, work environment measurement, work environment dialogue, workplace meetings, union collaboration, internal training, incident follow-up, management meetings, goal and development discussions, external survey on employer branding, collaboration with pupils, 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>Salaries and benefits</li> <li>Meaningful work as a community builder, with an employer that takes responsibility for sustainability</li> <li>Opportunity for development, challenge and community Initiatives for health, safety and well-being</li> </ul>
<b>Customers</b>	Responsible ethical entrepreneurship, professional business acumen, competence, resource capacity, quality, accessibility, experience and skills transfer, good working and employment conditions, certifications, ongoing risk mapping and management, awareness and measures to reduce environmental and climate impact, community involvement, including in the form of local development, responsibility along the entire value chain.	Personal meetings, daily contacts, networks, collaborative projects, dialogue meetings, customer meetings, trade fairs, customer surveys, customer questionnaires, procurements and audits.	<ul style="list-style-type: none"> <li>Local sales organizations</li> <li>Various specialist competencies (e.g. technology, environment)</li> </ul>	<ul style="list-style-type: none"> <li>Solutions and deliveries that improve the conditions for customers' operations, increase productivity and reduce their costs, and help them achieve their sustainability goals</li> <li>Facilitates customers' opportunities to take responsibility and drive sustainable development B2C (residential customers)</li> <li>Facilitates people's everyday lives Facilitates people's opportunities to take responsibility and act sustainably</li> </ul>
<b>Suppliers and workers in the value chain</b>	Responsible ethical business conduct, professional business acumen, ongoing risk mapping and risk management, awareness and measures to reduce environmental and climate impact (preferably in collaboration with the supplier), responsibility along the entire value chain.	Procurement, supplier evaluation, personal meetings, daily contacts, supplier meetings, supplier audits, sustainability dialogues and collaborative projects.	<ul style="list-style-type: none"> <li>Central and local purchasing organizations</li> <li>Site managers and project managers</li> <li>CEO, CFO, IR Manager</li> </ul>	<ul style="list-style-type: none"> <li>Long-term relationships and business opportunities for around 41,500 suppliers</li> <li>Job opportunities</li> <li>Provides opportunities to take responsibility and drive sustainable development</li> </ul>
<b>Shareholders/Investors</b>	Responsible ethical entrepreneurship, long-term economic value development that creates annual returns, ongoing risk mapping and risk management, awareness and measures to reduce environmental and climate impact, responsibility along the entire value chain and community involvement, including in the form of local development.	Annual General Meeting, analyst contacts, surveys from investors and owners, investor meetings and discussions, national and international evaluations and rankings.		<ul style="list-style-type: none"> <li>Investment that promotes sustainable development</li> <li>Return on equity</li> <li>Total return (price and proposed dividend)</li> </ul>
<b>Actors in the local community</b>	Contribution to local community development, cost-effective construction and housing in different price ranges, ongoing risk mapping and risk management, awareness and measures to reduce environmental and climate impact, involvement in local environmental protection, local community involvement, including in the form of integration work and contributions to young people's work experience, sponsorship of local youth activities, responsibility along the entire value chain.	Study visits, collaborative projects, information meetings, networks, contacts with county administrative boards/municipalities, consultations, environmental reports, vision work, mentoring, sponsorship 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 contributions</li> <li>Contribution to long-term sustainability targets, including climate targets</li> <li>Local purchasing and local supply</li> <li>Contribution to the education and development of young people</li> <li>Contribution to equality, diversity and equal opportunity</li> <li>Local sponsorship of civil society</li> </ul>

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**Material impacts, risks and opportunities and their interaction with strategy and business model**

In the figures 13a and 13b on pages 79-81 we present Peab's impacts, risks and opportunities, to what extent humans and the environment are impacted, where impacts, risks and opportunities occur in the value chain, if they are real or potential and the time horizon of the impact. Material impacts, risks and opportunities are also shown in general in the illustration on page 76, figure 10. In the respective thematic ESRS sections Peab's sustainability-related impacts (positive and negative), risks and opportunities are described in greater detail, including where in the value chain impacts occur.

The following figures 13a and 13b on pages 79-81 summarize Peab's material sustainability areas. We have aggregated the outcome on Group level per ESRS topic. The double materiality assessment entails that the diagram includes all ten ESRS topics as material, although not all subtopics or sub-subtopics. Compared to the previous reporting period there are no changes concerning material impacts, risks and opportunities.

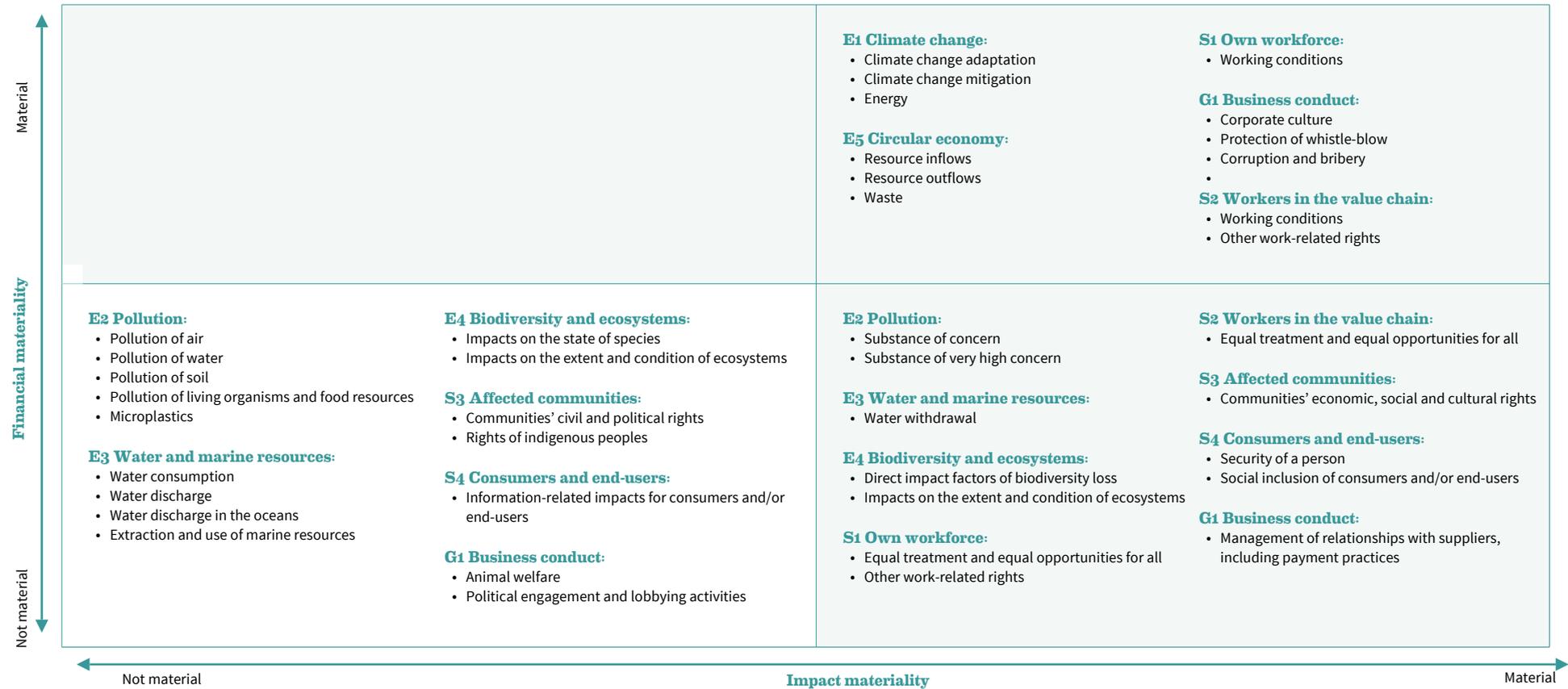
Peab assesses climate and sustainability risks low in the short- and medium-term and they are believed to have a limited impact on Peab's financial position.

We have the ability to both mitigate risks and take advantage of opportunities. We work with risks such as those due to climate change or responsibility in supply chains primarily through our business plan programs and our risk management process. We take advantage of opportunities in our business, for example through projects for climate adaptation or by making demands on our suppliers as a major actor in the construction industry.

Peab's strategy and business model will remain the same on an overall and short-term basis. We believe Peab's sustainability-related impact on humans and the environment including risks and opportunities are well-addressed by the targets and strategic initiatives that have been adopted and are underway.

Peab's business plan work runs on three-year cycles and the current business plan is valid until the end of 2026. A new cycle of analysis and planning work will begin in 2026 in preparation for the new business plan 2027-2029 where input from the double materiality assessment, stakeholders and target outcomes will guide any possible changes in our strategic sustainability work.

**Figure 12: Presentation of ESRS topics based on Peab's double materiality assessment**



The diagram above shows in part that all ESRS topics are material for Peab, in part to what extent the ESRS topics are material based on impact materiality and financial materiality. The colored fields are material. According to Peab's double materiality assessment not all sub-topics are material.

Figure 13a: Impact materiality	Description of impact	Impact on humans or the environment	Category	Time horizon
<b>E1 Climate change</b> Adaptation to climate change: Extreme weather, temperature increases and other unforeseen consequences due to climate change	Climate change with more extreme weather may pose risks for operational disruptions in Peab's production, transportation chains and supply chain. They may impact resource supply and create a need for climate adaptation measures.	Negative Actual	Upstream Own business Downstream	Short-, medium- and long-term
<b>E1 Climate change</b> Climate change mitigation: Emissions (Scope 1, 2 and 3)	The use of fossil-fueled vehicles, machinery and non-fossil-free energy produces greenhouse gas emissions. By switching to electric vehicles, machinery and renewable energy solutions emissions can be significantly reduced. Cement production and materials and services produced with fossil energy contribute further to climate impact, and dependence on finite raw materials also means vulnerability in the value chain.	Negative Actual	Upstream Own business Downstream	Short-, medium- and long-term
<b>E1 Climate change</b> Energy: Energy use in properties	Direct and indirect emissions from heating and electricity consumption. Renewable energy and measures to increase energy efficiency reduce climate impact.	Negative Actual	Own business Upstream Own business	Short-, medium- and long-term
<b>E2 Pollution</b> Substance of (very) concerns: Use of chemical products and hazardous substances	The use of chemical products and hazardous substances during production can have a negative impact on health, the environment and material property. The use also makes recycling and reuse more difficult and can affect the end customer if hazardous substances are incorporated into the final product.	Negative Potential	Upstream Own business Downstream	Medium-term
<b>E3 Water and marine resources</b> Water withdrawal: Water withdrawal during the production of input goods, raw materials and in production	Water withdrawals can contribute to water scarcity, impact groundwater levels, wetlands and reservoirs. These effects can cause structural problems such as settlement in structures and buildings and impact local ecosystems. Water use in properties can have an impact on rainwater.	Negative Potential	Upstream Own business Downstream	Medium- and long-term
<b>E4 Biodiversity and ecosystems</b> Direct impact factors: Exploitation of virgin land, forest or marine environments in manufacturing, construction and operation: <ul style="list-style-type: none"> <li>- Raw material and power production</li> <li>- Construction of properties, roads, ports, etc.</li> <li>- Quarry operations</li> </ul>	Impact on ecosystems during construction and groundwork.	Negative Actual	Upstream Own business Downstream	Short-, medium- and long-term
<b>E4 Biodiversity and ecosystems</b> Ecosystem extent and condition, soil sealing: Asphalted surfaces and concrete structures	Exploitation of natural resources and soil hardening can change landscapes, impact land and water environments, disrupt water flows and increase the risk of erosion and flooding, which deteriorates habitats for flora and fauna.	Negative Actual	Own business Downstream	Short-, medium- and long-term
<b>E5 Circular economy</b> Resource inflow: Use of virgin and finite natural resources for production	Limestone, iron ore and crude oil are examples of finite raw materials used in the production of cement, steel and bitumen and extraction of them impacts the environment, emits greenhouse gases and depletes non-renewable resources, which can pose supply risks.	Negative Actual	Upstream Own business Downstream	Long-term
<b>E5 Circular economy</b> Resource outflows: Renewable resources, circular flows and material choices	The use of recyclable materials and demountable structures enables circular flows where the material can be reused after the end-of-life of the product. Careful material choices with a long lifespan reduce resource consumption and climate impact.	Positive Potential	Own business	Medium- and long-term
<b>E5 Circular economy</b> Resource outflows: The impact of properties over their life cycle	Energy consumption is higher in operation of structures and installations that are not designed energy-efficiently which increases climate impact and operating costs for the end customer. The use of materials with a short lifespan increases the need for maintenance and renovations, which generates waste and additional resource consumption and makes circular flows more difficult.	Negative Actual	Downstream	Medium- and long-term
<b>E5 Circular economy</b> Waste: Spills, demolition and excavated soil	Waste is generated in production, for example through spillage from construction materials, demolition and excavated soil. In addition, a design that makes dismantling and recycling difficult can lead to materials going to landfill or incineration, which increases environmental impact and reduces the possibility of circularity.	Negative Actual	Own business	Short-, medium- and long-term
<b>E5 Circular economy</b> Waste: Reuse and recycling of materials and excavated soil	Recyclable materials, reuse and demountable structures enable circular flows and reduce resource consumption and climate impact. Careful material selection and long lifespan also reduce the need for virgin and critical raw materials.	Positive Potential	Own business	Medium- and long-term
<b>S1 Own workforce</b> Working conditions: Secure employment and adequate wages	Adequate compensation for employees like wages, benefits, flexible working arrangements in addition to regulatory requirements can support a good standard of living for employees and their families as well as promote employee satisfaction and the work environment. It can strengthen Peab's employer brand, broaden our recruitment and skills base and reduce employee turnover.	Negative Actual	Own business	Short-, medium- and long-term

<p><b>S1 Own workforce</b> Working conditions: Health and safety</p>	Workplace accidents, injuries and long-term health risks can cause project delays and reduce operational efficiency, as well as hinder attraction to the profession.	Negative Actual	Own business	Short, medium and long term
<p><b>S1 Own workforce</b> Equal treatment and equal opportunities for all: Equality and diversity</p>	Shortcomings in diversity and inclusion efforts and the inability to realize people's full potential can affect employee well-being, damage Peab's reputation, and lead to efficiency losses and lost business opportunities. Lack of gender equality can be negative for workplace culture, increase employee turnover, and make it more difficult to attract talent.	Negative Potential	Own business	Short, medium and long term
<p><b>S1 Own workforce</b> Other work-related rights: Employment and work on a voluntary basis</p>	Shortcomings in other work-related rights can affect employee well-being. We have a zero tolerance policy towards all forms of human rights abuses such as child labor, human trafficking, forced labor, or work carried out under any form of threat or punishment.	Negative Potential	Own business	Short, medium and long term
<p><b>S2 Workers in the value chain</b> Working conditions: Secure employment and adequate wages</p>	There are risks that value chain workers are exposed to wage discrimination or failings in working conditions, such as unreasonable working hours and insecure, short-term contracts without security. Lack of secure employment, inadequate wages and that individuals can be harmed.	Negative Actual	Upstream	Short, medium and long term
<p><b>S2 Workers in the value chain</b> Working conditions: Health and safety</p>	Workplace accidents, lack of protective equipment and unsafe working conditions can affect health and safety.	Negative Actual	Upstream	Short, medium and long term
<p><b>S2 Workers in the value chain</b> Equal treatment and equal opportunities for all: Measures against violence and harassment in the workplace</p>	There are risks that value chain workers experience shortcomings in inclusion work, discrimination or harassment, and that procedures for handling discrimination and harassment are lacking in the workplace.	Negative Potential	Upstream	Short, medium and long term
<p><b>S2 Workers in the value chain</b> Other work-related rights: Child labor and forced labor</p>	Value chain workers may be exposed to human rights violations such as child labor, forced labor or violations of personal integrity.	Negative Potential	Upstream	Short, medium and long term
<p><b>S3 Affected communities</b> Economic, social and cultural rights of societies: Environmental, social and community impact during the construction phase</p>	Projects and construction phases can impact local communities through noise, increased traffic, degraded living environments or environmental risks such as pollution. They can also affect safety, cultural environments and create conflicts of interest or negative opinion, especially when there is a lack of dialogue.	Negative Potential	Own business Downstream	Short, medium and long term
<p><b>S3 Affected communities</b> Economic, social and cultural rights of societies: Local economic and social development</p>	By strengthening relationships with local communities and contributing to housing, infrastructure and safe environments, our operations promote local development and a vibrant community. This creates local jobs, strengthens the economy and reduces the risk of conflict, delays and higher costs.	Positive Actual	Own business Downstream	Short, medium and long term
<p><b>S4 Consumers and end users</b> Personal safety for consumers and/or end users: Health and safety in the built environment</p>	Shortcomings in end products like in technical installations, material selection, moisture and indoor environmental issues or in safety standards can negatively impact the health and safety of consumers and/or end-users.	Negative Potential	Own business Downstream	Short, medium and long term
<p><b>S4 Consumers and end-users</b> Social inclusion for consumers and/or end users: Access to goods and services and usability</p>	Building with consideration for design, safety and mobility impacts people's everyday lives and well-being. The safety of individuals and the protection of children are impacted by aspects such as lighting, open spaces and traffic safety.	Positive Potential	Own business Downstream	Short, medium and long term
<p><b>G1 Business Conduct</b> Corporate culture</p>	A healthy corporate culture with strong ethical values strengthens the trust of employees and external stakeholders in Peab. It creates a culture characterized by responsibility and commitment and helps us achieve targets and strategies and create long-term value. A healthy corporate culture with a well-established code of conduct and core values guides employees in their daily work.	Positive Actual	Upstream Own business	Short, medium and long term
<p><b>G1 Business Conduct</b> Whistleblower protection</p>	A well-functioning and effective whistleblower system promotes openness and transparency by making it easy and safe to anonymously report suspected irregularities. Protection for whistleblowers is crucial to ensure that reporting takes place without risk of retaliation. It contributes to a responsible corporate culture and strengthens trust in Peab. Lack of knowledge about using the whistleblower system, if anonymity cannot be guaranteed for the whistleblower or concerns about retaliation can all have a negative impact on both individuals and the organization.	Negative Potential	Upstream Own business Downstream	Short, medium and long term
<p><b>G1 Business Conduct</b> Management of relationships with suppliers, including payment procedures</p>	Good relationships with suppliers create stable and reliable supply chains while shortcomings in maintaining transparency and well-functioning collaboration procedures risk causing harm to people and the environment.	Negative Potential	Own business	Short, medium and long term

<b>G1 Business Conduct</b> Corruption and bribery	Corruption incidents can distort fair competition.	Negative Potential	Upstream Own business Downstream	Short, medium and long term
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At the end of 2025 Peab had not conducted a resilience assessment of its business model in relation to its material impacts, risks and opportunities (SBM-3 48f)

Figure 13b: Financial materiality	Description of risks or opportunities*	Risk or opportunity	Where does it occur in the value chain?	Feasible time horizon
<b>E1 Climate change</b> Adaptation to climate change: Extreme weather, rising temperature and other unforeseen consequences due to climate change	Climate change entails risks linked to extreme weather, costs for climate adaptation and increased demands from customers and legislation.	Risk Potential	Upstream Own business Downstream	Long-term
<b>E1 Climate change</b> Adaptation to climate change: Extreme weather, rising temperature and other unforeseen consequences due to climate change	Climate-adapted construction, modernization of water and sanitation infrastructure and other services linked to climate adaptation create new market segments and strengthen Peab's long-term competitiveness.	Opportunity Potential	Own business Downstream	Long-term
<b>E1 Climate change</b> Climate change mitigation: Emissions (Scope 3)	In-house production of materials based on alternative binders and renewable energy represents a business opportunity.	Opportunity Potential	Own business Downstream	Long-term
<b>E2 Pollution</b> Substance of (very) concerns: Use of chemical products and hazardous substances	When using chemical products, there are risks of environmental crimes with legal and/or financial penalties as well as damage to reputation.	Risk Potential	Own business Downstream	Long-term
<b>E5 Resource use and circular economy</b> Resource inflows: Use of virgin and finite natural resources for production	Limited access to certain resources can lead to supply risks and price increases, especially when a few suppliers dominate the market. Waste that cannot be reused or recycled also leads to higher costs.	Risk Potential	Own business	Long-term
<b>E5 Resource use and circular economy</b> Resource outflows: Renewable resources, circular flows and material choices	Circular offerings and increased reuse/recycling of materials and excavated soil create business opportunities. This reduces the need for virgin and critical raw materials and strengthens Peab's circularity.	Opportunity Potential	Own business	Long-term
<b>S1 Own workforce</b> Health and safety	Workplace accidents, injuries and long-term health risks can cause delays, lower efficiency and damage Peab's attractiveness and reputation, which can lead to financial consequences. Failings in employment-related rights can also result in efficiency losses, lost business opportunities and legal or financial penalties.	Risk Potential	Own business	Long-term
<b>S2 Workers in the value chain</b> Working conditions: Secure employment and adequate wages	Shortcomings in secure employment and adequate conditions for value chain workers can lead to project delays, contractual penalties and other legal or financial penalties as well as damage to Peab's reputation. Violations of human rights, such as child labor or forced labor, can also have legal and financial consequences.	Risk Potential	Upstream Own business	Long-term
<b>S4 Consumers and end users</b> Health and safety in the built environment	Shortcomings in end products, such as in technical installations, material choices, moisture and indoor environment issues or in safety standards, pose risks of financial consequences for residents, users and Peab, as well as a risk of damaging Peab's reputation.	Risk Potential	Downstream	Long-term
<b>S4 Consumers and end users</b> Safety and security in housing and urban development projects as well as outdoor environments	Building with consideration for design, safety and mobility affects people's everyday lives and well-being. The safety of individuals and the protection of children are affected by aspects such as lighting, open spaces and traffic safety. Good consideration of the above prevents risks and promotes customer satisfaction and can benefit Peab's reputation and provide business opportunities.	Opportunity Potential	Downstream	Long-term
<b>G1 Business Conduct</b> Corruption and bribery	Corruption incidents can lead to legal action, fines and reputational damage.	Risk Potential	Upstream Own business Downstream	Long-term

\* Current financial effects are found in the financial reports, note 2. Identified sustainability risks are not deemed to have any material impact on Peab's financial position for 2025.

**IRO-1**

## Description of the process to identify and assess material impacts, risks and opportunities

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

In preparation for CSRD legislation we conducted the first double materiality assessment during 2023 and 2024 in order to identify impacts, risks and opportunities as well as determine Peab's material sustainability aspects. In accordance with the guidelines in ESRs 1 we have applied a structured method to identify actual and potential impacts (positive and negative), risks and opportunities in our own operations and value chains, both upstream and downstream. We have followed OECD's guidelines on due diligence and have identified and examined operations with a heightened risk of negative impact. The assessments have included mapping risks in, for example, projects, supply chains and geographic areas.

The double materiality assessment has comprised in summary the following steps:

**Mapping impacts, risks and opportunities:** We have analyzed our activities, products and services throughout the value chain - in total eight- in order to identify actual and potential positive and negative impacts on the environment, humans and society. This includes both direct and indirect impacts.

**Stakeholder dialogues:** We have held dialogues with key stakeholders, including customers, suppliers, employees and investors to understand their expectations and priorities.

**Assessment of impacts and financial risks per identified topic based on:**

**Impact dimension:** scope, severity and likelihood of impact on the environment and humans.

**Financial dimension:** potential impact on Peab's business model, cash flow and long-term value.

**Threshold values and prioritization:** We have applied threshold values to determine which topics are material. Topics that meet the criteria for either impact or financial materiality have been included in reporting.

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
- 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. Regarding the value chain construction, we initially made separate assessments for Sweden, Finland and Norway and for value chain civil engineering we made separate assessments for Sweden and Norway.

The assessments have been conducted by members from the functions environment, work environment, HR and controllers from both centrally placed and on business area and subsidiary 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 per value chain based on the ten ESRs in the areas environment (E1-E5), social responsibility (S1-S4) and business conduct (G1). Based on the outcome of the analyses we have then consolidated the assessments to Group level per ESR. 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 threshold values by rating and assessing the value chains in order to determine materiality. We have evaluated dialogues with internal and external stakeholders based on the stakeholder compilations made in order to understand actual and potential impacts.

Part of the process of assessing materiality includes consultation that occurs on various levels in Peab. Each business area has procedures and guidelines for activities that impact the communities we operate in, such as local consultation in connection with project development or establishment of a quarry. In accordance with laws and regulations as well as democratically determined processes, we participate in, for example, processes to develop master plans together with municipalities and other developers and thereby contribute to creating the foundation

for future zoning programs. Regarding operations requiring permits, like quarries or environmentally hazardous operations that could potentially have an impact on a community, citizen dialogues are part of the regulated process.

➔ [Read more about Peab's stakeholders on page 77.](#)

We have assessed impact materiality in each sustainability topic by weighing the severity and likelihood of impacts, risks and opportunities (also described on page X). The degree of severity is determined by scale, scope and restorability as well as if there are risks regarding human rights. We have assessed potential impact in the same way 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. For financial materiality we have used the five-degree scale we use in our internal risk work. We have used the business areas' annual net sales for the potential extent. We have assessed the time interval for both impact materiality and financial materiality according to the time horizons in ESRs 1 for short-, medium- and long-term.

We have taken into account risks linked to human rights through our due diligence process which covers both our own operations and our value chain, based on ESRs requirements for double materiality assessment where the degree of severity weighs the most. Risk mapping has been based on the international guidelines the UN Guiding Principles and OECD's guidelines and integrated into our collective process for assessing impacts, risks and opportunities. We have analyzed identified risks in relation to Peab's business model, geographic presence and type of construction contract with particular focus on risks linked to work conditions, safety in the supply chain, impact on local communities and the risk for discrimination or other negative impact on vulnerable groups.

As shown in the diagram on page 76 we have assessed all ten ESRs topics as material, although not all subtopics or sub-sub-topics.

We continually develop our work on the double materiality assessment and its consequences and improve the methodology along with our ability to report on the disclosures that result from the double materiality assessment. This is part of developing the business to meet the "gaps" we have identified.

We follow up the outcome of the materiality assessment with impacts, risks and opportunities through action plans, annual updates of the materiality assessment and regular reports to the Board and executive management. This work method is also intended to substantiate business decisions and strategic targets, develop our sustainability strategies and key ratios as well as ensure integration of our sustainability work in operations.

Among the eight identified value chains we have assessed the risks of negative impacts on humans and the environment focusing especially on:

**Operations:** For example, identifying civil engineering projects with groundwork, decontamination and water management risking polluted soil, noise, vibrations and impacts on biodiversity, construction close to sensitive environments risking emissions and disturbances or material production (concrete, asphalt, mineral aggregates) risking climate impact and work environment hazards.

**Business relationships:** We have assessed supply chains, particularly concerning purchasing input goods and subcontractors, based on work conditions, human rights and environmental performance.

**Geographies:** We have examined our own Nordic operations and whether impact is local, regional or global regarding, for example, projects in northern Sweden and Norway where industrial investments and infrastructure construction occur in sensitive nature, and construction close to cities that impact residential areas, noise and safety. We have examined our impact outside of the Nordic region, mainly through international purchases of material and equipment.

In addition, we have assessed heightened risks related to the work environment in production, especially heavy lifting, heights and running machinery.

**Peab's impact**

Peab impacts through its operations in business areas Construction, Civil Engineering, Industry and Project Development, which is described in figures 13a and 13b in section SBM-3 on pages 79-81. Impacts refer to:

- Environmental impact from construction, groundwork and material production (e.g. emissions, impact on biodiversity).
- Social impact such as the work environment, safety and equal treatment for own employees.
- Ethical impact in connection with projects in, for example, sensitive environments or of special societal interest.

Peab also has an impact through business relationships in our value chains, especially supply chains and in collaboration with subcontractors and other business partners. Impacts refer to:

- Work conditions and human rights at suppliers.
- Environmental performance at suppliers of input goods and transportation.
- Ethical risks when collaborating in project development.

Peab has a Suppliers' Code of Conduct that is also valid for business partners, we audit suppliers and work with successive improvement of due diligence. Impacts, risks and opportunities from business relationships are integrated into the materiality assessment and reported to the Board.

Alongside the double materiality assessment these impacts are identified through internal risk assessments, environmental impact assessments and work environment reports, and our managed through governance systems, training and monitoring. Peab strives to take comprehensive responsibility for our impact throughout the value chain.

In addition to figures 13a and 13b in SBM-3, we exemplify in detail in each thematic ESRS section which sustainability-related impacts (positive and negative), risks and opportunities the respective sustainability topic has or can have that, in our assessment, we have deemed material for Peab. We also specify whether the impacts and risks are found in our own operations and/or in activities upstream or downstream in the value chain.

➔ [Read more about figures 13a and 13b on pages 79-81.](#)

**Sustainability risks and opportunities and financial impact**

Peab has a process to identify, assess, prioritize and monitor sustainability risks and opportunities that can have a short-, medium- or long-term financial impact that is integrated into the Group's overall business strategy and risk management. We identify these risks and opportunities through:

- External assessments of changes in climate politics, regulations, market demands and technological developments (responsibility Sustainability Council).
- Internal semi-annual risk assessments in business areas Construction, Civil Engineering, Industry and Project Development as well as support functions (responsibility Risk function).
- EU taxonomy assessments to identify financial activities with environmental significance (responsibility functions non-financial reporting and environment).
- Stakeholder dialogues with customers, suppliers, investors, authorities and social actors (compiled by non-financial reporting).

Material impact derived from the double materiality assessment has consistently been the basis of identifying risks and opportunities to ensure that analyses and prioritizations are based on the most significant effects on humans and the environment.

The intention is to create scenario analyses in an even more structured manner in order to understand long-term effects and resilience, including financial impacts.

Identified risks are linked to climate change (extreme weather, delays) and reputation risks from a lack of social responsibility in supply chains. For more details see figures 13a and 13b in SBM-3.

These processes are aimed at: 1) ensuring that Peab's business model is robustly equipped for future sustainability demands, 2) reinforcing investment decisions and business development and 3) helping us formulate sustainability targets and external reports.

Key dependencies in our business are above all access to natural resources (e.g. mineral aggregates, cement), stable supply chains, access to a qualified labor and functioning public infrastructure. In our double materiality assessment we assess how these consequences and dependencies can lead to financial or strategic risks and opportunities.

**Integration in the risk management process**

Peab's Groupwise risk management model comprises all kinds of risks, including sustainability-related risks. This means that Peab has successively integrated its sustainability-related risks into its risk management process where they are assessed and prioritized in the same manner as other strategic, operative and financial risks. This is to ensure that sustainability-related risks receive the right level of attention in decision-making and governance.

The risks are documented in a common risk register supported by a system support, and this enables comparison and prioritization between different risk categories.

Peab has a structured decision-making process and an internal control system to ensure that sustainability-related matters are identified, assessed, managed and reported in a correct and transparent manner. These processes are integrated into the overall governing and management structure, including the business planning process on Group and business area levels. Sustainability risks deemed to have a high likelihood and/or major impact are prioritized in the Group's risk reporting to executive management and the Board, which also means they are considered in strategic decisions, investment assessments and business planning. Equally, identified opportunities are discussed and prioritized in the business planning process and integrated into investment decisions, product development and market strategies.

Peab's internal control system for sustainability-related matters comprises:

- Policies and guidelines, including the Code of Conduct, the Environmental Policy, Work Environment Policy and Purchasing Policy.
- Systematic improvement work according to ISO 14001 and ISO 45001 with regular audits and follow-ups.
- Risk management processes where sustainability risks are integrated into the Groupwise risk register.
- Internal controls and audits, including controls of compliance with sustainability requirements in projects and supply chains.
- Ongoing monitoring and reporting to executive management and the Board, with special focus on material sustainability topics and risks.

In addition, we are increasingly using digital tools to collect data, make assessments and report sustainability data, monitor targets and key ratios as well as holding courses to ensure our organization knows about sustainability requirements and internal procedures.

➔ [Read more about risks and risk management on pages 149-150 and in GOV-5 Risk management and internal control over sustainability reporting on page 72 in ESRS2.](#)

**IRO-2**

**Disclosure requirements in ESRS covered by the company's sustainability statement**

Peab has identified material information based on the outcome of the double materiality assessment we performed according to ESRS 1, chapter 3.2. and which is described above. The result of this process are topics with material impacts, risks and opportunities that we present in this report. Where possible we have used phased-in provisions. We have documented topics deemed non-material with a short explanation and intend to review them annually.

After conducting our double materiality assessment we reviewed the topics we identified as having material impacts, risks and opportunities and filtered out the disclosure requirements that are presented in this report. This process was based on ESRS appendix A and EFRAG's list of disclosure requirements, Implementation Guide IG3.

➔ [See figure 69 Additional information on pages 142-143 that lists all disclosure requirements with references that we report.](#)

➔ [See figure 70 on page 144-147 that lists EU legislation.](#)

Environment

E1

ESRS

# Climate change

Material sustainability topics for Peab

- ☑ Climate change adaptation
- ☑ Climate change mitigation
- ☑ Energy

Figure 14	Description of impacts, risks and opportunities	Category	Policies (MDR-P)	Actions (MDR-A)	Targets (MDR-T)	Metrics (MDR-T)
<b>ESRS E1 Climate Change</b>						
<b>Climate change adaptation</b>						
Extreme weather, temperature increases and other unforeseen consequences due to climate change	Climate change with increased extreme weather events poses significant risks for operational disruptions in Peab's production, transport- and supply chain. These could affect resource supply and create the need for extensive climate adaptation measures.	Negative Actual	Environmental Policy Guideline for Transition Investment Guideline for Peab Green Finance Framework	Working with climate-adapted materials and infrastructure Diversification of the value chain Early dialogues with clients		
Extreme weather, temperature increases and other unforeseen consequences due to climate change	Climate change entails risks linked to extreme weather, costs for climate adaptation and increased demands from customers and legislation.	Risk Potential	Guideline for Transition Investment Guideline for Peab Green Finance Framework	Working with climate-adapted materials and infrastructure Diversification of the value chain Early dialogues with clients		
Extreme weather, temperature increases and other unforeseen consequences due to climate change	Climate-adapted construction, modernization of water and sanitation infrastructure and other services linked to climate adaptation create new market segments and strengthen Peab's long-term competitiveness.	Opportunity Potential	Guideline for Transition Investment Guideline for Peab Green Finance Framework	Working with climate-adapted materials and infrastructure Diversification of the value chain Early dialogues with clients		
<b>Climate change mitigation</b>						
Emissions (Scope 1, 2 and 3)	The use of fossil-fueled vehicles and machinery and non-fossil-free energy generates significant greenhouse gas emissions. By switching to electric vehicles and machinery and renewable energy solutions, emissions can be significantly reduced. Cement production and materials and services produced with fossil energy contribute further to climate impact, and the dependence on finite raw materials also means vulnerability in the value chain.	Negative Actual	Environmental Policy Strategic Input Goods Policy Guideline for Transition Investment	Electrification and renewable fuels in vehicle and machinery fleet, Greater energy efficiency	Climate neutrality 2045 Sub-target 2030: -60% (Compared to base year 2015)	E1-6 Scope 1 & 2 GHG emissions
Emissions (Scope 3)	In-house production of materials based on alternative binders and renewable energy represents a business opportunity.	Opportunity Potential	Strategic Input Goods Policy Guideline for Transition Investment	In-house manufacturing Selection, design and optimization of materials (incl. ECO-products) Logistics and transport services Supplier collaborations Material purchasing	Climate neutrality 2045 Sub-target 2030: -50% (Compared to base year 2015)	E1-6 Scope 3 GHG emissions
<b>Energy</b>						
Energy use in properties	Direct and indirect emissions from heating and electricity consumption. Renewable energy and energy efficiency measures reduce climate impact.	Negative Actual	Environmental Policy Guideline for Transition Investment	Greater energy efficiency Material selection	Sub-target 2026: Energy intensity -30% (kWh/SEK million) (Compared to base year 2015)	E1-5 Energy intensity

**ESRS 2 SBM-3** The figure above illustrates Peab's impact, risks and opportunities and how they relate to our policies, actions and targets.

## Peab and climate change

Climate change impacts the construction and civil engineering industry at the same time the industry contributes to greenhouse gas emissions. Reducing climate impact and adapting operations to a changing climate is crucial for Peab's social responsibility and long-term value creation. Innovation, investments and collaboration with customers, suppliers and other actors in the value chain help us reduce climate impact and strengthen our competitiveness. By integrating climate matters into strategy, governance and operational activities we strengthen our resilience to climate-related risks and create a platform for continued business opportunities.

### SBM-3

## Material impacts, risks and opportunities and their interaction with strategy and business model

Peab's operations affect the climate throughout the value chain. The largest greenhouse gas emissions are linked to input goods and materials we purchase and use in our production such as cement and steel (Scope 3), because heating lime and manufacturing steel give rise to significant greenhouse gas emissions. Our own production processes (Scope 1 and 2) are also sources of greenhouse gases, for example through energy use and transports. This is why our emission reduction measures are mainly in these areas. Downstream greenhouse gas emissions are generated by the use and operation of what we have delivered and built.

Peab's operations are impacted by physical risks and transition risks. Physical climate risks include extreme weather such as heavy rain, floods, storms, heat waves and long-term changes in climate conditions such as rising sea levels. Extreme weather risks impacting resource provision in the supply chain. It can also lead to operational disruptions and delays along supply and transportation chains as well as in our own production, which can lead to higher costs. Transition risks and opportunities for us are, for example, higher costs for greenhouse gas emissions as a result of stricter legal requirements, changes in customer specifications, technological development and greater demand for input goods as well as changed production methods that enables lowering our climate footprint in construction. The climate-related risks are included in the Group's risk management process which is updated annually. Figure 14 on page 85 shows the identified impacts, risks and opportunities and how they relate to Peab's policies, measures, targets and metrics, which are described in this chapter.

We strive to work systematically towards our climate neutrality target and have an advantage in that we can supply our construction contract work and the projects we develop ourselves with input goods and raw materials through the business area Industry, which improves our opportunities to steer towards lower greenhouse gas emissions.

At the same time, the conditions for our operations are being impacted by climate change making work on climate adaptation increasingly important.

We work with resilience in our business model and strategies through our scenario and risk analyses. Based on identified risks, we take measures to maintain robustness in the business. An example of a measure that will work towards resilience is our policy for strategic input goods which includes securing access to critical input goods going forward. Peab still needs to conduct a coherent resilience analysis with Group-wide results and time horizons. We are therefore continuing to develop our work on resilience analyses and evaluate the need for further measures in this area.

To address the risks and opportunities that come with climate change, Peab has integrated climate aspects into both strategy and operational governance. We have done this mainly by:

- Identifying climate change as a strategic business risk and opportunity and have therefore established Group climate-related targets.
- Integrating climate matters into the business plan for all business areas, with particular focus on emission reduction measures linked to materials, transportation, energy and construction solutions.
- One of our two business plan programs is "Climate Roadmap and strategic input goods" which aims to reduce greenhouse gas emissions and transform Peab's operations in a structured way.
- Considering climate-related risks and opportunities in investment decisions, project planning, tenders and supplier selection.
- Gradually developing our offer towards a lower climate footprint, including greater use of climate-improved material and electrification of our machinery and vehicle fleet.
- Actually monitoring the climate impact of more and more projects.
- Collaborating with customers to develop climate-improved construction projects.
- Developing expertise in the climate field.
- Holding environmental dialogues with our suppliers to drive the development of products with a lower climate footprint.

Peab has the ability to adapt its strategy and business model to climate change by integrating climate risks and opportunities into project designs, calculations and implementation. This means that we steer towards more resource-efficient and climate-neutral solutions, increase the use of climate-improved materials and adapt project methods to handle weather-related disruptions. Peab's business model also enables the transition by working closely with clients and suppliers in projects and by climate targets governing projects and purchasing.

All three subtopics "climate change adaptation, climate change mitigation and energy" are material for Peab.

→ [Read about integration of sustainability-related results into incentive systems and their scope in the ESRS 2 section on page 71.](#)

### IRO-1

## Description of the process to identify and assess material climate-related impacts, risks and opportunities

We have conducted a double materiality assessment to assess Peab's impacts, risks and opportunities in relation to climate change in our own operations and value chains. In it, we have assessed the actual and potential positive or negative impacts, risks and opportunities from Peab's operations on its environment and the environment's impact on our operations. The double materiality assessment has included both physical risks and transition risks as well as an assessment of how assets and business operations may be exposed and are sensitive to these risks. The assessment has been made for the short-term (<1 year), medium-term (1-5 years) and long-term (>5 years), according to the standard intervals in the ESRS. We have worked in cross-functional teams with employee representation from the entire Group. We have conducted a double materiality assessment per value chain and then consolidated the assessments to a Group level. The cross-functional teams have mainly consisted of environmental and climate specialists from the four business areas, financial controllers and category buyers. In addition, several employees from the Group's support functions have participated in the work and the non-financial reporting function has coordinated the process.

→ [Read more about the process of identifying and assessing significant impacts, risks and opportunities related to climate change on pages 82-83.](#)

### Climate scenario analysis

The result of a previous analysis, which Peab carried out supported by the TCFD recommendations, has been the basis of the double materiality assessment regarding climate. This qualitative scenario-based risk analysis is built on information from authorities (klimatanpassning.se), that have conducted impact assessments of climate change and its impact on society. The analysis focuses on potential consequences for Peab's operations from a worst-case scenario, regardless of time perspective, both in terms of the effects of extensive climate change (according to RCP 8.5) and the effects of the extensive measures required to minimize climate change in line with the Paris Agreement (according to RCP 2.6). Based on these clearly different accepted scenarios, we have identified the most serious consequences that may arise. The risks and opportunities we have identified have been classified according to the TCFD model, with physical risks and transition risks. All the Group's operations are comprised on an overall level and all the business areas have been involved in the analysis.

These scenario insights, together with Peab's climate targets and the sector's climate roadmap, are an important underpinning for Peab's targets and strategies linked to climate change.

Peab has also produced a guide to, and begun work on, conducting climate risk and vulnerability assessments for its fixed assets, in line with the EU taxonomy DNSH requirements for climate adaptation. This assessment of physical risks uses two different climate scenarios; RCP 4.5 ("medium") and RCP 8.5 ("worst case").

**7**  
AFFORDABLE AND  
CLEAN ENERGY

**13**  
CLIMATE  
ACTION

**Climate change is linked to the UN's 7th and 13th global goals for sustainable development: Sustainable energy for all and Combating climate change.**

E1-1

## Transition plan for climate change mitigation

To achieve Peab's long-term target of being climate neutral by 2045 in line with the science-based 1.5-degree target in the Paris Agreement, i.e. reducing dependence on fossil fuels and mitigating climate change, we have produced a long-term Group strategic plan that extends to 2045, our Climate Roadmap. We have concretized this in an action plan with activities within the framework of the Climate Roadmap and strategic input goods business plan program, which is one of Peab's two development programs during the 2024-2026 business plan period. Peab does not have a complete transition plan according to ESRS 1 paragraph 17, but the Climate Roadmap and action plan together form the basis for our work on the transition. We are working on producing a complete transition plan. Both the Climate Roadmap and the action plan were adopted by executive management. They are regularly monitored by the program's governance team and executive management.

The driving forces for the transition and phasing out of fossil fuels lie in the Peab Group's strategic target of being a leader in social responsibility, ensuring high and proactive regulatory compliance and in our ability to meet a market with increasingly stringent climate demands from customers. We also see that our climate-related measures and investments, as well as our focus on an offer that reduces greenhouse gas emissions, strengthen our competitiveness and the opportunity to increase our market share.

Key drivers for the transition include:

- Increased regulatory requirements and climate policy commitments on a national level (for example, the Swedish National Board of Housing, Building and Planning and climate declarations) and EU level (for example, EPBD, EU taxonomy).
- Technological development (for example in electrified construction machines and materials with lower climate impact during production and use).
- Market demand for buildings with improved energy performance and reduced emissions during production and over their life cycle.

Part of our work on the Climate Roadmap is about changing our offer and developing products and integrated solutions that help reduce Peab's climate impact. The plan includes investments, for example, making our factories more energy efficient and electrifying machines and vehicles at our construction sites and production facilities as well as reducing climate impact from transportation. Material selection, optimized material use and low-emission design principles, recycling and reuse, including circular excavation soil management are other areas that

include both measures and investments. We also collaborate with suppliers on joint solutions and influence clients to set requirements for renewable fuels, energy-efficient equipment and to use products and materials with a lower climate footprint. In addition, we actively seek grants to make changes at a faster pace. It is a matter of running projects in research and development, often in collaboration with other actors, with a focus on climate-reducing technology and work methods. The greatest contribution to reducing greenhouse gas emissions during the business plan period 2024-2026 is expected to be alternative binders for concrete (approx. 40 percent), renewable fuels (approx. 25 percent), material-efficient design (approx. 10 percent), recycled steel (approx. 10 percent), raising energy efficiency (approx. 5 percent), less transportation (approx. 5 percent) and electrification (approx. 5 percent).

Approximately ten percent of the reduction in the action plan for the business plan period 2024-2026 is deemed to depend on investments while many of the other measures involve higher operating costs. However, the latter has not been quantified.

The largest locked-in emissions in Peab's operations, which can make it more difficult for us to change and achieve the goal of reducing greenhouse gas emissions, are most likely found in materials and installations, fossil-fueled construction equipment and vehicles (owned and leased) and in buildings that use energy derived from fossil sources. Materials like concrete, asphalt, mineral aggregates and steel generate substantial emissions of greenhouse gases, making it challenging for us to reduce greenhouse gas emissions. At the same time the materials are vital to conducting our operations. We are actively working to develop these materials and introduce new components and production methods that contribute to lower climate impact. It is also important for us to integrate life cycle analyses of greenhouse gas emissions into our projects to support strategic decisions and reduce long-term emissions.

Based on available information, Peab has not been excluded from any EU reference values or benchmarks that are in line with the Paris Agreement, as Peab's operations are not covered by any of the exclusion criteria.

E1-2

## Policies related to climate change mitigation and adaptation

Peab's Environmental Policy, which is adopted by executive management, states that climate and energy are essential environmental areas for the Group. The Environmental Policy applies to the entire Peab Group and our suppliers. Our managers are responsible for implementing the Environmental Policy in their respective operations and functions. The Environmental Policy is available on Peab's websites, in executive

management's system and intranet and is communicated to relevant stakeholders.

We review our Environmental Policy annually. The process is based on a Nordic outlook and includes both an external perspective and input from members of our own organization such as environmental specialists and union representatives. Consideration is also given to demands and views from customers, suppliers and other stakeholders.

The Environmental Policy is supplemented by guidelines that describe Peab's climate and energy measures in more detail. Peab has guidelines for transition investments which support the Group's work to reduce climate impact.

Peab also has a Group policy for strategic input goods that is adopted by executive management and which the COO is responsible for implementing in operations. The policy states that we will ensure continuous access to input goods strategic for our business and that material that currently has a climate impact will be substituted to the greatest extent possible.

→ Read more about policies on page 70, figure 2.

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 routines that complement the Group's policies and guidelines and describe how we work to mitigate climate change, adapt to it and address energy matters.

E1-3

## Action and resources in relation to climate change policies

We are working on a number of actions to reduce our climate impact and make climate adaptations, particularly through the development of products with lower climate impact. Our ability to reduce climate impact in our own operations and upstream and downstream in the value chain is largely determined by the right decisions in the early project stages. This often requires collaboration through early dialogues with customers and other partners and clearly defined project goals. In other words, our climate transition mainly takes place gradually through the projects - often construction contract projects - that we are commissioned to carry out. This means we work actively together with suppliers and customers to find solutions that reduce greenhouse gas emissions. Currently climate adaptation actions are increasingly included as an integral part of designing projects where, together with customers, we might have to reinforce structures to withstand extreme weather or build with sea level rises in mind. In addition, the Group's work to develop products, logistics and methods is vital to Peab's ability to reduce climate impact.

We focus on our offer for products with lower climate impact, including developing alternative binders in concrete and asphalt, and greater use of these products in our projects as well as transportation, transition to renewable energy and electrification, higher energy efficiency in our production and construction sites with lower climate impact. The timeline for working on these actions is based on our 2030 emissions targets and the 2045 climate neutrality target. Our actions in the areas of material-related emissions, energy use and transportation can be summarized as follows:

### Material-related emissions

Since material-related emissions are the largest source of greenhouse gases in our operations we focus on reducing emissions through material selection, design and optimization of material use, and recycling and reuse. Our ECO-products are crucial in this work and we are continuously developing them. To further reduce the vulnerability of our operations in recent years we intensified our work to broaden the supplier base for our strategic input goods based on both the risk that climate change could impact our resource supply and in to reduce our dependence on fossil-based products.

### Concrete

Cement acts as a binder in concrete and accounts for 90 percent of concrete's climate impact. This is why we use and develop alternative binders that generate lower emissions. We manufacture the slag-based binder Merit that can increasingly replace cement in concrete. The production of one ton of Merit generates a climate footprint that corresponds to barely one-tenth of that generated by the production of one ton of cement. This concrete has a significantly lower climate footprint. Through Merit we can now offer the market ECO-Betong (ECO-Concrete), ECO-Prefab, ECO-Stomme (ECO-Frame) and ECO-Pålar (ECO-Piles) and can reduce greenhouse gas emissions from concrete by up to 70 percent compared to traditional concrete and at the same time reduce extraction of virgin limestone.

Since 2024, our Swedish concrete and construction contract operations have been using ECO-Betong (stage 1) as their standard concrete which means that each individual project reduces carbon emissions by at least ten percent in concrete building components compared to concrete that only contains cement as a binder.

Our ECO-Prefab is produced with concrete using Merit, recycled steel reinforcement and in our production plants we use green electricity. We use concrete produced with Merit and recycled steel in ECO-Stomme and ECO-Pålar as well.

**Steel**

Manufacturing steel in blast furnaces also involves greenhouse gas emissions. Through Peab's partnership with steel producer SSAB regarding fossil-free steel we plan to start using fossil-free steel in our construction and civil engineering projects as soon as the company's production is up and running. Peab and SSAB have also started to collaborate on a limited scale on deliveries of SSAB Zero, which is steel based on recycled steel that is fossil-free manufactured and transported. We have also collaborated on a research project that was completed in 2025 with funding from the Swedish Construction Industry Development Fund (SBUF) where we studied possible emission savings in the construction and civil engineering industry using the hydrogen-based HYBRIT technology.

**Energy-related emissions**

ECO-Asfalt is an example of how we use renewable energy sources in production to reduce climate impact. Our production of ECO-Asphalt is based on using biofuels instead of fossil fuels when drying and heating the stone material which is the most energy-intensive part of the production process. This halves the climate impact without affecting the properties of the final product. Currently our subsidiary Peab Asphalt has approximately 90 asphalt plants in the Nordic region. Of these, 20 asphalt plants in Sweden offer ECO-Asfalt, six in Denmark and seven in Finland. In addition to the energy-related aspects linked to asphalt, we are also working on increasing the proportion of recycled asphalt and to carry out trial pavings of asphalt with biomaterials to partially replace the oil-based binder bitumen.

Energy specifications are becoming more stringent in the construction and civil engineering industry and greater focus is also being placed on energy use in the construction process itself. Our subsidiary Lambertsson offers construction barracks with good energy values. The company also provides its customers with the Lambertsson Control platform, which is a system for monitoring, measuring and steering the operations environment on construction sites and provides the ability to measure and steer energy and water consumption on a project. Energy consumption can be reduced by 30-40 percent when measurements create a basis for finding ways to save energy.

We also offer solutions that result in lower energy consumption and climate impact at construction sites by focusing on the four areas that have the greatest environmental impact during the construction phase: energy, circularity and water management, logistics and construction equipment.

**Transport-related emissions**

The work to replace fossil fuels with renewable energy for our vehicle fleet and machinery is ongoing. We are replacing everything from excavators, dumpers and wheel loaders to company cars and light trucks

with ones that are electric and hybrid driven. These now amount to 38 percent of the vehicle fleet. Of the company cars we ordered in 2025, 98 percent were hybrid or electric cars.

When it comes to transportation, we strive above all to use the right mode of transportation at the right place, optimize logistics and handle excavated soil efficiently. Lambertsson, for example, has a construction logistics offer that includes logistics personnel, digital delivery planning tools, consolidated loading and intermediate storage of construction materials. Planned and consolidated transportation flows generate both efficiency and climate gains.

**Resources**

We resource allocate identified actions at both Group and business area level. All actions require different forms of staffing, investments and generate additional costs in the form of different types of operating costs, primarily regarding fuel and energy. In addition, higher costs may arise because of other material choices for input goods in our contracts. The Group's total operating costs are shown in Note 11, Operating costs on page 173. Operating costs classified according to the EU taxonomy constitute only a small part of these. In 2025, we invested approximately SEK 280 million in climate improvement measures. This mainly concerned electrified machines and vehicles. Of these investments, approximately 40 percent are compatible with the EU taxonomy.

The Group's Environmental Manager coordinates and drives our joint environmental matters, including the climate issue, in collaboration with the business areas' environmental managers and climate specialists. The Group has a so-called Climate Council, which aims to ensure a holistic perspective and effective management of country and/or Group-wide matters. The Group's environmental functions are tasked with supporting responsible managers in making decisions on climate matters in order to translate plans into activities and achieve progress in the climate work in the various operations. In addition, Peab has a department for research and innovation to support work on climate-related measures.

Our focus going forward is to continue to implement the activities – and continuously evaluate the resource needs – adopted in the action plan for the Climate Roadmap so that we can achieve our short- and long-term climate targets.

**E1-4**

**Targets related to climate change mitigation and adaptation**

Peab has had Group climate targets since 2021 and measures progress in its climate work within the framework of the strategic target “Leader in social responsibility”. Of Peab’s four Group environmental targets the most long-term is reaching climate neutrality by 2045 which is in line with the science-based 1.5-degree target in the Paris Agreement. However, all our environmental targets are interrelated and have links to different types of climate-related impacts, risks and opportunities. The climate and energy-related targets are monitored annually and include metrics from upstream and downstream operations. In addition to this control we carry out more thorough analyses of climate targets and metrics within the framework of the Group’s business plan process. The targets are set taking into account customer demands, industry standards, national agreements and the process for formulating targets has been implemented with internal expertise.

Our climate targets until 2030 are to reduce the carbon dioxide intensity of our own operations – Scope 1 and 2 which measure fuel and energy use – by at least 60 percent (compared to base year 2015) and for input goods and purchased services – Scope 3 – to at least halve carbon dioxide intensity (compared to base year 2015). Peab has not set any absolute numbers for greenhouse gas emissions in the targets up to 2030 for Scope 1 and 2. The targets measure greenhouse gas emissions (CO<sub>2</sub>e) in relation to the operations’ net sales according to segment reporting.

Since 2021 Peab has also had a target for energy intensity measured as total energy use (all types of energy) in relation to the business's net sales (kWh/SEK million). For 2021–2023 the target was to reduce energy intensity by 15 percent by 2023 compared to base year 2015. For the business plan period 2024–2026, we heightened the target to a reduction of 30 percent by 2026 (compare base year 2015).

The target values cover the same operations as the base year 2015, which follows the construction industry’s roadmap. Comparability is good between the years for Scope 1 and 2, where emission values are compiled through suppliers’ data. However, comparability between the years is limited for Scope 3 since emissions data is generated from expense items where both accounting standards and account plans have changed compared to base year 2015. With this in mind we still report target values compared to base year 2015 since this is part of Peab’s business plan and target monitoring. Read more in E1-6 on pages 90-91.

Net sales according to segment reporting for operations with a high climate impact have been identified and reported in accordance with the Group's financial reporting, see note 3 Revenue. There are no deviations and no adjustments have been made in relation to the financial reports.

The targets are set by executive management and include metrics, measurement methods and strategic improvement areas. They are broken down into sub-targets and implemented in the various operations based on the specific conditions of the business areas. When necessary targets, measures and priorities are adjusted.

Figure 15: Key metrics	Sub-targets	Outcome 2025
Carbon dioxide intensity Scope 1+2 (tons CO <sub>2</sub> e/ SEK million)	2026: 50% reduction (base year 2015) 2030: 60% reduction (base year 2015)	-58%
Carbon dioxide intensity Scope 3 (tons CO <sub>2</sub> e/SEK million)	2026: 20% reduction (base year 2015) 2030: 50% reduction (base year 2015)	-7%
Energy intensity (kWh/ SEK million)	2026: 30% reduction (base year 2015)	-30%

The outcome for 2025 regarding carbon dioxide intensity in our own operations (Scope 1+2) was positively affected by the transition to green energy while the reduced reduction obligation in Sweden has a counterproductive effect. We are now close to reaching the target of a 60 percent reduction by 2030.

For Scope 1 the reduction between 2015 and 2025 is 161,538 tons CO<sub>2</sub>e. For Scope 2 (market-based) the reduction between 2015 and 2025 is 15,263 tons CO<sub>2</sub>e. Although the carbon dioxide intensity targets are the same for Scope 1 and 2, we report the outcome separately according to the ESRS standard.

The carbon dioxide intensity for input goods and purchased services (Scope 3) includes concrete, cement, asphalt/bitumen, steel, waste, transportation and construction machine services and business travel. The outcome for 2025 within Scope 3 is affected by items affecting comparability, mainly because the emission factor for bitumen was raised significantly and we now include more input goods in the target, such as binders for foundation reinforcement in cement. We have also changed the method for calculating waste, which has resulted in lower emission factors. For 2025, tCO<sub>2</sub>e for Scope 3 amounted to 958,000 (910,000), see more details in Figure 16 on page 89. The figure presents the difference in greenhouse gas emissions per category compared to 2024.

**Figure 16: Strategic input goods, transportation and business travel** Scope 3 emissions (tCO2e)

	Scope 3 emissions (tCO2e)
<b>Outcome 2024</b>	<b>910,000</b>
Bitumen	+124 000
Cement	+120 000
Concrete	-3,000
Steel	-2,000
Construction machines	-32,000
Transportation	-113,000
Waste	-47,000
Business travel	700
<b>Outcome 2025</b>	<b>958,000</b>

See also Figure 21 on page 91 for a complete presentation of Peab's greenhouse gas emissions in Scope 3 where the data reported above constitutes a subset, primarily in category 3.1 Purchased goods and services which is complete as of 2025. In addition, the numbers above are reflected to a lesser extent in categories 3, 4 and 6.

We continue to work closely with suppliers, customers and other partners to reduce our carbon footprint in Scope 3 input goods and purchased services.

The lower outcome for energy intensity in 2025 is largely explained by less total energy consumption with reduced fuel consumption in Scope 1 accounting for a significant portion of the reduction.

For a presentation of Peab's complete emissions data in Scope 1, 2 and 3, see Figure 21 on page 91 and method descriptions on pages 92-93.

**Calculation methods**

**Energy intensity**

Energy intensity is calculated as the total amount of energy consumed in relation to net sales according to segment reporting. The calculation includes both fuel consumption (Scope 1) and purchased energy (Scope 2), converted to a common energy unit (kWh).

$$\text{Energy intensity} = \frac{\text{Total energy use (kWh)}}{\text{Net sales in SEK million}}$$

Fuel consumption from invoices is converted into energy units using standardized conversion factors. Energy data is collected from invoices, internal systems and suppliers and validated in connection with the reporting period.

**Carbon dioxide intensity**

Carbon intensity is calculated as the amount of greenhouse gas emissions (in tons of carbon dioxide equivalents) in relation to net sales according to segment reporting. Emissions from both Scope 1 (direct emissions from fuel consumption) and Scope 2 (indirect emissions from purchased energy) are included in the calculation.

$$\text{Carbon dioxide intensity Scope 1+2} = \frac{\text{Total emissions (tCO2e)}}{\text{Net sales in SEK million}}$$

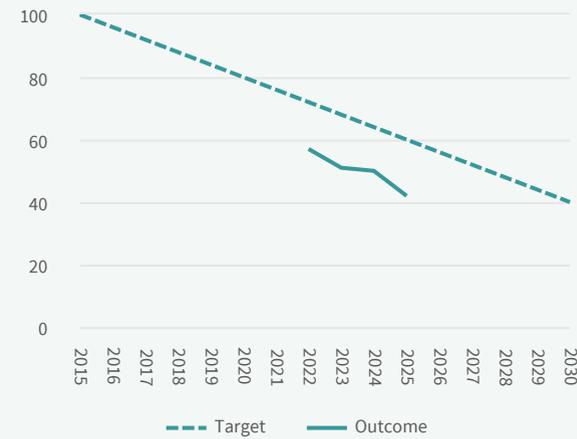
Emissions are calculated according to the GHG Protocol guidelines, applying both market-based and location-based methods for Scope 2, depending on data availability. Emission factors for market-based emissions are obtained from invoices, suppliers or residual mix in order of priority. The production-based method is used for location-based emissions.

The calculation of the carbon dioxide intensity for Scope 3 includes emissions from selected Scope 3 categories (strategic input goods, transportation and business travel). These have been assessed as the most relevant for the Group.

Carbon dioxide intensity Scope 3 =

$$\frac{\text{Emissions from strategic input goods + transportation - business travel (tCO2e)}}{\text{Net sales in SEK million}}$$

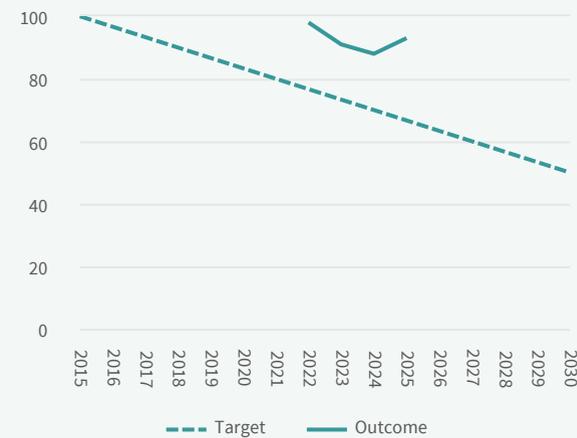
**Figure 17: Carbon dioxide intensity, own production (Scope 1 + 2)**



**Figure 19: Energy intensity**



**Figure 18: Carbon dioxide intensity, Strategic input goods, transportation and business travel (Scope 3)**



E1-5

### Energy consumption and mix

With operations in industry, transportation, construction and civil engineering, Peab's energy consumption is substantial.

Peab reports energy use divided into renewable and non-renewable energy sources and between own fuels and purchased energy. The report shows how much of its total energy consumption comes from each type of energy. Within the non-renewable energy types petroleum products constitute the largest item and natural gas also accounts for a significant part of the total energy consumption. Among the renewable energy sources both bio-oil and purchased electricity from renewable sources make up large volumes in Peab's energy mix. Figure 20 below shows the distribution between the types of energy for the reporting year. The share of renewable energy in electricity, district heating and district cooling is based on both location-based and market-based methods.

Figure 20: Energy consumption from renewable and non-renewable sources, MWh	
<b>Energy (MWh)</b>	<b>2025</b>
Fuel consumption from coal and coal products	0
Fuel consumption from crude oil and petroleum products	516,375
Fuel consumption from natural gas	90,226
Fuel consumption from other non-renewable sources	67
Consumption from nuclear power	0
Consumption of purchased or acquired electricity, heat, steam and cooling from non-renewable sources	63,171
<b>Total non-renewable energy consumption</b>	<b>669,839</b>
<b>Share of non-renewable sources of total energy consumption (%)</b>	<b>69 %</b>
Fuel consumption from renewable sources (including biomass, biogas, waste from non-fossil fuels, renewable hydrogen, etc.)	158,602
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	141,659
<b>Total consumption of renewable energy</b>	<b>300,261</b>
<b>Portion of renewable sources in total energy consumption (%)</b>	<b>31 %</b>
<b>Total energy consumption (MWh)</b>	<b>970,100</b>
<b>Energy intensity</b>	
Total energy intensity per net sales (MWh/SEK million)	17
Net sales, segment reporting, SEK million	58,589

Peab is a construction company, and all of its operations belong to sectors with a high climate impact according to ESRs E1-5. Sectors with a high climate impact are listed under NACE codes A to H and L (as defined in Commission Delegated Regulation (EU) 2022/1288)

E1-6

### Gross Scopes 1, 2, 3 and Total greenhouse gas emissions

To ensure a complete accounting of gross greenhouse gas emissions we have worked to include data from all of our material emission categories. We have done this within the framework of the Group's business plan program "Quality-assured and traceable value chain", where we have created systematic and digitalized management of the Peab Group's emission data. The work has included system support and processes for collecting and analyzing data linked to purchased products and services. The aim has been to increase accessibility, transparency and quality in order to meet increasing reporting requirements from authorities, customers and financial market participants. Peab's method for calculating emissions in Scope 1, 2 and 3 is based as of 2025 on using the strength of our financial information and the structure that exists in our Group to achieve comprehensive reporting of emissions data. This means that as of 2025 we will translate our financial activities and attribute a CO2e value to each expense item within the Peab Group.

At the same time the figures should be interpreted with caution as the conversion to greenhouse gas emissions was made using relatively non-specific emission factors (Exiobase), which means that we deem Peab's emissions data is on the conservative side. In addition to our continued emission reduction work, we expect Peab's reported greenhouse gas emissions to decrease as we develop our ability to use more accurate emissions factors in our emissions calculations in the future.

We apply Peab's emissions calculation method to all our operations and companies, including the partly owned companies in the Group where Peab has operational control\* and where the company's finances are managed in Peab's financial system. We collect emissions data manually when available for those subsidiaries where financial transactions are not in the system.

At the same time some areas require demarcations, for example due to data limitations, different methods of data collection or structural features of the operation.

We describe these limitations under the respective Scope and category. Other upstream emissions are not included in the calculation having been assessed as non-material in relation to the Group's total climate impact. Downstream emissions in Scope 3 are calculated according to the methodology the Group has developed in collaboration with external expertise. When emissions data are missing for a company, a standard method is applied.

➔ [Read more about our method descriptions on pages 92-93.](#)

Peab is actively working with its suppliers to increase the share of primary data collected for Scope 3 through industry-wide standardized information sharing methods such as BEAst digital delivery notes/Peppol Advanced Dispatch Advice. For Scope 1 and 2, the methods for data collection and calculation of emissions generated from Peab's energy and fuel consumption are also being developed with the aim of gradually increasing the portion of activity data.

Peab's electricity use is based on a combination of green electricity contracts and complementary purchases of guarantees of origin. Together, this means that 79.3 percent of the electricity we use in the Group comes from renewable energy sources.

Peab does not report biogenic emissions separately for Scope 1, 2 and 3 due to lack of data availability. Biogenic emissions will be included when quality-assured data is available.

The method consists of several different types of activity data and emissions calculation methods that result in the total climate impact. The emissions calculation methods can be combined and are compatible with each other. The outcome data for Scope 1, 2 and 3 is not verified by an external party.

Figure 21 follows the ESRS disclosure requirements but as Peab does not currently set targets for absolute greenhouse gas emissions in accordance with the transitional provision in ESRS 1 paragraph 133 (a), information on base years, milestones and target years is not applicable.

Peab has not set any absolute figures for greenhouse gas emission in the targets up to 2030 for Scope 1 and 2.

In 2025 total greenhouse gas emissions amounted to 2,033,897 tons CO<sub>2</sub>e. Compared to the base year 2015 Peab has reduced greenhouse gas emissions in its own operations, Scope 1 and 2, by 52.8 percent.

Scope 1 accounted for 7.4 percent of Peab's total emissions. Scope 2 emissions accounted for 0.4 percent of total greenhouse gas emissions.

Scope 3 accounts for the largest share of Peab's total greenhouse gas emissions at 92.2 percent. Of Scope 3 emissions, category one accounts for 79.2 percent.

→ [Read more about our method descriptions on pages 92-93.](#)

Figure 21: Greenhouse gas emissions (tCO <sub>2</sub> e)	Year for sub-targets and targets						
	Base year	2024	2025	% 2025/2024	2030	2045	Annual target in % / base year
<b>Scope 1 greenhouse gas emissions</b>							
Gross, Scope 1 greenhouse gas emissions	311,493	176,000	149,955	-15%			
Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading systems %			0				
<b>Scope 2 greenhouse gas emissions</b>							
Gross location-based Scope 2 greenhouse gas emissions		4,500	3,254	-28%			
Gross market-based Scope 2 greenhouse gas emissions	23,390	14,500	8,127	-44%			
<b>Significant Scope 3 greenhouse gas emissions</b>							
<b>Total gross indirect (Scope 3) greenhouse gas emissions</b>			<b>1,875,815</b>				
Purchased goods and services (category 1)			1,486,012				
Capital goods (category 2)			20,152				
Fuel and energy-related activities (category 3)							
Upstream transportation and distribution (Category 4)			177,872				
Waste generated by operations (category 5)			16,791				
Business travel (category 6)			2,143				
Employee commuting (category 7)			24,579				
Upstream leased assets (category 8)			18,077				
Downstream transportation (category 9)							
Processing of sold products (category 10)							
Use of sold products (category 11)			82,340				
End-of-life treatment of sold products (category 12)			38,180				
Downstream leased assets (category 13)							
Franchises (category 14)							
Investments (category 15)			9,670				
<b>Total greenhouse gas emissions</b>							
<b>Total greenhouse gas emissions (location-based)</b>			<b>2,029,025</b>				
<b>Total greenhouse gas emissions (market-based)</b>			<b>2,033,897</b>				

For definition, see the section Alternative performance measures and definitions on pages 226-227.

**Figure 22: Emission intensity is based on total greenhouse gas emissions in relation to net sales\*** **2025**

Greenhouse gas emissions (location-based) per net sales (tCO2e/SEK million)	35
Greenhouse gas emissions (market-based) per net sales (tCO2e/SEK million)	35

\*Net sales according to segment reporting note 3 58,589

Figure 21 summarizes Peab's greenhouse gas emissions in the value chain. Figure 22 contains information on emission intensity in relation to net sales according to segment reporting, see note 3, which enables comparisons over time.

**E1-7**

**GHG removals and GHG mitigation projects financed through carbon credits**

Peab does not finance greenhouse gas removal and mitigation projects by purchasing carbon credits.

**E1-8**

**Internal carbon pricing**

Peab does not apply internal carbon pricing.

**Method descriptions**

**Scope 1**

As actual consumption cannot be measured with sufficient precision, Peab focuses on purchasing data. The assumption is that all fuel purchased is also consumed. When calculating emissions, Peab uses emission factors that include Well-to-Wheel. This means that emissions from Well-to-Tank are already included in the calculations and are therefore excluded from separate reporting in Scope 3, category 3.3. The Scope 1 basis consists partly of activity data and partly of estimates. For gas, the proportion of activity data is 96 percent and estimated data amounts to four percent. For fuel, activity data accounts for 98 percent and estimated data amounts to two percent.

Fuel and gas purchases are multiplied by emission factors that can be invoice-specific emission factors (values stated on the invoice from the supplier), supplier-specific emission factors (average emission factors from the fuel supplier) or standardized emission factors. Standardized emission factors are taken from the Swedish National Board of Housing, Building and Planning's climate database, Statistics Finland, The Norwegian Environmental Agency, The Danish Business Authority.

Emission factors for Scope 1 include diesel (incl. colored), motor gasoline (petroleum), HVO 100, RME 100, bio-oil, ethanol, pellets, heating oil, natural gas and biogas.

The calculation period is twelve months from December 1, 2024 – November 30, 2025. Joint ventures with operational control are included at 100 percent but are currently only reported within Scope 3, as the operations are limited and direct emissions are deemed non-material. The operations in Denmark, which are not covered by Peab's standard financial systems, are managed through a supplementary manual process.

**Scope 2**

Scope 2 covers indirect greenhouse gas emissions that arise from the production of purchased electricity, heating, steam and cooling used in our own operations. Peab has no steam in its operations. Emissions are reported based on actual energy use and applicable emission factors according to location-based and, where applicable, market-based methods. Peab has Group agreements with major energy suppliers in each country of operation. These agreements ensure that the majority of the purchased electricity comes from procured suppliers where the energy is certified as renewable according to applicable standards and supplier specifications. The conditions are different for district heating and district cooling since these types of energy are provided by local suppliers.

The outcome for Scope 2 is obtained by multiplying energy use by activity data and estimates with emission factors. The portion of activity data is 87 percent and estimated data is 13 percent. When calculating emissions from purchased energy Peab applies both market-based and location-based methods. The market-based method uses invoice-specific emission factors (values stated on the invoice from the supplier), supplier-specific emission factors (average emission factors from the fuel supplier) and residual mix for the country (Peab's own standard values based on the respective country's residual mix). The residual mix represents the part of electricity production that remains after guarantees of origin have been sold and thus reflects the average emission intensity for electricity without a guaranteed origin. These values are obtained from the Association of Issuing Bodies (AIB) and are updated regularly to reflect current conditions. The respective country's production mix is used as an emission factor for the location-based method. The production mix reflects the average emission intensity of all electricity production in the country, regardless of whether guarantees of origin have been issued or not. These values are also taken from the Association of Issuing Bodies (AIB). Swedenergy (Sw), Fjernkontrollen (No), Motiva (Fi), The Danish Business Authority (Dk) are used as sources for emission factors for district heating and district cooling.

The calculation period is twelve months from December 1, 2024 – November 30, 2025 for the described methods. Joint ventures with

operational control are included at 100 percent but are only reported within Scope 3 for the time being since the operations are limited and direct emissions are considered non-material. The operations in Denmark, which are not covered by Peab's standard financial system are handled through a supplementary manual process. Electric vehicle charging is excluded because there is no data in existing solutions. We cannot separately report the portion of consumption of nuclear power and solar energy in energy consumption.

**Scope 3**

**Category 1 - Purchased goods and services**

The emissions calculations for purchased goods and services are based on recorded financial transactions where each transaction is assigned an emission value based on an analysis and categorization linked to the Exiobase emission factor library, i.e. each expense is multiplied by an Exiobase emission factor. For purchases of strategically important input goods for Peab and which also have a high climate impact the purchase cost has been used as a proxy for activity data and converted to unit value via estimate factors after which emission factors are applied. Emission factors for this type of calculation have been obtained from the Swedish Transport Administration's Climate Tool, Svensk Betong AB, the Swedish Energy Agency, Drivkraft Sverige, the Swedish National Board of Housing, Building and Planning's climate database and LCA.no. The calculations for category 1 are based exclusively on expense items.

The calculation period is twelve months from January 1, 2025 to December 31, 2025 and all data is retrieved from the Group's central data warehouse. For the operations in Denmark, which are not included in the Group's central data warehouse, a more manual method has been used for category 1. Purchased quantities of raw materials for asphalt are multiplied by relevant emission factors. Certain smaller product groups are excluded.

**Category 2 – Capital goods**

Category 2 covers emissions from the production of purchased capital goods (raw materials for manufacturing) and is material to all business areas. The data collection has been adapted to Peab's four business areas and includes 78 data points distributed across 11 categories, which have been linked to relevant emission factors. The calculation period is January 1– December 31.

The calculations are based on actual purchase values and performed according to a cost-based method without the use of direct activity data (0% activity data, 100% estimated data for 2025). Cost-based emission factors are obtained from the Swedish Procurement Authority and Exiobase. Data collection for the reporting year in the Danish operations is not yet comprehensive.

**Category 3 – Fuel and energy-related activities**

Category 3 is not reported separately because relevant upstream emissions linked to fuel and energy-related activities are already included Scope 1 and Scope 2 reporting.

**Category 4 – Upstream transportation and distribution**

The same data collection, emission factors, indirect sources and calculation methods are applied on category 4 as for Scope 3, category 1. An operation-specific methodology is applied for the operations in Denmark. The calculations are based on available transportation data, supplemented with standardized assumptions where detailed supplier data could not be obtained, and the emission calculations are performed using emission factors from the EPD generator (LCA.no). There are no boundaries in category 4.

**Category 5 – Waste**

Reporting covers all operations and includes both hazardous and non-hazardous waste according to Peab's internal classification. Waste data is collected from suppliers according to a structured process. The calculation period is December 1– November 30. The result is based on a combination of activity data and estimates. For 2025, the portion of activity data is 93 percent and estimated data is seven percent.

Emission factors for 2025 are weighted per waste type. The current system support allows for one emission factor per waste type, not per treatment method. To ensure accurate matching, waste types and treatment methods have been mapped against databases from DEFRA and EPA which allows for more detailed factoring in the future. Emission factors were updated in 2025 in accordance with the GHG Protocol, which means that the results are not fully comparable with previous years. No demarcations have been made.

**Category 6 – Business travel**

For category 6 we have used an expense and account-based emissions calculation method, meaning that all costs attributable to category 6 and business travel are multiplied by the relevant emission factor from Exiobase.

**Category 7 – Employee commuting**

Commuting refers to emissions from employees' commuting between home and workplace in all business areas and countries where the Group operates. Commuting distance and choice of means of transportation are based on official Swedish travel habits statistics from the report "Travel habits in Sweden 2024". Estimated commuting distance linked to each means of transportation is multiplied by emission factors from NTM and the Swedish Transport Administration. The average number of employees for 2024 has been added to this. The category is calculated exclusively on assumptions without the use of direct activity data. The portion of activity data for 2025 is therefore 0 percent and estimated data is 100 percent.

**Category 8 – Upstream Leased assets**

The same data collection, emission factors, indirect sources and calculation methods are applied in category 8 as for Scope 3, category 1, with the exception that the method for strategic input goods is not applied.

**Category 9 – Downstream transportation**

Category 9 is not reported separately since emissions from transport to the customer are included in the Group's own operating costs and are therefore already covered by reporting in Scope 1, Scope 2 and upstream Scope 3. Transport to the customer is considered an integrated part of the delivered product which means that a separate report in category 9 would entail a risk of counting double.

**Category 10 – Processing of sold products**

Category 10 is not reported separately since the Group does not sell products that undergo further processing at the customer. The processing that takes place is part of the Group's own operations and is therefore already covered by the reporting within Scope 1, Scope 2 and upstream Scope 3.

**Category 11 – Use of sold products**

Category 11 includes direct emissions that occur when customers use Peab's sold products. This is related to the energy consumption during the operating phase of buildings delivered during the period. For Peab, this only refers to properties sold by the Project Development business area and built by the Construction business area to external clients. The data collection is based on the number of constructed and sold square meters (Atemp) per property type during the calculation period October 1 – September 30, including schools, healthcare, retail, sports facilities, swimming pool facilities, hotels, restaurants, student dormitories, apartment buildings, single homes, other premises and other buildings. The calculations are based on standardized factors and estimates with several assumptions. For 2025, the portion of activity data is 0 percent and estimated data is 100 percent. The method is considered to provide a reasonable picture of the size of the emissions. Standard values for district heating and electricity use are based on data from the Swedish National Board of Housing, Building and Planning. Average emission factors for district heating and property electricity are calculated over the lifetime of the properties, with the assumption that energy-related emissions gradually decrease to net zero by 2045. Indirect use of infrastructure, such as emissions from vehicles using road infrastructure, is excluded because it is voluntary to include these indirect emissions under the GHG Protocol.

**Category 12 – End-of-life treatment of sold products**

The data collection is operation-specific and based on products sold in the reporting period per business area. The result is calculated on collected data multiplied by emission factors for final treatment. The portion of activity data for 2025 is 0 percent and estimated data is 100 percent. The calculation period is October 1 - September 30. The

emission factors used are the GHG conversion factors from DEFRA and Exiobase for final treatment of building materials. For specially selected products that are considered to be material, such as concrete, mineral aggregates, asphalt, steel, plastic and wood, specific standards have been used that are configured as parameters in the calculation model.

**Category 13 – Downstream leased assets**

Category 13 has been assessed as non-material to the Group since the external rental of machinery occurs to a limited extent and does not affect the Group's overall emissions profile to any significant degree.

**Category 14 – Franchises**

Category 14 is not relevant as the Group does not conduct business through a franchise arrangement.

**Category 15 – Investments**

Reporting should include all investments in joint ventures without operational control, funds, listed companies, associated companies and other unlisted companies where neither operational nor financial control exists. The purpose is to include investments that are not covered by the Group's other calculation methods.

Peab has no holdings in listed companies and there is no data for associated companies since associated companies only consist of companies where key individuals in Peab hold board positions in these companies. Data is collected for each investment, including fund holdings. The calculation period is October 1, 2024 – September 30, 2025.

The calculations are based on standardized, industry-based emission factors and are based entirely on estimated data (0 percent activity data and 100 percent estimated data for 2025). Emission factors are based on industry data from Exiobase.

The latest available financial data is collected from each holding and the net sales from these are totaled per industry. Industry-specific emission factors for Scope 1, 2 and 3 are retrieved from Exiobase and multiplied by net sales to calculate emissions. The method is based on the assumption that companies within the same industry have similar emission levels, which is a simplification as actual emissions vary depending on the form and efficiency of the business.

Joint ventures where Peab has operational control are not included in category 15 but their emissions are reported in Peab's Scope 1, 2 and 3 in the same way as for wholly owned companies.

The Group has a small fund holding in an EQT fund that is not included in reporting. The holding has limited financial importance, has successively contracted in value and does not entail any control over the fund's investments or management.



ESRS

# Pollution

Material sustainability topics for Peab

- Air pollution
- Water pollution
- Soil contamination
- Living organisms and food resources
- Substances of concern
- Substances of very high concern
- Microplastics

Figure 23	Description of impacts, risks and opportunities	Category	Policies (MDR-P)	Actions (MDR-A)	Targets (MDR-T)	Metrics (MDR-T)
<b>ESRS E2 Pollution</b>						
<b>Substances of (very high) concern</b>						
Use of chemical products and hazardous substances	Use of chemical products and hazardous substances during production can have negative impacts on health, the environment and material property. The use also makes recycling and reuse more difficult and can affect the end customer if hazardous substances are incorporated into the final product.	Negative Potential	Environmental Policy Guideline Peab Criteria and Substitution plan Supplier Code	Working with substitution in our processes Preventive actions Incident management Actions in the value chain	By 2030, we will have phased out environmentally and health hazardous products. Sub-target 2026: The portion of unique chemical products that meet the Peab criteria will be at least 70 percent.	
Use of chemical products and hazardous substances	There are risks of environmental crimes with legal and/or financial penalties as well as reputation damage when using chemical products.	Risk Potential	Environmental Policy Guideline Peab Criteria and Substitution plan Supplier Code	Working with substitution in our processes Preventive actions Incident management Actions in the value chain		

ESRS 2 SBM-3 The figure above illustrates Peab's impacts, risks and opportunities and how they relate to our policies, actions, targets and metrics.

## Peab and pollution

The activities in Peab's operations and value chains cause pollution at different stages of the life cycle. Pollution can harm human health, the environment or material property. Peab has a responsibility to protect people and the environment from harmful exposure to pollution, both in the production and user phases. Therefore, we will strive to ensure that what is hazardous or dangerous never enters operations.

Substances of concern and substances of very high concern refer to hazardous substances that may, for example, be present in chemicals or materials. They may be prohibited substances that pose a risk to health and/or the environment. They may involve substances that impair the possibilities for recycling and circular resource flows during renovation or demolition. The use of hazardous and prohibited substances may result in environmental violations and legal and financial penalties, which in turn may damage Peab's reputation. Examples of the use of substances in different phases of the life cycle are: chemicals in production processes, such as coating materials to protect surfaces, chemical products such as cleaning agents, adhesives or paints in construction production, PVC and other plastics in the recycling of building materials or emissions from paint in buildings. The risks of exposure to hazardous substances affect both employees of manufacturers and employees of Peab and sometimes also the end customer, if the product containing substances of concern is built into the final product. At the same time, handling and treatment of hazardous substances during renovation and land remediation in connection with construction can provide opportunities for positive impact.

Figure 23 shows identified impacts, risks and opportunities and how they relate to Peab's policies, actions, targets and metrics, which are described in this chapter.

We determine substances of concern and substances of very high concern as material for Peab according to the results of Peab's double materiality assessment regarding contaminants.

### IRO-1

## Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

To evaluate Peab's impacts, risks and opportunities in relation to pollution in our own operations and value chains, we have conducted a double materiality assessment. In it, we have assessed the actual and potential positive or negative impact – including opportunities and risks – of Peab's operations on its surroundings and the impact of our surroundings on our operations. The double materiality assessment has included all subcategories regarding pollution as well as assessments of how assets and business operations may be exposed. The assessment has been made in the short-term (<1 year), medium-term (1-5 years) and long-term (>5 years), according to the standard intervals in ESRS. We have worked in cross-functional teams with employee representation from the entire Group. We have conducted the double materiality assessment per value chain and then consolidated the assessments to Group level. The cross-functional teams have mainly consisted of environmental specialists from the four business areas, financial controllers and category buyers. In addition, several employees from the

Group's support functions have participated in the work and the non-financial reporting function has coordinated the process.

Peab has dialogues with affected communities (municipalities, local residents and other relevant stakeholders) in projects where there are pollution-related risks, for example groundwork, handling excavated soil or operations near sensitive environments. Dialogues are held at information meetings, consultations according to the Environmental Code and ongoing communication during implementation of the projects. The views are used to take protective action, adapt work methods and ensure that local environmental and health risks are managed in a responsible manner.

### E2-1

## Policies related to pollution

Peab's Environmental Policy, which is adopted by executive management, has determined that pollutants and hazardous substances are material environmental areas for the Group. The Environmental Policy applies to the entire Peab Group and our suppliers. Our managers are responsible for implementing the Environmental Policy in their respective operations and functions. The Environmental Policy is available on Peab's websites, in the Group's management's system and intranet and is communicated to relevant stakeholders.

We review our Environmental Policy annually. The process is based on a Nordic outlook and includes both an external perspective and input from members of our own organization such as environmental specialists and

union representatives. Consideration is also given to demands and views from customers, suppliers and other stakeholders.

The Environmental Policy is supplemented by guidelines that describe Peab's actions in the area of pollutants and hazardous substances in more detail. The guideline Peab criteria and substitution ladder is in Peab's management system that describes the phase-out criteria we have developed and includes substances of concern and substances of very high concern. It guides the operations in the selection of products and the substitution of hazardous products.

Our management systems also include procedures and instructions for preventing incidents and emergencies that are based on laws, requirements and experience. The four business areas are responsible for implementing and complying with management systems and policies in daily work.

In addition, there are business-specific procedures and checklists for managing specific risks in different operations linked to substances of concern.

Through the Suppliers' Code of Conduct and in contracts Peab requires material suppliers to work on phasing out environmentally and health-hazardous products. Peab criteria and the substitution ladder are included as an appendix in the contract templates used in business areas Construction and Civil Engineering in Sweden.

E2-2

## Actions and resources related to pollution

Peab's criteria and plan for phasing out environmentally and health hazardous chemical products cover the entire Group's use of chemical products. However, we know that there are currently no substitute products for all applications and therefore some exemptions from this phase-out plan are needed.

We have instructions that describe our approach to product selection. We use environmental assessment systems for this work and they provide information about how dangerous a product is, what to do, for example, in the event of a spill and ensure that we are working with the right substitution. We have also implemented digital chemical management systems in all our countries and operations to facilitate management and monitoring of chemical use as well as a digital tool that visualizes our progress in phasing out hazardous products. We manage environmentally and health hazardous products that cannot be replaced by less harmful alternatives through a dispensation procedure. The dispensations are reviewed regularly to make sure monitoring is updated. In addition, we have begun work on limiting chemical products that contain hazardous substances in our purchasing systems according to Peab's phasing-out criteria.

### Preventive work

We work systematically with risk assessments and documented procedures, instructions and templates to avoid accidents and damage to people and the environment. Business areas manage specific risks in their operations linked to hazardous substances through operation-specific routines and checklist.

Regarding substances of concern, preventive actions are described for the storage, labeling and handling of chemical products, for example by considering the material of the container, collection vessel/embankment, the location and design of the storage and available decontamination equipment. We assess the risk of chemical products before they are handled in order to prevent negative impacts on human health or the environment following valid laws and according to Peab's procedures.

When planning the establishment of a construction project, for example, we make a so-called APD plan (workplace disposition plan). It is a drawing of the workplace that visualizes, among other things, locations for barracks and material depots, transportation routes, signs and protective measures. The plan also includes identification of suitable storage locations for chemical products, materials and goods as well as waste management. At each new establishment, we use checklists where emergency preparations like decontamination equipment are included as a checkpoint. Safety and environmental rounds check on compliance with the work method with preventive actions.

Project Development's operations environmentally certifies the majority of its properties and these certifications set requirements for the building materials used. Inspection, service and preventive maintenance of machines and production equipment is also an important part of the work to prevent undesirable events.

### Incident management

Peab has an incident management system which as of 2026 will be used throughout the organization. In it we document and manage deviations that also include substances of concern. The routine aims to ensure that environmental incidents (incidents and accidents) and risks are reported, investigated, addressed and monitored. We can prevent accidents through feedback from past incidents.

A number of incidents involving substances of concern were registered in the system in 2025. These included exposure to hazardous substances during demolition due to inadequate material stocktaking, leakage or spillage of diesel or chemical products handled without the use of proper protective equipment. Immediate actions in the event of spills and leaks are to collect the spillage and clean up the area. Cause investigations are then carried out to identify any preventive actions that need to be taken. In one case where a chemical product was used without proper protective equipment the employee concerned had to undergo a medical check-up and the product was removed from the workplace.

The incident management system also records cases like hydraulic oil leaking from machines that do not usually contain substances of concern.

To limit and control the consequences of all incidents and emergencies there are procedures for crisis management. They include an accident/incident checklist where how environmentally harmful emissions are handled is included (for example, chemical products). Incidents are documented according to the procedure for incident management in Peab's incident management system for further investigation and experience exchanges.

### Upstream and downstream actions

Peab works systematically to set and monitor environmental requirements throughout the value chain to minimize the number of products that are hazardous to the environment and health. Upstream the actions involve developing our methods and systems to guide purchases towards better product choices, for example by integrating information about environmental assessments and eco-labeling into our purchasing processes. We work to ensure that suppliers reduce pollution through the Suppliers' Code, contracts, action plans and audits. Requirements for chemical and waste management are an example of this. We monitor compliance through supplier audits and, in some cases, by monitoring their environmental action plan during the contract period as well.

For prioritized categories, our procurements of new framework agreements include environmental dialogues and action plans. The requirements entail in part that the supplier must work actively to phase out environmentally and health hazardous products and, as far as possible, deliver products that meet Peab criteria requirements and limit chemical products that contain hazardous substances.

Downstream our pollution reduction actions concern providing customers with information so they can assess risks and manage potential emissions. Environmental certificates and safety data sheets are important elements of this work. Requirements for the finished product are set out in product standards and production is audited by a third party under the Factory Production Control (FPC) system. We also strive to deliver products that reduce pollution risks, primarily through product choices that are better for the environment, phasing out polluting products and ensuring that products and operations meet relevant environmental requirements and standards.

For example, input goods such as cement and mineral aggregates must meet requirements regarding the levels of substances in the sub-materials used in concrete production. Controlling this is done by the supplier of input goods. We collect wash water and sludge residues from concrete trucks and analyze it before we reuse it. The supervisory authority may require sampling and analysis of water from catchment areas at the workplace. We continue to work from the conclusions of the completed double materiality assessment regarding pollutants. It is a matter of continuing to develop processes and work methods as well as our ability to report in accordance with legislation.

➔ [Read more about our approach to remediation in pollution-related incidents on page 72.](#)

### Resources

We resource allocate identified actions at both Group and business area level. All actions require different forms of staffing, investments and generate additional operating costs. The Group's Environmental Manager coordinates and drives joint environmental matters, including the issue of environmentally and health-hazardous products, in collaboration with the business areas' environmental managers and specialists. The Group has a Chemicals Council which aims to ensure a holistic perspective and effective management of country and/or Group-wide matters. The Group's environmental functions are tasked with supporting responsible managers in making decisions on product matters to make progress in phasing out work in the various operations. There is currently a lack of complete information regarding resource requirements regarding investments and costs.

**E2-3**

## Targets related to pollution

Setting targets and evaluating them is part of Peab's business plan process. In this process we conduct external analyses and industry comparisons to capture requirements and expectations from stakeholders such as authorities, clients, competitors and investors. We involve employees from our operations as well as relevant functions such as environmental managers and environmental specialists as well as the non-financial reporting function.

One of Peab's four environmental targets is that the Group will phase out environmentally and health hazardous products by 2030, which comprises the majority of the criteria that apply to substances of concern and substances of very high concern. Peab has set this target even though the legislation does not require it. It will be achieved gradually according to the set substitution ladder. The target is broken down into sub-targets and strategic improvement areas and is put into practice in the different operations based on the specific conditions of the business areas. Both the Environmental Policy and Peab criteria and the substitution ladder guideline aim to ensure that we achieve the set target. The formulation of the target means that a base year is not relevant.

To achieve the goal of phasing out environmentally and health hazardous products by 2030, we have set a sub-target until 2026:

- The portion of unique chemical products that meet the Peab criteria should be >70 percent.

Peab's phase-out target was adopted by executive management, is based on EU legislation and is in line with Basta, which is a market-leading environmental assessment system for products in Sweden. The target comprises all business areas, companies and countries within the Peab Group, but currently does not include subcontractors' products. It is monitored regularly and measured as the number of chemical products that meet the Peab criteria in relation to the total number of registered products in the chemical management system.

The outcome for 2025 is 65 percent (64). In other words, the work to phase out environmentally and health hazardous products is well on its way to reaching the goal of at least 70 percent approved chemical products by 2026 at the latest. According to Peab's method of measurement, a chemical product must be removed from all operations in the Group to be considered phased out, which means solid, extensive work is behind the year's outcome. Different parts of the business have come to different lengths in the phase-out work and the phase-out work is a continuous learning and improvement effort that involves several functions. In our continued work we need to bring onboard those parts of the business that have not come as far in their phase-out work and to further strengthen the cooperation between functions such as environment and purchasing.

**E2-5**

## Substances of concern and substances of very high concern

Substances of concern, including those of very high concern, are regulated, among other things, by the European REACH and CLP regulations which aim to protect human health and the environment. REACH requires the registration, evaluation, authorization and restriction of chemicals, while CLP standardizes the classification, labeling and packaging of chemicals.

The Peab guideline Peab Criteria and the substitution ladder comprise all the criteria included in substances of concern and substances of very high concern, except H412. In addition, the guideline includes additional criteria points that are not part of substances of concern and substances of very high concern. Figure 24 describes the different groups and Peab's management method.

Since Peab currently does not have the technical ability to measure actual quantities of substances of concern and substances of very high concern we do not report them.

**Figure 24:**  
**Group**
**Method description for identification through the Peab criteria**

Group	Method description for identification through the Peab criteria
<b>1</b>	<b>Product level hazard statements (H and EUH phrases)</b> Chemical products which have been classified in section 2 of the safety data sheet with the H and EUH phrases listed below do not meet the Peab criteria and in the section on chemical content of the construction product declaration: - CMR (H350, H351, H340, H341, H360, H361) - Harm to breast-fed children (H362) - Single exposure toxicity (H304, H370, H371) - Sensitizing (H334, H317) - Acute toxicity (H300, H301, H310, H311, H330, H331 - Hazardous to the environment (H400, H410, H411, H413) - Toxicity after repeated exposure prolonged or repeated (H372, H373 - Hazardous to the ozone layer (H420) - Endocrine disruptors category 1 (EUH380 and EUH430) - PBT and vPvB (EUH440 and EUH441) - Endocrine disruptors category 2 (EUH381 and EUH431) - PMT and vPvM (EUH450 and EUH451)
<b>2</b>	<b>PBT and vPvB substances</b> The CAS numbers of all substances are checked against the Swedish Chemicals Agency's PRIO database for identification as PBT or vPvB substances.
<b>3</b>	<b>Endocrine disrupting chemicals (EDC)</b> The CAS numbers of all substances are checked against the substance list from BASTA, "Substance list".
<b>4</b>	<b>Lead, Mercury, Cadmium</b> The CAS numbers of all substances are checked against the Swedish Chemicals Agency's PRIO database for identification as particularly hazardous metals.
<b>5</b>	<b>Volatile organic compounds (VOCs)</b> Substances that have an initial boiling point <250°C at a standard pressure of 101.3 kPa and are classified according to the specified H-phrases: - Fatal, toxic or harmful if inhaled (H330, H331, H332) - May cause drowsiness or dizziness (H336) - May cause damage to organs (H371) - May cause damage to organs through prolonged or repeated exposure (H373)
<b>6</b>	<b>Candidate substances (SVHC substances)</b> The CAS numbers of all substances are checked against ECHA's candidate list of substances of very high concern (SVHC).
<b>7</b>	<b>Fluorinated greenhouse gases</b> The CAS numbers of all substances are checked against the substance list from BASTA, "Substance list".
<b>8</b>	<b>Hazardous to the ozone layer</b> The CAS numbers of all substances are checked against the substance list from BASTA, "Substance list".
<b>9</b>	<b>PFAS</b> The CAS numbers of all substances are checked against the Swedish Chemicals Agency's PRIO database for identification as PFAS.

ESRS

# Water and marine resources

Material sustainability topics for Peab

- Water consumption
- Water withdrawal
- Water discharge
- Water discharge into the oceans
- Extraction and use of marine resources

Figure 25	Description of impacts, risks and opportunities	Category	Policies (MDR-P)	Actions (MDR-A)	Targets (MDR-T)	Metrics (MDR-T)
<b>ESRS E3 Water and Marine Resources</b>						
<b>Water withdrawal</b>						
Water withdrawal during the production of input goods and raw materials and in production	Water withdrawals can contribute to water scarcity, impact groundwater levels, wetlands and reservoirs. These effects can cause structural problems such as settlement in structures and buildings and impact local ecosystems. Water use in properties can have an impact on rainwater.	Negative Potential	Environmental Policy	Risk analyses for new projects Ongoing management and documentation in projects		

ESRS 2 SBM-3 The figure above illustrates Peab's impacts, risks and opportunities and how they relate to our policies, actions, targets and metrics.

## Peab and water and marine resources

Peab's operations and value chains use water. Groundwater withdrawal, for example, can lead to wells and streams supplied by groundwater to dry up, wetlands and reservoirs drying out and buildings settling when soil conditions change.

Water withdrawal impacts in operations mainly involve material production, production, cooling, use of process water and impacts on water and wastewater systems. For example, our concrete-related operations are dependent on water, our raw material supply impacts groundwater and production in our construction contract work uses water for various purposes, such as dust control and flushing.

Upstream, water withdrawal is affected by, for example, iron ore mining, cement production, wood cultivation, pulp and chemical industries, steel and metal works, and water for energy production in thermal power plants. Downstream, it is affected by private individuals' use of water in properties, choice of water and sanitation system and the need for treatment plants, water reservoirs or similar infrastructure.

Figure 25 shows the identified impacts, risks and opportunities and how they relate to Peab's policies, actions, targets and metrics, as described in this chapter. In accordance with the results of Peab's double materiality assessment regarding water, the sub-topic water withdrawal is material to Peab, i.e. water taken from different sources for use in the business.

### IRO-1

## Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

To evaluate Peab's impacts, risks and opportunities in relation to water and marine resources in our own operations and value chains we have

conducted a double materiality assessment. In it, we have assessed the actual and potential positive or negative impact – including opportunities and risks – of Peab's operations on its environment and the environment's impact on our operations. The double materiality assessment has included all subcategories regarding water and marine resources as well as assessments of how assets and business operations may be exposed. The assessment has been made in the short term (<1 year), medium term (1-5 years) and long term (>5 years), according to the standard intervals in ESRS. We have worked in cross-functional teams with employee representation from the entire Group. We have conducted the double materiality assessment per value chain and then consolidated the assessments to Group level. The cross-functional teams have mainly consisted of environmental specialists from the four business areas, financial controllers and category buyers. In addition, several employees from the Group's support functions have participated in the work and the non-financial reporting function has coordinated the process.

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

### E3-1

## Policies related to water and marine resources

Peab's Environmental Policy, which is adopted by executive management, has determined water is a material environmental area for the Group. The Environmental Policy applies to the entire Peab Group and our suppliers. Our managers are responsible for implementing the Environmental Policy in their respective operations and functions. The Environmental Policy is available on Peab's websites, in the Group's management system and intranet, and is communicated to relevant stakeholders.

We review our Environmental Policy annually. The process is based on a Nordic outlook and includes both an external perspective and input from within our own organization, such as environmental specialists and union representatives. Consideration is also given to requirements and views from customers, suppliers and other stakeholders.

The Environmental Policy is supplemented by governing documents in Peab's business management system which describe in more detail how we work with water. This involves identifying and managing permit-related water matters, for example through environmental assessments, project-adapted control plans and special procedures for water management. Activities that involve the withdrawal of water or discharge to a recipient are regulated by law and often require permits and approval from relevant authorities as well as actions to minimize the impact on the environment. If there are local requirements for water use, these are taken into account and managed within the framework of the project's governance documents. The aim is to ensure that water matters are considered in each individual project.

### E3-2

## Actions and resources related to water and marine resources

Water is managed within the framework of the permit and regulatory processes and environmental requirements that are relevant to each operation. Actions and resources to manage water risks are determined and based on the legal requirements and risk analyses that are relevant to each operation and project.

For example, when we establish a concrete factory or a quarry we always investigate the water matter. In Sweden and Finland these activities require a permit. Water is a prioritized issue in the permit process. The operation investigates how water consumption and emissions are affected and reports to the authority. If the operation receives a permit, the water issue has been investigated and any requirements are included in the operating permit and the control program that has been drawn up. These requirements are then monitored internally and through the authority's supervision. The

documentation places demands on the operation, both in terms of production and monitoring. These actions also line up with our operational management system.

We identify risks and requirements at the beginning of each project and plan how the risks will be managed based on given conditions. Management is ongoing throughout the project and is included in, for example, checklists and control programs. In our prefab operations, for example, authorities may sometimes have requirements for recycled water, i.e. water used to wash the concrete mixer should be recycled water as far as possible. Recycled water can also, after approved sampling, be used in production. This especially applies if there is water stress in or near our operations. At extraction sites we must then measure and report the volume of groundwater pumped out of the area. There are water stress areas in Finland which can affect individual construction projects.

Actions regarding water use in properties largely involve installing water-efficient fixtures in our standard range for our own developed properties. It is crucial that we work to reduce the amount of water consumed by our customers and end customers already in the planning phase of a project.

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 the need to further analyze the water matters in more detail in parts of the operations as well to develop work methods and actions.

### E3-3

## Targets related to water and marine resources

We have not defined targets or metrics for water withdrawal but water is included in the Group's overall target of 100 percent resource-efficient operations by 2040. We intend to evaluate the need for a specific target regarding water withdrawal in our continued work.

ESRS

# Biodiversity and ecosystems

Material sustainability topics for Peab

- Direct drivers on biodiversity loss
  - Climate change
  - Changed land use and changed freshwater and seawater use
  - Direct exploitation
  - Invasive alien species
  - Pollution
  - Other
- Impact on the state of species
  - Species population size
  - Species global extinction risk
- Impacts on the extent and condition of ecosystem
  - Land degradation
  - Desertification
  - Soil sealing
- Impacts on and dependence on ecosystem services



Figure 26	Description of impacts, risks and opportunities	Category	Policies (MDR-P)	Actions (MDR-A)	Targets (MDR-T)	Metrics (MDR-T)
<b>ESRS E4 Biodiversity</b>						
<b>Direct impact factors</b>						
Exploitation of virgin land, forest or marine environments in manufacturing, construction and operation: - Raw material and power production - Construction of properties, roads, ports, etc. - Quarry operations	Impact on ecosystems during construction and groundwork.	Negative Actual	Environmental Policy	In 2025, we developed the "Peab Group Biodiversity Roadmap 2030" Planning and risk assessment Restoration of used land and other compensation measures Research and development Competence development		
<b>Ecosystem's scope and condition</b>						
Asphalting surfaces or concrete structures	Exploitation of natural resources and soil hardening can change landscapes, impact land and water environments, disrupt water flows and increase the risk of erosion and flooding, which deteriorates habitats for flora and fauna.	Negative Actual	Environmental policy	In 2025, we developed the "Peab Group Biodiversity Roadmap 2030" Planning and risk assessment Restoration of used land and other compensation measures Research and development Competence development		

ESRS 2 SBM-3 The figure above illustrates Peab's impacts, risks and opportunities and how they relate to our policies, actions, targets and metrics.

## Peab and biodiversity and ecosystems

Peab applies the phase-in rules in accordance with the European Commission's phase-in rules for wave 1 companies under Omnibus and "Quick Fix" and reports the minimum disclosure requirements in accordance with ESRS 2 §17 for E4 Biodiversity and ecosystems by summarizing information on the subject's materiality, strategic connection, policies, actions and targets.

Peab's operations and the activities in our value chains affect biodiversity and ecosystems. For example, construction involves claiming and exploiting land as well as interventions in nature with the risk of loss of natural values such as the displacement of species or habitats. Soil hardening and the infrastructure we build, such as roads and railways, encroach the natural environment. This can change water flows, reduce the soil's ability to absorb water, impact groundwater levels and increase runoff and the risk of erosion. This in turn can lead to flooding and deterioration of habitats for flora and fauna as well as contribute negatively to climate change. Peab has a responsibility for biodiversity and ecosystems during both the production and operational phases.

Figure 26 shows identified impacts, risks and opportunities and how they relate to Peab's policies, actions, targets and metrics, which are described in this chapter.

In accordance with the results of Peab's double materiality assessment regarding biodiversity and ecosystems, direct impact factors and the scope and condition of ecosystems are material with the following subtopics:

- Direct impact factors: Changed land use and changed freshwater and seawater use
- Direct impact factors: Direct exploitation
- Ecosystems' scope and condition: Soil hardening

### SBM-3

## Material impacts, risks and opportunities and their interaction with strategy and business model

Working with biodiversity is vital to our business. We need to meet the increasing expectations and demands from customers and the world around us, which are driven by greater knowledge and more extensive regulations. By identifying risks and opportunities, we can take action to, for example, both secure the supply of strategic input goods and offer sustainable solutions that take biodiversity into account.



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

## Impact, risk and opportunity management

### MDR-P

## Policies adopted to manage material sustainability matters

Peab's Environmental Policy, which is adopted by executive management, has determined that biodiversity is a material environmental area for the Group. The Environmental Policy applies to the entire Peab Group and our suppliers. Our managers are responsible for implementing the Environmental Policy in their respective operations and functions. The Environmental Policy is available on Peab's websites, in the Group's management system and intranet, and is communicated to relevant stakeholders.

We review our Environmental Policy annually. The process is based on a Nordic outlook and includes both an external perspective and input from within our own organization, such as environmental specialists and

union representatives. Consideration is also given to requirements and views from customers, suppliers and other stakeholders.

The Environmental Policy is supplemented by governance documents in Peab's business management system which describe in more detail how we work with biodiversity. Business areas Construction, Civil Engineering, Industry and Project Development have internal documents with recommendations on how biodiversity can be protected and strengthened in projects.

In 2025 Peab's executive management adopted a biodiversity roadmap. It sets out the principles and actions that contribute to achieving Peab's Group biodiversity target, namely that we will fully protect, preserve and strengthen ecosystems and biodiversity by 2030. The target was also adopted by executive management during the year. The roadmap comprises all operations in the Peab Group and runs until 2030.

MDR-A

## Actions and resources in relation to material sustainability matters

Based on the biodiversity roadmap, we work in various ways to protect and promote biodiversity, including conservation of threatened species, restoration of damaged ecosystems and sustainable management of natural resources. We assess risks and plan, restore used land and take other compensatory actions that reduce negative impacts and create conditions for new ecosystems. This entails everything from raw material management, certifications, procedures for avoiding, restoring and mitigating negative impacts on biodiversity and ecosystems to managing social impacts related to biodiversity.

Before starting projects or activities Peab assesses the potential impact on biodiversity and ecosystems and conducts investigations and takes the necessary precautionary actions to prevent adverse impacts on natural values. This often happens in connection with permit reviews. One principle we apply is the hierarchy of considerations, for example when planning for new quarries, which contributes to Peab's resilience in relation to biodiversity. Before we open a quarry we conduct nature value and species assessments to determine whether a location is suitable and we identify any protective measures. We are increasingly producing biodiversity plans and have so far drawn up 15 diversity plans in Sweden. At the same time, it is worth noting that sometimes quarries can offer unique habitats for endangered species and thereby contain higher nature values than the surrounding area.

When it comes to soil degradation or soil hardening, normally we handle any negative impacts in each project already in connection with planning and project development. We handle unintended negative impacts during production in daily operations, such as impacting rainwater flows. We work with solutions that include sustainable rainwater management, compensatory actions and land restoration where possible while striving to integrate biodiversity into our projects.

We continuously take action to protect habitats and species – and sometimes even increase populations in the environments where we operate. In some projects we contribute to preserving biodiversity by developing green and blue infrastructure such as fauna passages and game crossings. We also carry out commissions for customers that contribute to preserving biodiversity in lakes and seas.

In Peab Project Development we environmentally certify all our own developed projects. The environmental certifications take biodiversity into account to varying degrees:

- Housing in Sweden: Nordic Swan Ecolabel (or BREEAM, Miljöbyggnad or ZeroCO2 if the housing is part of a commercial contract). We have been mapping biodiversity since 2025, before and after construction, in all our own projects.
- Housing in Norway and Finland: BREEAM.
- Commercial projects: BREEAM, LEED or Miljöbyggnad.

To develop knowledge and drive matters of biodiversity and ecosystems, Peab initiates and participates in a number of research and development projects. We are also active in various initiatives together with others in our industry. For example, we have participated in work groups in an industry-wide project that has developed a practical tool for evaluating the effects of programs linked to biodiversity. We are members of Business@Biodiversity Sweden, which is a network focusing on biodiversity and business benefits, in Aggregates Europe's (UEPG) work group on biodiversity, in the Swedish Mining Industry's work group on biodiversity and the development of a biodiversity roadmap.

We have also continued to work on strengthening our expertise by educating internal target groups about biodiversity and ecosystems.

Actions that the business areas have taken in 2025:

- evaluated methods for working with biodiversity in projects.
- strengthened dialogues and collaboration with customers to enable actions regarding biodiversity in projects.
- strengthened dialogues and collaboration with suppliers to develop specifications regarding biodiversity linked to purchased products and services.

We work actively with suppliers and manufacturers to protect biodiversity and ecosystems.

### Resources

We are resourcing the identified actions at both the Group and business area level. All actions require different forms of staffing, investments and additional operating costs. The Group's Environmental Manager coordinates and drives joint environmental matters, including the issue of biodiversity, in collaboration with the business areas' environmental managers and specialists. The Group has a Biodiversity Council which strives for a holistic perspective and effective management of country and/or Group-wide matters. The Group's environmental functions are tasked with supporting responsible managers in making decisions on matters relating to biodiversity to translate plans into activities and achieve progress in the work in the various operations. There is currently a lack of complete information regarding resource requirements for investments and costs.

MDR-T

## Tracking effectiveness of policies and actions through targets

Setting targets and evaluating them is part of Peab's business plan process. We conduct external analyses and industry comparisons in this process to capture requirements and expectations from stakeholders such as authorities, customers, competitors and investors. We involve employees from operations as well as relevant functions such as environmental managers and environmental specialists and the non-financial reporting function in the work process.

Since 2025, Peab has had the Group biodiversity target: "We will protect, preserve and strengthen ecosystems and biodiversity by 2030". The target is inspired by, and related to, the Kunming-Montreal Convention on Biological Diversity and its long-term goals and targets as well as the EU Biodiversity Strategy for 2030 and takes into account the Birds Directive and the Habitats Directive. These are also the basis of the formulation of Peab's biodiversity roadmap.

We have defined a number of timed metrics linked to actions in the biodiversity roadmap:

- New biodiversity plans must be developed for at least six quarries.
- Biodiversity, before and after construction, will be mapped in at least two of our own developed projects during 2026.
- At least three R&D projects focusing on biodiversity will have been initiated by 2029.
- At least three environmental plans with actions that have a material impact on biodiversity will have been drawn up together with suppliers by 2029.

We continue to work with biodiversity and ecosystems to develop both processes and work methods. An important part of this work is to further translate Peab's biodiversity roadmap into practical targets and activities in the Group.

Environment

E5

ESRS

# Resource use and circular economy

Material sustainability topics for Peab

- ☑ Resource inflows
- ☑ Resource outflows
- ☑ Waste

Figure 27	Description of impacts, risks and opportunities	Category	Policies (MDR-P)	Actions (MDR-A)	Targets (MDR-T)	Metrics (MDR-T)
<b>ESRS E5 Resource use and circular economy</b>						
<b>Resource inflows</b>						
Use of virgin and finite natural resources for production.	Limestone, iron ore and crude oil are examples of finite raw materials used in the production of cement, steel and bitumen, and whose extraction impacts the environment, emits greenhouse gases and depletes non-renewable resources which can pose supply risks.	Negative Actual	Environmental Policy Policy Strategic Input goods	Minimizing resource use, e.g. through material-efficient design and alternative materials. Environmental dialogues with suppliers Research and development Recycling and reuse		E5-4
Use of virgin and finite natural resources for production.	Limited access to certain resources can lead to supply risks and price increases, especially when a few suppliers dominate the market. Waste that cannot be reused or recycled also leads to higher costs.	Risk Potential	Environmental Policy Policy Strategic Input goods			
<b>Resource outflows</b>						
Renewable resources, circular flows and material choices	The use of recyclable materials and demountable structures enables circular flows, where the material can be used again after the end-of-life of the product. Careful material selection and long lifespan reduce resource consumption and climate impact.	Positive Potential	Environmental Policy	Conscious material choices Industry and supplier collaborations Research and development		E5-5
Renewable resources, circular flows and material choices	Circular offers and greater reuse/recycling of material and extraction soil create new business opportunities. This reduces the need for virgin material and critical raw material and strengthens Peab's circularity.	Opportunity Potential	Environmental Policy	Conscious material choices Industry and supplier collaborations Research and development		
Impact of properties over the life cycle	If structures and installations are not designed energy-efficiently, energy consumption increases during operation, which increases the climate impact and operating costs for the end customer. The use of materials with a short lifespan increases the need for maintenance and renovations, which generates waste and additional resource consumption and makes circular flows more difficult.	Negative Actual	Environmental Policy	Working with structures Conscious material choices		E5-5
<b>Waste</b>						
Spillage, demolition and excavated soil	Waste arises during production, for example through spillage from construction materials, demolition and excavated soil. In addition, a design that makes dismantling and recycling difficult can lead to materials going to landfill or incineration, which increases environmental impact and reduces the possibility of circularity.	Negative Actual	Environmental Policy Guidelines for handling materials for recycling	Actions according to the waste hierarchy Supplier collaborations for advanced waste management	Target: By 2040, we will have 100 % resource-efficient operations. Sub-target: 2026, excluding hazardous waste and excavated soil. Waste intensity: 5% reduction (compared to base year 2023). Source sorting rate: 90% Actual recycling rate: 80%	E5-5
Reuse and recycling of materials and excavated soil	Recyclable materials, reuse and demountable structures enable circular flows and reduce resource consumption and climate impact. Careful material selection and long lifespan also reduce the need for virgin and critical raw materials.	Positive Potential	Environmental Policy Guidelines for handling materials for recycling	Customer collaborations for recycling opportunities Collaborations with recycling actors	Target: By 2040, we will have 100% resource-efficient operations. Sub-target: 2026, excluding hazardous waste and excavated soil. Waste intensity: 5% reduction (compared to base year 2023). Source sorting rate: 90% Actual recycling rate: 80%	E5-5
Renewable resources, circular flows and material choices	Circular offers and greater reuse/recycling of material and extraction soil create new business opportunities. This reduces the need for virgin material and critical raw material and strengthens Peab's circularity.	Opportunity Potential	Environmental Policy Guidelines for handling materials for recycling	Conscious material choices Industry and supplier collaborations Research and development		

**ESRS 2 SBM-3** The figure above illustrates Peab's impacts, risks and opportunities and how they relate to our policies, actions, targets and metrics.

## Peab and resource use and circular economy

Peab's operations are material-intensive. We use virgin and finite natural resources that become input goods, other materials and resources in our infrastructure and construction projects. When resources cannot be disposed of, waste is created. The impact linked to resource use does not only arise from Peab's own operations when we manufacture materials and build but throughout the value chain of suppliers, customers, waste contractors and other manufacturing companies. We have a responsibility for our resource use and to promote a circular economy in the value chain to save natural resources and contribute to the climate transition.

Concrete, mineral aggregates and asphalt are examples of the use of input materials in our operations. In projects we use a variety of materials, ranging from building materials, packaging, load-bearing and temporary construction materials to excavated soil and recycled demolition materials. Resource use and the degree of circularity are influenced by how we and our customers design buildings and facilities, for example through solutions for maintenance, lifespan, circular materials and constructions that enable recycling and reuse.

When resources are not reused, greenhouse gas emissions and other air pollutants are released during the transportation and incineration of waste while land is used for storage and disposal of waste. This can pose a risk of spreading hazardous substances to soil and water. We are continuously working to minimize the amount of waste and maximize reuse and recycling.

Waste flows and materials that the waste consists of for Peab and the construction industry:

- The greatest waste streams are generated in construction by the largest building materials like concrete and other mineral materials, wood and metal. In addition, waste is generated from frame supplements like plaster and insulation.
- The largest amounts of waste in civil engineering are related to excavated soil.
- In industrial operations waste is generated in the production phase of, for example, concrete and asphalt.

Peab's operations and breadth mean that we can see the business potential in resource use and circular economy, both in terms of costs and income, including reducing dependence on critical raw materials.

Figure 27 on page 104 shows identified impacts, risks and opportunities and how they relate to Peab's policies, actions, targets and metrics, which are described in this chapter.

In accordance with the results of Peab's double materiality assessment regarding resource use and circular economy, the three subcategories resource inflow, resource outflow and waste are material.

### IRO-1

## Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

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 conducted a double materiality assessment. In it, we have assessed the actual and potential positive or negative impact – including opportunities and risks – of Peab's operations on its environment and the environment's impact on our operations. The double materiality assessment has included all subcategories regarding resource use and circular economy as well as assessments of how assets and business operations may be exposed. The assessment has been made in the short term (<1 year), medium term (1-5 years) and long term (>5 years), according to the standard intervals in ESRS. We have worked in cross-functional teams with employee representation from the entire Group. We have conducted the double materiality assessment per value chain and then consolidated the assessments to Group level. The cross-functional teams have mainly consisted of environmental specialists from the four business areas, financial controllers and category buyers. In addition, several employees from the Group's support functions have participated in the work and the non-financial reporting function has coordinated the process.

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

### E5-1

## Policies related to resource use and circular economy

Peab's Environmental Policy, which is adopted by executive management, establishes resource use and circularity as essential environmental areas for the Group. The Environmental Policy applies to the entire Peab Group and our suppliers. Our managers are responsible for implementing the Environmental Policy in their respective operations and functions. The Environmental Policy is available on Peab's websites, in the Group's management system and intranet, and is communicated to relevant stakeholders.

We review our Environmental Policy annually. The process is based on a Nordic outlook and includes both an external perspective and input from within our own organization, such as environmental specialists and union representatives. Consideration is also given to requirements and views from customers, suppliers and other stakeholders.

The Environmental Policy is supplemented by guidelines that describe Peab's actions in resource use and circularity in more detail. Peab has a guideline for handling materials for recycling that supports greater utilization of leftover materials, recycled materials and returnable packaging, which is important for both reducing extraction of virgin resources and preventing and reducing waste in operations. In our process "environmental dialogue" regarding suppliers' environmental work we demand, among other things, a recycled portion of materials and products from suppliers.

Peab also has a Group policy for strategic input goods, which was adopted by executive management and the COO is responsible for implementing it into operations. The policy states that we will secure continuous access to input goods that are strategic for our business and that materials which currently have a climate impact will be substituted as far as possible. Furthermore, the policy states that we will constantly improve the conditions for circularity and recycling and accelerate the transition to renewable products, solutions and construction methods.

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 complement the Group's policy and guidelines and describe how we work with resource use and the circular economy.

There are operation-specific procedures and guidelines regarding resource and waste management. When we environmentally certify buildings, for example through Swan eco-labeling, we consider resource use and the circular economy.

### E5-2

## Actions and resources related to resource use and circular economy

The actions Peab takes in resource use and circular economy (resource inflow, resource outflow and waste) are based on the results from our material areas of impact, risks and opportunities and are in line with our targets and policies. These insights have led us to the strategy of striving for resource-efficient production through caution with non-renewable resources, efficient use of materials, responsible management of residual products and work methods that reduce waste as well as greater use of recycled materials along with requirements for circular solutions in the early stages of projects. For example, this involves striving to design resource-efficient structures, make conscious choices and use alternative materials, minimize and recycle waste, reuse building materials and ensure that leftover materials are used, manage excavated soil efficiently and circularly, sort at source to a greater extent to promote material recycling in the next stage and procure circular products. We have therefore directed resources to developing material selection, supplier requirements, new work methods for recycling and digital tools for traceability.

We are actively working on implementing the policy for strategic input goods through the Climate Roadmap and strategic input goods business plan program. Here we break down our targets into activities that move operations towards the targets set. The action plan and target outcomes are monitored on an ongoing basis.

[➔ Read more about the Climate Roadmap and strategic input goods on page 75, figure 8.](#)

We carry out training initiatives, participate in industry-wide development groups (for example, within the Swedish Construction Companies and CC Build) and work on adaptations in production and logistics. We monitor research and development initiatives regarding alternative materials.

We are continuously working to reduce the amount of waste in our projects which can vary depending on the nature of the operation and business area. In business area Construction we strive to reach higher in the waste hierarchy, i.e. to above all minimize waste generation and reuse, and secondarily direct waste, which nevertheless arises, towards material recycling. The construction projects have project managers who plan and implement waste minimization actions. In Sweden and Norway, we use a so-called "Waste app" to monitor waste management. In 2025, we also organized workshops to share experiences and good examples regarding waste minimization.

We conduct environmental dialogues, establish action plans and set requirements for our suppliers to increase circularity in construction products, materials, packaging and load carriers. There are several ongoing projects with reuse targets where Peab, together with customers, explores new ways to reuse construction products. We have close collaborations with waste contractors under framework-agreements to develop waste management towards more circular flows. To further promote reuse in the projects we have signed Group contracts with reuse operators that covers around 130 Swedish municipalities.

In business area Civil Engineer the largest amounts of waste are related to the management of excavated soil. In order to reuse excavated soil instead of transporting it to landfill we work with in situ remediation, where we remediate contaminated soil and contaminated dredged materials where they are. This reduces the need to transport replacement materials for backfilling. According to our life cycle calculations, in situ remediation and stabilization of contaminated excavated soil can result in up to 80 percent lower greenhouse gas emissions. We have various collaborations around circular material management and we productize surplus excavated soil using the subsidiary Swerock's C & D Recycling Wash Plants. In civil engineering projects we work with waste plans together with designated waste recipients.

Examples of other actions:

- Adaptations in operations to be able to work more circularly, for example with production equipment, receiving and storing circular materials.
- Optimization of logistics and production to reduce waste and increase resource efficiency.
- Research and development to find alternative materials, such as binders and mineral aggregates.

For Peab, the circular economy represents business potential. For example, we offer the market ECO-Ballast (ECO-Mineral Aggregates) made from recycled raw materials. The product offers properties equivalent to virgin mineral aggregates and is both quality assured and environmentally and health declared. ECO-Ballast can be used for the production of asphalt and concrete or as a construction material and contributes to the circular construction of society. The use of reclaimed asphalt pavement (RAP) in our paving production is another example of circular material flow.

**Resources**

We allocate resources to the identified actions at both the Group and business area level. All actions require different forms of staffing, investments and additional operating costs. The Group's Environmental Manager coordinates and drives the common environmental matters, including the issue of resource use and circular economy, in collaboration with the business areas' environmental managers and specialists. The Group has a Circularity Council, which aims to strive for a

holistic perspective and effective management of country and/or Group-wide matters. The Group's environmental functions are matters with supporting responsible managers in making decisions on issues related to resource use and circular economy in order to translate plans into activities and achieve progress in the work in the various operations. There is currently a lack of complete information regarding resource requirements for investments and costs.

Civil engineering operations have environmental specialists with a focus on contaminated excavated soil who work with in situ treatment of contaminated excavated soil and circular mass management. Similar roles exist in business areas Construction and Industry. In addition, there are designated resources in the construction projects who are responsible for, for example, driving and monitoring the issue of waste management.

**Material and waste flows and waste prevention actions**

Upstream flows describe material flows to Peab, for example material deliveries from suppliers and surplus material from other actors that are received for recycling while downstream flows describe material flows out of Peab, for example finished products to customers, components for reuse by other actors and waste to external waste contractors. Peab's material and waste flows can be broadly described according to Figure 28 below.

**1. Virgin materials**

Peab has a significant business in raw material supply where we provide society with necessary construction materials such as mineral aggregates used for railway construction and concrete production. We strive to increase the use of circular materials but we also use mineral aggregates from our own quarries.

**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 give rise to waste to varying degrees from, for example, materials, packaging and load carriers. To reduce the environmental impact of input goods we work to optimize constructions that reduce the need for materials and for efficient work methods that minimize waste and surplus or damaged material, among other things. We also strive for greater incorporation of recycled materials and recyclability in both products and packaging materials. We also work for increased use of returnable packaging like construction pallets.

**3. By-products**

We use by-products from other actors' operations as raw materials in our own production. We are continuously working to increase the proportion of by-products as raw materials and in this way contribute to reducing the amount of material that goes to waste. One example is that we use

slag from milling steel in our concrete production. We use it to produce the binder Merit, which can partially replace cement in concrete.

**4. Surplus material**

Peab operates its own recycling operations focusing on surplus material from both its own operations and external customers. Through efficient recycling of surplus materials, including using C & D Recycling Wash Plants, the amount of surplus excavated soil from excavations and infrastructure projects that are put in landfill can be reduced by up to 80 percent. Instead, we can use the material as raw material for new products which reduces the use of virgin material.

**5. Materials and products**

Peab manufactures various materials and products for customers, everything from mineral aggregates, asphalt and concrete to finished bridges, schools and hospitals.

We are working to ensure that our products contain a higher portion of recycled materials. One example is that we use reclaimed asphalt pavement (RAP) as a raw material in our asphalt production. This reduces the need for both bitumen and aggregate material. We are also working to provide products and materials with a long lifespan and to enable increased reuse and recycling of input materials and products after end use.

For example, we strive to phase out environmentally and health-hazardous products that contain substances we do not want to enter the circular economy. We also work to increase dismountability, which enables future reuse of components.

**6. Takeback and return waste**

Despite preventive action material waste is generated in production and sometimes there is a surplus of material. We strive to primarily return leftover, undamaged products to the supplier that can be sold again or to

return material waste that can be included as raw material in the supplier's material production.

**7. Reuse**

If surplus materials and products cannot be returned to the supplier, we strive to ensure that they are put to use and not wasted. This may include surplus materials and products, temporary materials that are only needed during the production phase or products that have been dismantled in connection with renovation or demolition. We want to make surplus materials and products that we cannot reuse within our own operations available to other actors. We have therefore signed cooperation agreements with several external recycling actors and are members of industry-wide forums for circular construction such as CC Build.

We can reuse some materials ourselves in our own operations. An example of systematic reuse is our operations in Varvsstaden, which is a former shipyard area that is now being transformed into a new district in a central location in Malmö. Here, we have developed the "Material Bank" which is a database that contains information about all the materials onsite and shows the environmental benefits of working with reuse and recycling.

**8. Waste**

We sort the waste generated in our operations despite the above preventive actions as much as possible and turn it over to professional waste contractors. They might be able to prepare the material for reuse or recycling.

If not, the waste is incinerated, usually with energy recovery, or as a last resort used as landfill. There are also material and products that are not suitable for reuse or recycling such as hazardous waste generated in connection with demolition or land remediation. This is also given to professional waste contractors for treatment and/or disposal.



Figure 28

E5-3

### Targets related to resource use and circular economy

One of Peab's four environmental targets is that operations will be completely resource-efficient by 2040 which was adopted by executive management. The resource efficiency target includes moving towards more circular business models, optimizing the use of resources and minimizing waste generation. This means that new products and materials will last longer, contain more recycled material and be designed for recycling and reuse. It also relates to ecosystems and biodiversity when exploiting land and natural resources, as well as the climate, because through recycling and reuse – thereby reducing the use of virgin materials – we also reduce greenhouse gas emissions. No changes to targets or metrics have been made in 2025. The resource efficiency target is currently not further quantified.

We have targets, metrics and strategic improvement areas for waste intensity, source separation rate and actual recycling rate as well as additional non-targeted key performance indicators, both at Group and business area level. These waste-related targets are not scientifically based. The targets focus on the first three steps of the waste hierarchy: 1) prevention (minimization) of waste, 2) reuse and 3) recycling.

At the Group level, we monitor the target of resource efficiency through targeted key performance indicators with sub-targets until 2026:

Figure 29: Metrics	Sub-target 2026	2025
Waste intensity (ton/MSEK)	5 % reduction, cf. base year 2023	-28%
Source separation rate (%)	90	79
Actual recycling rate (%)	80	81

The three key figures exclude hazardous waste and excavated soil. See Figure 32 on page 109 for waste data. The waste intensity target has a base year of 2023, while the targets for source separation rate and actual recycling rate have no base year as they measure a trend and are reported as shares of 100 percent.

Waste quantities refer to waste flows handled via waste contractors that invoice Peab. The waste intensity is calculated as the amount of waste in relation to Group net sales. The definition of source separation rate is the total amount of non-hazardous waste minus mixed waste, combustible waste, waste to landfill and waste sorted into fractions.

The recycling rate is based on the treatment codes assigned to the waste by the waste contractor. Recycling includes all types of recycling, including materials that are recycled as construction materials or fill materials. Recycling also includes the treatment code “prepared for reuse”.

Peab's products will contain higher portions of recycled material and we currently recycle asphalt, mineral aggregates and excavated soil, among other things. In Peab's Nordic asphalt production, the portion of reclaimed asphalt pavement (RAP) in 2025 was 31 (28) percent (cf. 14 percent in 2015).

We also break down the target of resource efficiency into sub-targets per business area.

As we develop our work in resource use and circular economy we intend to evaluate the need to develop our metrics and targets to better measure progress in our actions, especially regarding resource inflow and resource outflow.

E5-4

### Resource inflows

Peab's material resource inflows are defined in the policy for strategic input goods which highlights input goods that are critical for Peab's community building. The input goods are bitumen, cement, electricity, fuel, steel and certain wood products.

More than 67 percent of Peab's purchases are made directly through construction and civil engineering contracts. We therefore work to direct the purchases of strategic input goods to selected suppliers who meet the requirements for greater circularity and low greenhouse gas emissions. At the same time, we actively work to be involved in the projects at an early stage, together with the customer, to be able to influence material and supplier choices.

We have analyzed the Group's expense data to calculate resource inflow. To obtain resource inflow amounts we have used the same conversion factors for expense data as when calculating Scope 3.1 reporting. The method enables calculating resource amounts based on booked purchases which entails some uncertainty in the outcome.

By starting from purchased and booked costs we ensure that the data is complete since it can be reconciled with reported purchases. For each resource type we have as far as possible collected data from the largest suppliers to substantiate the portion of recycled material.

Figure 30 shows the largest resource inflows in Peab and is not limited to Peab's direct material purchases from external suppliers. The compiled data in the figure has not been verified by an external party.

The percentage of recycled material is based on EPD data at supplier level. Our ability to pin down the percentage of biological material per material flow is not underpinned and needs to be established over time.

Peab is continuously working to improve data quality and completeness of supplier-specific data and replace resource inflow amounts based on expense data and conversion factors.

Figure 30: Consumption of materials, with proportion of recycled input materials.	Unit	2025	2025 recycled materials	2025 % of recycled materials
<b>Materials-Non-renewable source</b>				
Concrete/Cement				
Cement	tons	336,000		
Lime cement	tons	17,000		
Precast concrete	tons	438,000		
Concrete frame	tons	175,000		
Bitumen	tons	318,000		
Steel products				
Commercial steel/structural steel	tons	12,000	11,400	95 %
Reinforcement	tons	40,000	38,000	95 %
Asphalt	tons	74,000	14,800	20 %
<b>Materials-renewable source</b>				
Wood				
Timber	m <sup>3</sup>	24,000		
Slabs	m <sup>3</sup>	8,500		

E5-5

### Resource outflows

There are a number of different materials and products generated by Peab's production processes. What business area Construction mainly leaves behind is new production and renovation of housing, commercial premises such as offices and industrial buildings and public buildings such as schools, healthcare facilities and swimming pool facilities. Business area Civil Engineering's production processes include roads and railways, bridges, ports, quays and waterworks as well as airports. Business area Industry manufactures concrete, asphalt, mineral aggregates and prefabricated concrete elements while production equipment and machinery are rented out to customers. Business area Project

Development's main products are the housing and commercial properties built by business area Construction.

The reparability, i.e. the ability to restore function and safety, of these products and materials is crucial to achieving the targets of the circular economy and resource efficiency. Civil engineering structures such as bridges, quays and dams are complex and long-lived structures. We are often governed by requirements from our customers but we actively work to influence them to promote circularity by, for example, proposing solutions regarding design and material selection. The same applies to the operations within business area Construction. Constructing buildings that can be dismantled, repaired or rebuilt for other uses still does not occur to the extent that regulatory changes and policy instruments indicate.

We also always ensure that drawings, material data and maintenance instructions are available to the customer when we turn over a completed project.

Concrete and asphalt are 100 percent repairable materials. Concrete structures can be repaired through maintenance measures and used concrete can be recycled, particularly as mineral aggregates. Aggregate products such as crushed rock and recycled mineral aggregates are not inherently repairable since they are raw material rather than finished products with functional components. Reparability is therefore primarily about the ability to restore or extend the functionality of the structures in which the aggregate material is included.

Peab has routines for maintenance and repair in all our operations which contributes to higher product lifespan and resource efficiency.

The basis of the products or material categories that Peab reports for 2025 regarding resource outflow is our double materiality assessment and the degree of circularity of the product or material.

The resource outflow is based on data on volumes sold. For the majority of the resource outflow data on quantities sold is available in tons. For ready-mixed concrete, which is sold in cubic meters, we have used a conversion factor to tons.

We have obtained information on volumes sold from each business based on volumes reported according to the Group's system during the reporting period.

Figure 31: Product	Volume	Unit	Lifetime	Reparability	Recyclable material in the product %
Manufactured products/Extracted products					
Asphalt	6,157,849	ton	Low traffic road: 25 years High traffic road: 5-10 years The Swedish Transport Administration states an average of 17 years. Source: Swedish Transport Administration	Asphalt is 100 % repairable. Asphalt pavements can be repaired through maintenance measures. Used asphalt can be recycled.	95 % Source: Stated in the asphalt EPD
Mineral aggregates*	25,363,291	ton	It is difficult to specify the service life of ballast. Most of the ballast is hidden in, for example, various substructures or mixed into, for example, concrete, and then the service life is very long. Then other ballast is used for other functions where the service life is significantly shorter, for example, anti-slip.	Aggregate products such as crushed rock and recycled aggregate are not inherently repairable in the traditional sense, as they are homogeneous rather than products with functional components. Reparability within this product is therefore primarily about the ability to restore or extend the functionality of the structures in which the aggregate material is included.	100 %
Prefabricated concrete elements	176,123	ton	At least 50 years	Concrete elements are repairable through maintenance measures. Choice of surface coating can affect lifespan.	69 %
Factory concrete	2,172,748	ton	At least 100 years Source: Swedish Concrete	Concrete is 100 % repairable Concrete structures can be repaired through maintenance measures. Used concrete can be recycled.	100 % for the concrete mass
Construction projects	37	% of net sales	The lifespan varies between different materials and parts may therefore need to be replaced during the life of the building		How much of the material can be recycled see the different material types as above
Infrastructure projects	27	% of net sales	The lifespan varies between different materials and parts may therefore need to be replaced during the life of the building/road		How much of the material can be recycled see the different material types as above. Steel has a high recycling rate.

\*Mineral aggregates are reported as a product category on its own. Reported mineral aggregate volumes have not been adjusted for possible use as input material in other reported products.

**Waste generated**

Waste data is collected from Peab's waste contractors and excavated soil managers. The data is from direct measurements that compile how the waste has been sorted and treated in each project/branch of activity and can also be aggregated at different organizational levels. When it comes to treatment codes, waste contractor may work with standards/estimates.

Peab's waste consists primarily of excavated soil followed by asphalt, mineral materials, wood, park and garden waste and scrap metal, which also constitute the waste streams and material types that are most relevant to the business. Compared to 2024, the amount of waste in tons increased by 9.2 percent in 2025. Changes in the amount of waste between the years are largely due to variations in the number of projects and the scope and design of projects that Peab had during the current reporting year.

Waste data is collected from suppliers according to Peab's structured process and includes both hazardous and non-hazardous waste. The reporting is based on activity data supplemented with estimates where activity data is missing. The data is compiled from project to Group level and the information is not verified by an external party.

➔ [Read more about our method descriptions on pages 92-93.](#)

<b>Figure 32: Total waste (tons)</b>		<b>2025</b>
Total hazardous waste		93,112
Total radioactive waste		0
Total non-hazardous waste		1,272,473
<b>Total waste</b>		<b>1,365,584</b>
Total recycled waste		967,179
Total non-recycled waste		398,406
Share of non-recycled waste in total waste		29 %
<b>Hazardous solid waste (tons)</b>		
Waste for incineration		863
Waste to landfill		66,339
Other disposal activities		3,006
<b>Waste for disposal</b>		<b>70,208</b>
Recycling		4,619
Reused		8,772
Other recycling activities		9,513
<b>Total waste diverted from disposal</b>		<b>22,904</b>
<b>Total hazardous waste</b>		<b>93,112</b>
<b>Non-hazardous solid waste (tons)</b>		
Waste for incineration		17,206
Waste to landfill		308,980
Other disposal activities		2,012
<b>Waste for disposal</b>		<b>328,198</b>
Recycling		841,523
Reused		82,745
Other recycling activities		20,007
<b>Total waste diverted from disposal</b>		<b>944,275</b>
<b>Total non-hazardous waste</b>		<b>1,272,473</b>



# 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 2025. 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 2025

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. One is that 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 decided on a climate roadmap that describes the path to climate neutrality by 2045. These measures also contribute to the development of buildings with a lower climate impact. The Group does not have any significant capital expenditure related to financial activities concerning coal, oil or gas.

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 2025 are based on our current interpretation of the rules and can alter as praxis develops and general knowledge about the taxonomy grows. Reporting for 2025 has been produced in the same way as 2024 and with the same taxonomy operations.

## 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 (UNGP) 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 3.7 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. The ECO-products come under CCM 3.6. 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. 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. External sales of Merit, a slag-based binder used to replace cement in concrete, are included in CCM 3.7. Merit 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. It has a substantially lower climate impact than standard concrete. Climate-improved concrete means concrete with at least ten 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 railroad 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 CCM 7.1 Construction of new buildings 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 CCM 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.

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.

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.

The above described capital expenditures and operating expenses form the basis for calculating The Group's operating expenses and capital expenditures according to the EU Taxonomy Regulation and the Delegated Regulation (EU) 2021/2178.

The Group has not drawn up a particular investment plan according to Article 8 in the Taxonomy Regulation.

Figure 33: 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
	<b>Fossil gas related activities</b>	NO
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

**Figure 34: Net sales**

2025		Substantial Contribution Criteria								DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, year 2024	Category enabling activity	Category transitional activity
Economic activities	Code	Absolute net sales	Proportion of Turnover, year 2025	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards			
		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	6,776	11.5	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	10.2	E	
Manufacture of cement	CCM 3.7	276	0.5	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	0.3		T
Construction of new buildings	CCM 7.1	849	1.4	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	1.6		
<b>Net sales of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>7,901</b>	<b>13.4</b>	<b>13.4</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>12.1</b>		
Of which Enabling		6,776	11.5	11.5	0.0	0.0	0.0	0.0	0.0	Y	Y	Y	Y	Y	Y	Y	10.2	E	
Of which Transitional		276	0.5	0.5						Y	Y	Y	Y	Y	Y	Y	0.3		T
<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										
Transmission and distribution of electricity	CCM 4.9	462	0.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.8		
District heating/cooling distribution	CCM 4.15	162	0.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4		
Infrastructure for personal mobility, cycle logistics	CCA 6.13	341	0.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.6		
Infrastructure for rail transport	CCA 6.14	1,740	3.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.6		
Construction of new buildings	CCM 7.1	14,141	24.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								25.9		
Renovation of existing buildings	CCM 7.2	8,497	14.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								14.6		
Acquisition and ownership of buildings	CCM 7.7	2,009	3.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.0		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	9,590	16.4	N/EL	EL	N/EL	N/EL	N/EL	N/EL								18.5		
Infrastructure enabling low carbon water transport	CCM 6.16	1,738	3.0	N/EL	EL	N/EL	N/EL	N/EL	N/EL								2.0		
Water supply	WTR 2.1	811	1.4	N/EL	N/EL	EL	N/EL	N/EL	N/EL								1.2		
Urban Waste Water Treatment	WTR 2.2	1,159	2.0	N/EL	N/EL	EL	N/EL	N/EL	N/EL								1.7		
Sustainable urban drainage systems (SUDS)	WTR 2.3	348	0.6	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0.5		
Maintenance of roads and motorways	CE 3.4	2,767	4.7	N/EL	N/EL	N/EL	EL	N/EL	N/EL								4.6		

Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	831	1.4	N/EL	N/EL	N/EL	EL	N/EL	N/EL		1.3	
<b>Net sales of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>44,596</b>	<b>76.2</b>	<b>46.7</b>	<b>19.4</b>	<b>4.0</b>	<b>6.1</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>52,497</b>	<b>89.6</b>	<b>60.1</b>	<b>19.4</b>	<b>4.0</b>	<b>6.1</b>	<b>0.0</b>	<b>0.0</b>		<b>88.8</b>	
<b>B. Taxonomy-non-eligible activities</b>												
<b>Net sales of Taxonomy-non-eligible activities</b>		<b>6,084</b>	<b>10.4</b>									
<b>TOTAL</b>		<b>58,581</b>	<b>100.0</b>									

Figure 35	Proportion of Net sales/Total Net sales	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	13.4 %	60.1 %
CCA	— %	19.4 %
WTR	— %	4.0 %
CE	— %	6.1 %
PPC	— %	— %
BIO	— %	— %

**Figure 36: Operating expenses**

2025	Code	Absolute Operating Expenses	Proportion of Operating Expenses, year 2025	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year 2024	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; 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	454	42.0	J	N	N	N	N	N	J	J	J	J	J	J	J	J	32.9	E	
Manufacture of cement	CCM 3.7	40	3.7	J	N	N	N	N	N	J	J	J	J	J	J	J	J	2.2		T
<b>Operating Expenses of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>494</b>	<b>45.7</b>	<b>45.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>J</b>	<b>35.1</b>		
Of which Enabling		454	42.0	42.0	0.0	0.0	0.0	0.0	0.0	J	J	J	J	J	J	J	J	32.9	E	
Of which Transitional		40	3.7	3.7														2.2		T
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																				
Construction of new buildings	CCM 7.1	0	0.0	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL									0.2		
Renovation of existing buildings	CCM 7.2	0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.1		
Acquisition and ownership of buildings	CCM 7.7	3	0.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.4		
Infrastructure enabling low-carbon road transport and public transport	CCA 6.15	333	30.8	N/EL	EL	N/EL	N/EL	N/EL	N/EL									27.0		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	154	14.3	N/EL	N/EL	N/EL	EL	N/EL	N/EL									19.1		
<b>Operating Expenses of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>490</b>	<b>45.4</b>	<b>0.3</b>	<b>30.8</b>	<b>0.0</b>	<b>14.3</b>	<b>0.0</b>	<b>0.0</b>									<b>46.8</b>		
<b>A. Operating Expenses of Taxonomy eligible activities (A.1+A.2)</b>		<b>983</b>	<b>91.1</b>	<b>46.0</b>	<b>30.8</b>	<b>0.0</b>	<b>14.3</b>	<b>0.0</b>	<b>0.0</b>									<b>81.9</b>		
<b>B. Taxonomy-non-eligible activities</b>																				
<b>Operating Expenses of Taxonomy-non-eligible activities</b>		<b>96</b>	<b>8.9</b>																	
<b>TOTAL</b>		<b>1,079</b>	<b>100.0</b>																	

Figure 37	Proportion of Operating Expenses/Total Operating Expenses	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	45.7 %	46.0 %
CCA	— %	30.8 %
WTR	— %	— %
CE	— %	14.3 %
PPC	— %	— %
BIO	— %	— %

**Figure 38: Capital expenditures**

2025				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	Absolute Capital Expenditure	Proportion of Capital Expenditure, year 2025	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) Capital Expenditure, year 2024	Category enabling activity	Category transitional activity
		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	37	2.6	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	15.3	E	
Manufacture of cement	CCM 3.7	71	5.0	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	0.0		
<b>Capital Expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>108</b>	<b>7.6</b>	<b>7.6</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>15.3</b>		
Of which Enabling		37	2.6	7.6	0.0	0.0	0.0	0.0	0.0	Y	Y	Y	Y	Y	Y	Y	15.3	E	
Of which Transitional		71	5.0	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	7	0.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5		
Acquisition and ownership of buildings	CCM 7.7	19	1.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								8.4		
Infrastructure enabling low-carbon road transport and public transport	CCA 6.15	391	27.8	N/EL	EL	N/EL	N/EL	N/EL	N/EL								13.1		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	337	24.0	N/EL	N/EL	N/EL	EL	N/EL	N/EL								20.7		
<b>Capital Expenditure of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>754</b>	<b>53.7</b>	<b>1.9</b>	<b>27.8</b>	<b>0.0</b>	<b>24.0</b>	<b>0.0</b>	<b>0.0</b>								<b>42.7</b>		
<b>A. Capital Expenditure of Taxonomy eligible activities (A.1+A.2)</b>		<b>862</b>	<b>61.3</b>	<b>9.5</b>	<b>27.8</b>	<b>0.0</b>	<b>24.0</b>	<b>0.0</b>	<b>0.0</b>								<b>58.0</b>		
<b>B. Taxonomy-non-eligible activities</b>																			
<b>Capital Expenditure of Taxonomy-non-eligible activities</b>		<b>544</b>	<b>38.7</b>																
<b>TOTAL</b>		<b>1,406</b>	<b>100.0</b>																

Figure 39	Proportion of Capital Expenditure/Total Capital Expenditure	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	7.6 %	9.5 %
CCA	— %	27.8 %
WTR	— %	— %
CE	— %	24.0 %
PPC	— %	— %
BIO	— %	— %

ESRS

# Own workforce

Material sustainability topics for Peab

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



Figure 40	Description of impacts, risks and opportunities	Category	Policy (MDR-P)	Actions (MDR-A)	Targets (MDR-T)*	Metrics (MDR-T)
<b>ESRS S1 Own workforce</b>						
<b>Working conditions</b>						
Secure employment and adequate wages	Adequate compensation for employees, such as wages, benefits, flexible working arrangements, in addition to regulatory requirements, can support a good standard of living for employees and their families as well as promote employee satisfaction and the work environment. It can strengthen Peab's employer brand, broaden the recruitment and skills base, and reduce staff turnover.	Negative Actual	Code of Conduct Whistleblowing Guidelines	Collectively agreed wages and benefits. Wage surveys Trade union dialogues	eNPS (employee Net Promoter Score) Target: >benchmark (measured semi-annually)	S1-10
Health and safety	Workplace accidents, injuries and long-term health risks can cause project delays and reduce operational efficiency as well as hinder attraction to the profession.	Negative Actual	Work Environment Policy Work Environment Handbook	Health examinations Promotes activities for the physical and psychological health of employees Takes preventive and systematic action to promote safety culture Risk observations, safety rounds and work preparations Work environment investigations and analyses Training	Zero Vision Contracting trend in serious accidents	S1-14
Health and safety	Workplace accidents, injuries and long-term health risks can cause delays, lower efficiency and damage Peab's attractiveness and reputation, which can lead to financial consequences. Shortcomings in employment-related rights can also result in efficiency losses, lost business opportunities and legal or financial penalties.	Risk Potential	Work Environment Policy Work Environment Handbook	Health examinations Promotes activities for the physical and psychological health of employees Takes preventive and systematic measures to promote safety culture Risk observations, safety rounds and work preparations Work environment investigations and analyses Training	Vision Zero Contracting trend in serious accidents	S1-14
<b>Equal treatment and equal opportunities for all</b>						
Equality and diversity	Shortcomings in diversity and inclusion efforts and the inability to realize people's full potential can affect employee well-being, damage Peab's reputation, and lead to efficiency losses and lost business opportunities. Lack of gender equality can be negative for workplace culture, increase employee turnover, and make it more difficult to attract talent.	Negative Potential	Code of Conduct Work Environment Policy Equal Treatment Plan	Developed and adopted an inclusion strategy Active inclusion work, e.g. apprenticeship programs for women	Target: >6.0% (SW) >30.0% (WCW) Portion of women recruited in production-related services among skilled workers (SW, production and processing) and white-collar workers (WCW, production management and production support) > portion of women graduates in education markets relevant to us.	S1-9
<b>Other work-related rights</b>						
Work and employment on a voluntary basis	Shortcomings in other work-related rights can affect employee well-being. We have a zero tolerance policy towards all forms of human rights abuses such as child labor, human trafficking, forced labor or work carried out under any form of threat or punishment.	Negative Potential	Code of Conduct Guidance on the Due Diligence Process	Whistleblower function Industry collaborations		S1-17

\*None of Peab's targets under S1 are relevant for starting from a base year.

**ESRS 2 SBM-3** The figure above illustrates Peab's impacts, risks and opportunities and how they relate to our policies, actions, targets and metrics.

## Peab and own workforce

Peab is present in both large and small towns throughout the Nordic region. Our approximately 13,000 employees – and the non-employee personnel we employ – contribute to building the local community in the places where they live and work. We want to offer value-creating and developing jobs and ensure that employees are met with good working conditions, terms and conditions and development opportunities as well as safe, secure and inclusive workplaces with equal opportunities. This requires that the business is founded on a corporate culture with strong values and leadership close to operations.

Peab has a flat and decentralized organization where employees have good opportunities to influence both their everyday lives and how we operate as a company. Our size and broad operations in the Nordic region mean that we can offer many opportunities, regardless of whether employees want to grow in their existing roles, try new roles and tasks or develop their leadership skills or specialist knowledge. They might also want to develop their career in other locations. In other words, development can take place in different ways, based on individual needs. We believe that every employee at Peab, regardless of role, gender or life situation, should be able to combine parenthood with their work and not be hindered by the aforementioned reasons in their career development.

In order for Peab to succeed in taking advantage of the unique abilities and perspectives of its employees we must be able to offer employment with good working conditions and a safe and inclusive work environment. Although we never accept exclusion or other forms of social vulnerability in our workplaces we are aware of the risks of discrimination or harassment. Women and minority groups are generally at higher risk of being exposed.

Figure 40 shows identified impacts, risks and opportunities and how they relate to Peab's policies, actions, targets and metrics, which are described in this chapter.

Our own workforce that is materially impacted by Peab's operations includes all skilled workers and white-collar workers, employees and non-employee personnel. Employees include both permanent and fixed-term employees. The non-employee category works for Peab in employment-like forms (often as consultants), regularly or on a project or hourly basis, and reports to a manager at Peab. In addition, our own workforce includes students and apprentices.

In accordance with the results of Peab's double materiality assessment regarding its own workforce, working conditions, equal opportunity and equal opportunities for all, and other work-related rights are material sustainability topics for Peab.

### SBM-3

## Material impacts, risks and opportunities and their interaction with strategy and business model

Construction and civil engineering operations are personnel intensive. Employees are a prerequisite for Peab's ability to achieve set targets and strategies and contribute to long-term value creation. Therefore, it is crucial that we are a responsible employer for our employees and non-employees. Through our various forms of dialogue with employees, especially the annual employee surveys we collect thoughts and suggestions that can help us move forward in our work towards achieving set targets and strategies.

We need to contribute to employee motivation and skills development as our market and the world around us change, and to have a culture that encourages initiative and responsibility that supports our target achievement. An example that in some respects requires changed work methods and new knowledge about materials, products and technology in our operations is Peab's ongoing transition and the work to achieve set climate targets.

The actual and potential impacts identified for Peab's own workforce – including workload and staffing, safety risks, psychosocial work environment and experiences linked to culture and inclusion – have directly influenced how Peab develops its strategy and business model. Employee feedback has increased focus on skills provision, raised ambition levels around work environment and safety matters and made clearer demands on leadership and workplace culture. This has led Peab to prioritize investments in leadership training, preventive safety procedures, integrating the psychosocial work environment more clearly into governance and introduce Group initiatives for a more inclusive work environment. Employee experiences and needs are in this way included in the strategic focus areas and in how Peab organizes its operations.

One of our four strategic targets is "Best workplace" which includes two of Peab's Group targets and has a direct connection to our own workforce: to be the industry's most attractive employer (eNPS), and zero fatal accidents and a contracting trend in serious workplace accidents. eNPS is measured, monitored and reported externally in interim reports twice a year. Serious accidents and fatalities are measured and monitored monthly and reported externally in interim reports.

We are convinced that diversity among employees and an inclusive corporate culture create better workplaces and a more successful business. This requires equal treatment and equal opportunities for all, including equal pay for equal work and equality in employment, training and skills development. Just like in the rest of the construction industry, the portion

of women is small at Peab, especially among our professional workers. That is why we are actively working on the issue, which includes cooperation with the educational system. It is also important that we work for working conditions that take into account both women's needs and situation, for example by counteracting a lack of suitable facilities for female employees and incidents of harassment and discrimination that can happen to employees who identify with a minority group.

A safe working environment is the foundation of our business. Since the construction industry is prone to injuries we are constantly working intensely on preventing injuries and getting closer to our zero vision for workplace accidents. We can never accept that anyone gets injured or becomes ill from work. Everyone at our workplaces should be able to be there under safe and secure conditions, even though there are elements of risk in operations. Everyone also has the express right not to perform a job if it cannot be done safely.

We place the same demands on our non-employee personnel in our workplaces. This requires good dialogue and close collaboration on valuation and work environment matters, and includes regularly monitoring deliveries and work methods.

Reported figures are not validated by an external party.



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

## Impact, risk and opportunity management

### S1-1

## Policies related to own workforce

Our core values of down-to-earth, developing, personal and trustworthy help us build our culture and guide us in our operations. In addition to these values, our Code of Conduct permeates every part of the business. It regulates, among other things, working conditions and terms of employment and includes our approach to human rights and labor-related rights.

The Code of Conduct establishes, among other things, the following:

- We do not accept human trafficking, forced and child labor, or work linked to any form of threat or punishment and have zero tolerance for discrimination.

- All forms of violence, force or abuse against children are unacceptable. A person under the age of 18 is regarded as a child, in accordance with the first article of the UN Convention on the Rights of the Child.
- If an employee violates the principles set out in the code, it may lead to corrective action and, in serious cases, termination of employment.

The Code of Conduct is adopted by Peab's Board of Directors, which is ultimately responsible for it. It applies to all employees and non-employee personnel.

➔ [Read more about Peab's Code of Conduct on page 61.](#)

Incidents and potential damage and violations of the company's values, human rights, rules and codes require action and are investigated in accordance with the guidelines regarding due diligence. These describe how we identify and assess potential negative consequences for humans and the environment and how we work actively to prevent and minimize these. We regularly evaluate the effectiveness of our actions, communicate openly about our efforts and take initiatives for remedial actions where necessary. The guidelines also include procedures for compensation in the event of any negative consequences of our operations. Compensation measures are taken after the results of investigations. Collective agreements clarify what disciplinary measures are taken. Responsibility for complying with these procedures lies ultimately with the CEO but is delegated to line managers. The Group's Sustainability Council informs and supports the organization and monitors compliance with the process. Peab's guidelines on due diligence are based on the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

➔ [Read more about Peab's due diligence guidelines on page 72.](#)

Other governance documents we work according to are Group policies in the work environment and remuneration. These are complemented by supplementary guidelines, an equal treatment plan, regulations on order and safety and other support material in the form of handbooks and collective agreements. We review all these governance documents annually. The process is based on a Nordic outlook and includes both an external perspective and input from the organization itself, for example specialists in HR, the work environment and union representatives. Consideration is also given to requirements and views from customers, suppliers and other stakeholders.

➔ [Read more about Peab's Work Environment Policy on page 70.](#)

The equal treatment plan includes a ban on unequal treatment linked to all identity markers and all grounds for discrimination according to Swedish, Norwegian, Finnish and Danish legislation. The equal treatment plan addresses gender, religion and belief, or outlook on life, sexual orientation, age, disability, ethnic origin, political opinion or activity, nationality, gender identity or gender expression, freedom of association or union activity, parental leave, pregnancy or type of work as grounds

for discrimination, even if it does not specifically mention skin color or social origin. Action is taken in reported or identified discrimination cases according to procedures in cases of discrimination and victimization.

We review the equal treatment plan and all policies annually and update them as necessary. We take into account the views of trade unions to identify risks and opportunities for improvement. We ensure that everyone at our workplaces is aware of our policies, including the equal treatment plan. In addition, we are certified in accordance with a number of standards in different companies at Peab, which include ISO 9001:2015 and ISO 45001:2018.

Governance in Peab is supported by several interacting systems for, among other things, HR, health and safety and the Group's management system.

➔ **Read more about how Peab adopts, implements, monitors and makes the policies available in GOV 1-2 on pages 69-71 of ESR52.**

Our work and responsibility for our own workforce are regulated by national legislation, industry agreements and collective agreements (including local and union agreements), which we comply with. We have collective agreements that are negotiated together with elected union representatives for all employees, regardless of whether the employee is a union member or not. To support our work, we also have international guidelines, standards and initiatives: the UN Global Compact ten principles for human rights, labor law, the environment and anti-corruption, the UN Universal Declaration of Human Rights, the UN Global Targets for Sustainable Development, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the eight core conventions, the UN Convention on the Rights of the Child Article 32 and the UN Convention against Corruption. We also strive to follow the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs). Our policies and guidelines are consistent with these commitments.

## S1-2

### Processes for engaging with own workforce and workers' representatives about impacts

Peab prioritizes the engagement and well-being of its employees, recognizing that open and transparent channels of communication promote a positive work environment and ensure that employees' voices are heard. The various forms of dialogue available within the Group help us manage actual and potential impacts.

The Group employee survey that Peab uses to collect feedback and perspectives from its own workforce is held twice a year and we also conduct a work environment survey once a year. The results of the surveys are broken down to different organizational levels and

employees review them in their groups, units or work teams. The purpose is to discuss and identify concrete improvement measures. We also systematically examine the experiences of women throughout Peab in the employee surveys, specifically women in professional roles. Another part of the employee survey is to check on whether the employee has reviewed the results of the previous survey with their manager. In addition, various meetings between employees and their immediate manager provide the opportunity to report and receive continuous follow-up. At annual performance review, we collect feedback and employees' perspectives regarding the work environment and the impact of the company through managers.

Executive management supports women in Peab by organizing their own employee networks that meet regularly and send comments to executive management.

In the Swedish operations, the Health Survey (read more about it in S1-4 Working Conditions: Health) is a tool for us to obtain information about employees' exposure to threats and violence, victimization, discrimination, harassment or sexual harassment. Insights from this survey have contributed to how we have formulated our inclusion strategy, which has an expanded focus on improving conditions for different inclusion needs. Our HR function can also discover vulnerability in professional groups and individuals through the structure for medical exams.

At Peab we have a well-functioning union organization, contact channels and regular collaboration, from Group level all the way out to our workplaces. We follow collective agreements, union agreements that take place annually, continuously or linked to various processes and contacts that are ongoing in connection with various processes that can impact employees' work environment or work. We see employees' opportunities for participation and being able to influence as an asset.

Governance in Peab is supported by several interacting systems for, among other things, HR, health and safety, and the Group's management system.

Peab assesses the effectiveness of the dialogue with our own workforce through the development of employee surveys, results from work environment reporting and monitoring implemented actions. Fewer incidents, improved key performance indicators in engagement (participation in the Handslaget) and the work environment as well as feedback in safety rounds and HR dialogues are used as indicators of whether the dialogue is working and leading to actual improvements in operations.

## S1-3

### Processes to remediate negative impacts and channels for own workforce to raise concerns

The procedures for contacting employees described above also serve as channels for reporting problems, including all employees reviewing the results of their respective departments' employee surveys with their work groups and creating action plans based on them. For questions that, for example, concern employee rights and conditions, dissatisfaction or incidents, employees should first contact their immediate or superior manager, and secondly the local HR function. It is the responsibility of each manager, the manager's superior and HR to ensure that employees' needs and demands for work adaptation are met and compensated. In addition, employees are encouraged to also contact other managers or people in local HR departments, safety representatives, union representatives or occupational health care. A procedure for reporting problems through the immediate manager, the manager's superior or HR is communicated in the work environment manual and on Peab's intranet.

In addition, Peab's whistleblowing system is available to its own employees as well as non-employee personnel and other external stakeholders where it is possible to report violations or misconduct. The whistleblowing channel allows anonymity in connection with reporting. All incoming cases are handled according to the same documented process that includes investigation of each case and actions, they are assigned an owner and process status in the system. Peab's whistleblowing channel is also designed so that we can develop the business through continuous learning. Information about the whistleblowing system is included in the e-training course "ethics for employees" which is mandatory for all own employees and must be taken every two years.

Depending on the issue, incoming cases are handled and monitored by the Ethics Council or the HR Management Group. We regularly identify and analyze the frequency, patterns and causes of the reports in order to prevent future problems.

There are procedures in Peab for handling cases according to:

- Whistleblowing guidelines
- Incident management the work environment and the environment
- Handling discrimination and victimization

After an investigation, compensation can be handled by providing the affected party with support from occupational health care, corrections, updates in work methods, dialogue, rehabilitation, restoration or financial compensation. The compensation procedure follows the law, collective bargaining agreements and Peab's guidelines regarding due

diligence. Affected parties may, where relevant, review the investigation with its conclusions and subsequent actions. A summary of concluded cases is reported annually to the Board of Directors and semi-annually to executive management.

The Code of Conduct states that Peab does not tolerate any form of retaliation because employees or others who are at our workplaces report suspicions or actual actions that violate the Code of Conduct.

Peab assesses whether employees are aware of, and have confidence in, the company's channels for raising concerns or needs through questions in the employee survey and analysis of how actively the channels are used and monitored.

## S1-4

### Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The work linked to the impacts, risks and opportunities in our own workforce is conducted at Group and business area levels with relevant expertise in the organization. Our priorities are the same in all four operating countries however, taking into account national legal differences. Responsibility goes via the CEO to the COO and the Group HR Manager who is supported by specialists. We measure the effectiveness of our actions through targets in the work environment and gender equality, wage surveys, employee and work environment surveys and dialogues between managers and employees as well as complaints and reports through available channels.

Employees and managers have access to, and continuously attend, courses in the sustainability topics that are material to Peab regarding our own workforce. To ensure that everyone understands the company's commitment to respecting human rights and what this means, regular and mandatory e-training is held for all employees. Work environment and equal opportunity hold mandatory courses for relevant target groups. Managers are reminded annually to undergo training linked to the salary reviews. To identify employees who face a greater risk of coming to harm in operations, we conduct risk observations regarding health and safety, inclusion work and discussions with stakeholders who work with HR, including the work environment, skills supply, diversity and inclusion. The employee surveys The Handshake and the work environment survey as well as information and data collected from joint workshops are also important sources for this work.

Regarding the ongoing work on climate change, we continuously educate employees to increase their knowledge while continuing to develop skills as

new materials, products or technologies become available. We carry out targeted training initiatives when the change involves changes in work processes.

**Working conditions: Secure employment and adequate wages**

When it comes to working conditions we work on matters that include secure employment, working hours, adequate wages and benefits, social dialogue, freedom of association, collective agreements and work-life balance. With good working conditions and benefits, we want our employees to feel well. For example, we work according to standardized processes for employment to safeguard adequate employment conditions that also follow collective agreements in employment processes and in operations. This includes health insurance, pensions and the right to parental leave. We offer market-based wages and conditions that allow a balance between work and leisure. At our company wages are governed by the nature of the work, performance and competence. In the Swedish operations, we carry out annual salary surveys in accordance with Swedish law and current collective agreements to ensure that wages are set on objective grounds. This may be a case of equal roles or pay gaps between the genders. Wage processes are also carried out in accordance with national legislation and collective agreements in Norway, Denmark and Finland. We safeguard a strong social dialogue for our own workforce through collaboration with unions and their representatives.

**Working conditions: Health**

Promoting employee health provides long-term cost and efficiency gains as well as improving the work environment. We continuously carry out activities focused on preventive measures and early identification of risks for ill health. In Sweden, in collaboration with the Swedish Occupational Health Service, we have been using a model called the Health Survey since 2020. It involves employees answering questions about their perceived health, lifestyle and work environment to create a personal health profile. Based on the results, the employee has access to individually tailored interventions such as physical examinations or meeting with a physiotherapist or psychologist/behavioral scientist. Group programs may also be relevant based on the overall results. This may involve training, stress management or conflict management. Peab has agreements with providers of occupational health care in the countries where our employees work. Through our voluntary group insurance we also offer all employees the opportunity to take out health care and accident insurance.

All employees are eligible for Peab's range of benefits where they can take advantage of wellness grants and other discounts. Peab Fritid is part of the range of benefits and aims to ensure that our employees make health-promoting choices. An individual's wishes and the idea that the employee is an active co-creator is our primary focus. Peab Fritid also wants to create opportunities for employees to do activities together that

improve health, well-being and cohesion in the company. The forms of the activities can vary depending on living conditions and interests.

All of Peab's approximately 13,000 employees (100 percent) are covered by a health and safety management system supported by several tools. The same applies to all others who are at Peab's workplaces like subcontractors, for whom we have coordination responsibility.

In 2024 we updated Peab's alcohol and drug policy, which covers all employees and all Peab's workplaces. The policy entails, among other things, that Peab may conduct drug tests in the workplace.

**Working conditions: Safety**

A safe working environment is the foundation of our business, especially given that the construction and civil engineering industry is prone to injuries. Everyone at our workplaces should be able to do so in safe and secure conditions, despite the fact that there are work risks in operations. Therefore, we constantly work on our safety culture and preventive work to get closer to our zero vision regarding workplace accidents and a contracting trend regarding serious workplace accidents.

Peab's work environment work includes everyone at our workplaces. Preventive measures, based on access to the right protective equipment and regular workplace inspections, are key to our work environment work and work on our safety culture. Every risk we remediate is one less potential accident. We conduct systematic work environment work and several parts of the operations are certified according to ISO 45001. To prevent accidents and incidents we develop quality-assured working methods. On construction sites this involves routine safety rounds with subsequent actions for identified shortcomings. Managers conduct safety walks in their respective operations where they engage in dialogue with employees about the importance of working safely and securely. We also have a strong focus on learning work environment reviews that will make it easier for workplaces to do the right thing. In addition, we have developed a work method where employees jointly perform work preparations before work begins. The work preparations focus particularly on identifying risks and adequate measures. Employees report risk observations, which we address and learn from as much as possible. We also work to inform about positive observations in operations so that we can learn from each other. Willingness to report is at a high level with approximately 50,000 (46,000) reported risk observations in 2025.

Every year, we hold both a work environment week and a safety day in all of our operating countries to put extra focus on safety work.

In accordance with the description on pages 95-97 in section E2 Contamination, we continuously work to reduce the risks of employees being exposed to hazardous substances.

Peab also has a large number of workplaces that are impacted by passing traffic. Passing traffic poses risks that require special measures, while

passersby are impacted by how we set up road work sites. Our function, production support for traffic devices, is tasked with increasing expertise in traffic and safety devices and thereby contributing to safety at road work sites in Peab. For example, the function provides project support in the calculation and implementation phase, makes visits with direct feedback during ongoing production at road work sites and analyses the Swedish Transport Administration's inspections of road work sites. The team also helps to spread experiences and good examples in operation through the internal, mandatory "Work on the Road" training courses, which are often also required by our customers. This way we ensure continuous improvement work and maintain a high level of expertise in the area of road safety.

Peab has a crisis organization consisting of around 100 employees. In the event of an accident or crisis, it helps with professional care to reduce unnecessary suffering and damage to those affected, both employees and third parties. Each local crisis coordinator undergoes training in crisis management in collaboration with the Swedish Civil Contingencies Agency and exercises regularly within the framework of the crisis organization's operations. The crisis organization receives around fifty crisis calls annually.

Peab has an allocation of responsibility to clarify the work environment duties of managers so that nothing falls through the cracks. There are work environment specialists in various roles at all levels of the business to help managers. We place great importance on collaboration and our safety representatives play an important role in work environment work. There are currently around 700 safety representatives in the business.

The work environment performance of Peab's partners is also important for work environment work. They primarily become involved in the purchasing processes in the form of requirements and guidelines as well as in workplace introductions before work begins.

**Equal treatment and equal opportunities for all**

We work actively to create and strengthen an inclusive corporate culture and combat discrimination, violence and harassment in the workplace.

We continuously measure aspects of inclusion in our employee surveys. These can include the level of perceived inclusion, how inclusive our language is, psychological safety, how strong our civic courage is and how inclusive the corporate culture is. Examples of questions in Peab's work environment survey:

- Is your workplace free from jokes and jargon that could be perceived as discriminatory?
- If someone at work said something derogatory or offensive are you confident that your colleagues would speak out?
- Is the climate in your work group safe and permissive enough for colleagues to talk about problems and difficulties?
- Have you been free from abusive treatment, bullying, discrimination, harassment or sexual harassment at work in the past twelve months?

Peab's equal treatment plan includes targets and an action plan against discrimination and abusive treatment. We conduct regular gap analyses to identify risks and improvement opportunities to combat discrimination and harassment. The equal treatment plan includes the following commitments and activities:

- Clarification of everyone's responsibility to uphold zero tolerance, a call to report, as well as a ban on, offensive language in the workplace.
- Clarification of zero tolerance through mandatory courses in equal opportunity, ethics and the Code of Conduct. This takes place upon employment and with regularity.
- Digital training in equal opportunity for managers with personnel responsibilities (with regularity).
- Implementation of adopted actions to achieve business area-specific targets for more even gender distribution in identified roles.
- Active recruitment in underrepresented groups, including the Construction Year apprenticeship program for women in Swedish operations and trainee programs that employ equal opportunities.
- Work to more systematically make suitable facilities available to female employees, such as toilets for women.
- Influencing and opinion-making aimed at increasing our recruitment pool.
- Ensuring that all managers and employees are aware of their rights and obligations according to applicable legislation and Peab's regulations.
- Salary surveys and training for managers in salary formation.

In 2025 executive management adopted Peab's first Group inclusion strategy. The decision means that the entire organization has a common way of working. The strategy clarifies four cornerstones that are in line with Peab's business plan, Code of Conduct and skills supply strategy:

1. Inclusive culture and leadership
2. The right workforce
3. Systematic inclusion work
4. Social responsibility

The strategy specifies which groups and risk areas should be prioritized jointly and involves annual gap analysis according to global standards, common strategic priorities and nationally adapted action plans that are reconciled against the Group's targets. Executive management has also decided that each country will have its own inclusion council that coordinates the work nationally and is responsible for translating the strategy into activities, implementing decisions and ensuring that the efforts have an impact in operations. The Nordic coordination and the reinforced shared responsibility help us work even more systematically in Peab.

Over the past year, we have trained 26 percent of our employees in diversity, equal opportunity and inclusion. All new employees take mandatory courses that are updated at a certain frequency. In 2024, we also began a comprehensive analysis to identify risks of discrimination and harassment in

the organization's activities and processes which continued in 2025. In addition, we have an Ethics Council which ensures that cases of victimization and discrimination are investigated by impartial experts.

In recent years, we have further developed our methodology for skills development and today digital learning is our everyday way of developing skills at work. We currently have a range of 859 (799) training courses that all employees can register for.

**Other work-related rights**

Work and employment on a voluntary basis is self-evident for Peab. We are clear in our Code of Conduct that work should always be done on a voluntary basis. Our own operations are conducted exclusively in the Nordic countries and we do not use unauthorized guest workers which means we can minimize the risks of failings in labor-related rights, including lack of adequate housing, child labor and forced labor. For non-employee personnel, the risks of failings in labor-related rights are always somewhat higher. It is more difficult for us to control this group of employees even though we carry out continuous checks to reduce labor-related risks and counteract, for example, undeclared workers. We do this primarily through third-party audits and our system for safe procurement, and we strive to limit the portion of employees who are not employed by Peab. We encourage employees and others to use our whistleblowing channel and work to create awareness about it and make it available. In addition, the due diligence process serves us well in these respects.

Furthermore, we collaborate through joint initiatives with other construction and civil engineering industries as well as with politicians and authorities to curb labor market crime and undeclared workers.

Initiatives to promote positive impact for our own workforce are often undertaken locally for specific opportunities and needs. These are initiated after opportunities for positive impact are identified and are usually summarized afterwards with results that are monitored.

**S1-5**

**Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

**Figure 41: eNPS**

Target	Outcome 2025
> benchmark (reported semi-annually)	31

Within the strategic target of Best workplace, one of the Peab Group's targets is to be able to offer our employees the best workplace in the industry. We measure this through eNPS (employee Net Promoter Score) which measures employees' willingness to recommend Peab as an employer and has a scale of -100 to 100. The eNPS value should be above the benchmark in the industry (industry and manufacturing) and is therefore not based on a base year. In our latest measurement in 2025, the eNPS value for the Group was 31 (28), which is clearly above the Nordic benchmark of 17.

The clearest increase in the eNPS value was noted among female skilled workers. In the survey employees highlight collaboration with colleagues, community and our core values as some of the main strengths of Peab. The response rate was high and amounted to 88.6 compared to 90.2 in the spring survey, which had a record high participation. This shows a high commitment among employees to contribute to the development of the business.

The eNPS target is set by executive management and includes metrics, measurement methods and strategic improvement areas. It is broken down into sub-targets and made practical in our various operations based on the specific conditions and challenges of the business areas. The eNPS target has been formulated based on Peab's operations and taking into account employees, union relations and industry comparisons. Through dialogues and work environment issues, employees' perceptions and views indirectly contribute to Peab's formulation of targets.

**Figure 42: eNPS**



**Figure 43: Equal opportunity recruitment**

Target	Outcome 2025
>8.0% (skilled workers)	13.7%
>30.0% (white collar workers)	43.8%

The construction and civil engineering industry has an important task in utilizing the entire skills base that society offers. As one of the largest community builders in the Nordic region, we want to contribute to creating a shift in throughout the industry. The portion of women who graduate from practical courses relevant to Peab in the Nordic region is around eight percent. Our target is that the share of women recruited to Peab in our core competencies should always exceed the share of women who have graduated in education markets relevant to us. For 2025 the target was therefore at least 8.0 percent. We focus on core skills in both production (skilled workers) and production management and production support (white collar workers).

**Figure 44: Production management and production support (WCW) %**



**Figure 45: Production and processing (SW) %**



**Figure 46: Serious accidents**

Target	Outcome 2025
Zero vision and contracting trend (reported quarterly)	49

The second target in the strategic target Best workplace is the Peab Group's zero vision for serious workplace accidents and the target of a contracting trend in these (no base year). The target includes everyone at our workplaces, i.e. both own employees and subcontractors. The number of serious workplace accidents amounted to 49 in 2025. This can be compared with 33 in 2024. After several quarters with a lower accident level, 26 serious workplace accidents occurred in the last quarter of 2025, mainly in parts of the construction operations. Of these, 15 concerned our own personnel and 11 concerned subcontractors. The serious workplace accidents were followed up by investigations and analyses aimed at breaking the negative trend.

Peab defines a serious accident as a workplace accident (category 4) that results in serious personal injury and at least four days of absence from work. These may include injuries that cause a bone fracture in the body, severe bleeding or severe damage to nerves, muscles or tendons, damage to internal organs or second or third degree burns.

The target for serious workplace accidents has been formulated based on Peab's operations and taking into account employees, union relations and industry comparisons. Through dialogues and work environment issues, employees' perceptions and views indirectly contribute to Peab's formulation of targets.

**Figure 47: Serious accidents**



S1-6

### Characteristics of the company's employees

Information about employees has been obtained from the HR systems in Sweden, Norway, Finland and Denmark as of 31 December 2025, and has been totaled thereafter. The data represents a point value at the end of the reporting period and has not been calculated as an average over the year. Certain fixed-term employment forms have been excluded in accordance with the reporting boundary. Employment with a break of no more than five days has been considered as continuous employment. Employment types full-time and part-time are counted as permanent employees.

Figure 48: Number of employees: gender distribution		2025
As of December 31, 2025		
Women		2,022
Men		10,940
<b>Total number</b>		<b>12,962</b>

#### Number of employees by country and gender

The diagrams below show the number of employees as of December 31, 2025. At the end of 2025, Peab had 12,962 (13,383) employees, of whom 16 percent (15) are women. 6,184 (6,290) are white collar workers and 6,778 (7,093) are skilled workers. In 2024 or 2025 the Peab Group had no employees without guaranteed hours in their employment contracts.

Figure 49: Number of employees: by country		2025
As of December 31, 2025		
Sweden		9,481
Finland		1,797
Norway		1,320
Denmark		364
<b>Total number</b>		<b>12,962</b>

At the end of 2025, the portion of skilled workers amounted to 52 (53) percent, while white collar positions accounted for 48 (47) percent.

#### Employees who have left the company and employee turnover

Employees who have left Peab, both voluntarily and involuntarily, including retirements during the reporting period.

Figure 50: Employees who have left the company and staff turnover		2025
Number of people who left the company		2,558
Employee turnover %		19

Figure 51: Number of employees by country and gender	Women			Men		
	2025	2024	2023	2025	2024	2023
<b>All of Peab</b>	<b>2,022</b>	<b>2,035</b>	<b>2,089</b>	<b>10,940</b>	<b>11,348</b>	<b>12,018</b>
Sweden	1,606	1,582	1,619	7,875	8,226	8,774
Norway	157	174	189	1,163	1,303	1,465
Finland	224	243	255	1,573	1,504	1,492
Denmark	35	36	26	329	315	287

Figure 52: Employment forms for all employees	Women			Men		
	2025	2024	2023	2025	2024	2023
<b>Permanent employees</b>	<b>1,971</b>	<b>1,991</b>	<b>2,039</b>	<b>10,658</b>	<b>11,102</b>	<b>11,762</b>
Sweden	1,587	1,567	1,601	7,754	8,125	8,662
Norway	138	155	172	1,069	1,211	1,364
Finland	213	234	242	1,506	1,459	1,467
Denmark	33	35	24	329	307	269
<b>Project/temporary employees</b>	<b>51</b>	<b>44</b>	<b>50</b>	<b>282</b>	<b>246</b>	<b>256</b>
Sweden	19	15	18	121	101	112
Norway	19	19	17	94	92	101
Finland	11	9	13	67	45	25
Denmark	2	1	2	0	8	18

Figure 53: Employment type for permanent employees	Women			Men		
	2025	2024	2023	2025	2024	2023
<b>Full-time employees</b>	<b>1,917</b>	<b>1,927</b>	<b>1,971</b>	<b>10,595</b>	<b>11,042</b>	<b>11,700</b>
Sweden	1,548	1,519	1,555	7,714	8,091	8,625
Norway	134	149	160	1,062	1,200	1,355
Finland	211	233	240	1,493	1,448	1,451
Denmark	24	26	16	326	303	269
<b>Part-time employees</b>	<b>54</b>	<b>64</b>	<b>68</b>	<b>63</b>	<b>60</b>	<b>62</b>
Sweden	39	48	46	40	34	37
Norway	4	6	12	7	11	9
Finland	2	1	2	13	11	16
Denmark	9	9	8	3	4	0

Figure 54: Number of employees: business area	2025	2024	2023
	Per December 31, 2025		
<b>Business area</b>			
Construction	4,402	4,681	5,207
Civil engineering	3,237	3,365	3,422
Industry	4,584	4,581	4,573
Project Development	126	145	211
Group functions	613	611	694
<b>Total number</b>	<b>12,962</b>	<b>13,383</b>	<b>14,107</b>

S1-8

### Collective bargaining coverage and social dialogue

Peab is a member of several employer organizations and applies a total of 24 different collective agreements in our Nordic operational countries, divided into different business and operational areas. The collective agreements, which are negotiated together with elected union representatives, apply to all employees (100 percent), regardless of whether the employee is unionized or not.

When a company operates in more than one European country they must establish a European Works Council to give employees the right to cross-border information and consultation. This is regulated in the European Works Council Act, which is based on an EU directive.

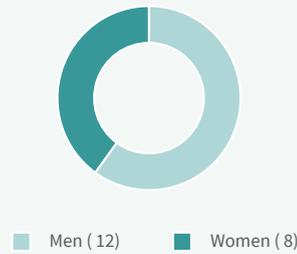
At Peab we have an EWC with participants from all active trade unions within the Peab Group. Meetings take place twice a year. Dialogue between Peab's executive management and trade union representatives concerns, among other things, issues of business performance, strategic decisions and their potential impact on employees.

S1-9

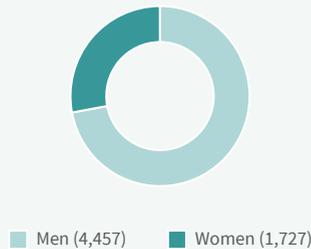
**Diversity metrics**

Gender distribution of the Board, including employee representatives  
Gender distribution of the Board, elected by the Annual General Meeting, see Corporate Governance Report pages 53-65.

**Figure 55: Diversity in Peab's Board and executive management, gender and age**

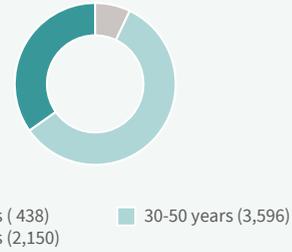


**Figure 56: Employees divided by personnel category, gender and age**  
White collar workers by gender

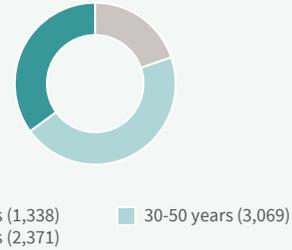


White collar workers by age

White collar workers by age



White collar workers by gender

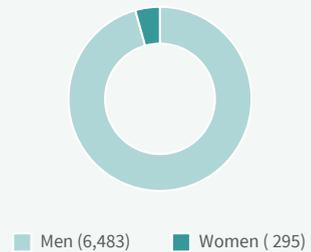


S1-10

**Adequate wages**

A prerequisite for Peab's employees to enjoy, develop and feel secure in their work is that they are offered adequate and fair wages. Wages form a central part of our work conditions and are strongly linked to our ambition to be a responsible and attractive employer. Our wage setting is based on clear principles of fairness, transparency and compliance with established industry standards.

Peab follows the collective agreements that apply to the construction and civil engineering industry in each country where we operate. Through the collective agreements we ensure that wages correspond to the levels that unions and employer organizations have negotiated based on professional roles, qualifications and market conditions. This means that wages can be considered adequate according to national and industry standards.



S1-13

**Training and skills development metrics**

**Figure 57: Training hours per employee divided by personnel category**

	2025
Skilled workers	8.2
White collar workers	10.9

The data includes employees in the Peab Group who have gone through and completed courses in our education system. Consultants and interns are excluded as their accounts lack information on gender and personnel category. The data has been compiled by combining personnel data with activity and course information from our education system. Data from the Danish operations has been obtained separately.

**Figure 58: Employees divided by personnel category**

	2025	2024	2023
Skilled workers	6,778	7,093	7,507
White collar workers	6,184	6,290	6,600

S1-14

**Health and safety metrics**

In addition to Peab's zero vision for serious workplace accidents and the target of a contracting trend in serious workplace accidents, we also monitor the number of workplace accidents with more than one day of absence, excluding the day of injury (LT11, where LTI stands for Lost Time Injury) and workplace accidents according to the same definition per one million hours worked (LTIF1) for our own employees. Hours for our own employees are calculated according to LTI. LTI is not reported for non-employee personnel.

After the end of 2025, the frequency LTIF1 per rolling twelve months amounted to 10.0 and the number of lost-time accidents LTI1 amounted to 222.0.

The reported deaths for 2024 and 2023 were the result of traffic accidents. The investigation into the fatal accident at the end of 2025 is ongoing.

Serious accidents are events that have resulted in personal injuries with serious consequences. For example: injuries that require medical treatment by a licensed physician, unconsciousness and threats of violence that have led to a state of shock.

**Figure 59: Work-related accidents**

	2025	2024	2023
Fatal accidents involving own personnel	0	0	1
Fatal accidents subcontractors	1	1	0
Serious accidents involving own personnel	28	20	30
Serious accidents subcontractors	21	13	18
LT1 (lost time injury) rate, own staff	222	254	246
LTIF1 (lost time injury frequency), own staff	10.0	11.0	9.9
LT14 (lost time injury) rate, own staff	125	136	144
LTIF4 (lost time injury frequency), own staff	5.6	5.9	5.8

**Figure 60: Sick leave**

Sickness absence %	2025	2024	2023
Officials	2.4	2.4	2.6
Professional worker	5.7	5.7	6.1
<b>Total</b>	<b>4.1</b>	<b>4.2</b>	<b>4.5</b>

S1-16

**Compensation metrics (pay gap and total compensation)**

The percentage difference in remuneration between women and men in the Peab Group is -0.45 percent, which means that women employed in Peab on average have a slightly higher salary than men employed in Peab. Peab has a high share of men employed as skilled workers. The share of employed women is high in the white collar worker group.

The gender pay gap is calculated based on the employees' average gross hourly wage per gender and country and for the entire Group. For Denmark, average wages per gender have been used and weighted based on the number of women and men. Project employees, employees with zero working hours and skilled workers in Peab Industri Oy are excluded, as there is no data on gross hourly wage.

The annual remuneration quota for 2025 was 35. The quota is calculated by dividing the CEO's remuneration by the average remuneration in the Peab Group.

S1-17

**Incidents, complaints and severe human rights impacts**

During the reporting period nine reports were registered in the whistleblower channel, all of which are considered to be in the category of discrimination, harassment or victimization. One of the cases led to dismissal and another resulted in an action plan and other labor law actions. The other cases have been investigated or are subject to continued investigation. In cases where the investigation was unable to substantiate the reported information no further action has been taken. The cases were handled in accordance with Peab's equal treatment plan and action plan against discrimination and victimization.

No fines, sanctions or damages have been imposed in 2025.



ESRS

# Workers in the value chain

## Material sustainability topics for Peab

### Working conditions

#### Secure employment

Working hours

#### Adequate wages

Social dialogue

Freedom of association, existence of works councils and the information, consultation and participation rights of workers

Collective bargaining, including rate of workers covered by collective agreements

Work-life balance

#### Health and safety

### Equal treatment and equal opportunities 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 at workplace

Diversity

### Other work-related rights

#### Child labor

#### Forced labor

Adequate housing

Water and sanitation

Privacy



Figure 61	Description of impacts, risks and opportunities	Category	Policies (MDR-P)	Actions (MDR-A)	Targets (MDR-T)	Metrics (MDR-T)
<b>ESRS S2 Value chain workers</b>						
<b>Working conditions</b>						
Secure employment and adequate wages	There are risks that value chain workers are exposed to wage discrimination or failings in working conditions such as unreasonable working hours and insecure, short-term contracts without security. Lack of secure employment, inadequate wages and that individuals can be harmed.	Negative Actual	Suppliers' Code of Conduct Due Diligence Process Guidelines Purchasing Guidelines Whistleblowing Guidelines	Supplier assessments, limitation of the number of subcontractors, supplier checks and audits	Target: Secure procurement >75% of the business's purchases and the share of purchases made from suppliers with a written agreement	
Secure employment and adequate wages	Lack of secure employment and adequate conditions for value chain workers can lead to project delays, contract fines and other legal or financial consequences as well as damage Peab's reputation. Violations of human rights such as child labor and forced labor can also result in legal and financial consequences.	Risk Potential	Suppliers' Code of Conduct Due Diligence Process Guidelines Purchasing Guidelines Whistleblowing Guidelines	Supplier assessments, limitation of the number of subcontractors, supplier checks and audits	Target: Secure procurement >75% of the business's purchases and the share of purchases made from suppliers with a written agreement	
Health and safety	Workplace accidents, lack of protective equipment and unsafe working conditions can affect health and safety.	Negative Actual	Suppliers' Code of Conduct Due Diligence Process Guidelines Work Environment Policy Purchasing Guidelines Whistleblowing Guidelines	Work environment and safety training Safety rounds at workplaces	Zero vision and contracting trend for serious workplace accidents (subcontractors are included in the Group's targets)	
<b>Equal treatment and equal opportunities for all</b>						
Measures against violence and harassment in the workplace	There are risks that value chain workers experience shortcomings in inclusion work, discrimination or harassment and that procedures for handling discrimination and harassment are lacking in the workplace.	Negative Potential	Suppliers' Code of Conduct Due Diligence Process Guidelines Purchasing Guidelines Whistleblowing Guidelines	Supplier assessments, limitation of the number of subcontractors, supplier checks and audits		
<b>Other work-related rights</b>						
Child Labor Forced Labor	Value chain workers may be exposed to human rights violations such as child labor, forced labor or violations of personal integrity.	Negative Potential	Suppliers' Code of Conduct Due Diligence Process Guidelines Purchasing Guidelines Whistleblowing Guidelines	Work environment and safety training Supplier assessments, limitation of the number of subcontractors, supplier checks and audits		

ESRS 2 SBM-3 The figure above illustrates Peab's impacts, risks and opportunities and how they relate to our policies, actions, targets and metrics.

## Peab and value chain workers

The supply chains in the construction and civil engineering industry are complex and consist of a multitude of actors, both local and global. A significant portion of our operating costs consist of purchases from suppliers and subcontractors. As such, these are crucial for the success of our projects. With around 35,000 suppliers we have a material impact on workers throughout the value chain. Peab's focus on value chain workers is based on the ambition to reduce risks and contribute positively to social and economic development in the areas we influence. We have a responsibility to promote responsible purchasing and supplier collaboration, including taking responsibility for value chain workers. Our dependence on subcontractors and suppliers means that Peab's reputation and brand can also be damaged if our values and requirements are not respected.

Figure 61 shows identified impacts, risks and opportunities and how they relate to Peab's policies, actions, targets and metrics, which are described in this chapter.

In accordance with the results of Peab's double materiality assessment regarding value chain workers, Peab's impact is material regarding the sustainability topics of working conditions, equal opportunity and equal opportunities for all, and other work-related rights. The following subtopics are considered material for Peab:

- Working conditions: secure employment, adequate wages and health and safety
- Equal treatment and equal opportunities for all: measures against violence and harassment in the workplace
- Other labor-related rights: child labor and forced labor

### SBM-3

## Material impacts, risks and opportunities and their interaction with strategy and business model

Peab's business model is dependent on subcontractors and suppliers. We therefore engage in continuous dialogues with them in various forums to both understand their needs and wishes and to be able to develop our own operations, especially through various forms of collaboration. Read more in SBM-2 on page 77. In order to secure project deliveries and long-term competitiveness, it is important for Peab to work to ensure that value chain workers are not exposed to unacceptable working conditions, poor health and safety, discrimination or risks of forced labor. Respect for human rights, including workers' rights, is self-evident in all parts of our operations and throughout the value chain. In order to manage impacts, risks and opportunities, our strategy and business

model includes working in a structured and risk-based manner with requirements, monitoring and dialogue in the supplier chain.

Value chain workers who may be materially impacted by Peab's operations include the following groups:

- Employees of subcontractors who perform contract work at Peab's workplaces
- Employees at Peab's material suppliers
- Workers further up the supply chain who extract raw materials and manufacture input goods, components and products that are part of Peab's offer

Non-employee personnel, such as employees from staffing agencies and consultants working in the business, are covered by section ESRS S1 Our own workforce.

Peab has identified particularly vulnerable groups as foreign workers via subcontractors at Peab's workplaces and workers in high-risk countries further up the supply chain connected to materials and products in Peab's projects. Foreign workers may have limited language skills and lack of knowledge of local legislation and collective agreements, which can increase the risk of exploitation. In some countries workers' rights protection is weaker, which can lead to failings in working conditions. Global and complex supply chains also mean limited opportunities for transparency and traceability.

Peab has identified a number of product categories and geographical areas, which are essential to the business, where there may be an increased risk of forced labor. Examples of product categories are electronic products, solar cells, natural stone, oil products, steel and workwear. These products and materials are mainly manufactured in countries in Asia with a higher risk that human rights and workers' rights are not respected.

Peab has adjusted both its strategy and business model in several concrete ways in recent years. Views about a lack of transparency in the contractor level, varying working conditions and the need for clearer requirements have led Peab to prioritize a more integrated and risk-based management of the supply chain. This includes stricter qualification requirements for subcontractors, limitations on the number of supplier levels, developed control routines at workplaces and analyses of traceability for critical material categories. Especially for foreign subcontractors, Peab has language support measures, introduction procedures and requirements that subcontractors provide documented working conditions and insurance coverage.

Peab is also increasingly steering towards long-term supplier relationships with actors who can meet our requirements for transparency and compliance. In summary, the interests of employees have thus influenced how Peab forms its requirements and partnerships.

**Value chain workers are linked to the UN's 8th global goal for sustainable development: Decent work and economic growth, and goal number 12: Sustainable consumption and production.**

## Impact, risk and opportunity management

### S2-1

### Policies related to value chain workers

Peab has adopted a number of governing documents that aim to prevent, mitigate and manage impacts, risks and opportunities related to human rights and workers' rights in the value chain. These policies form the basis for our work with long-term sustainability throughout the value chain. The core of the governance is Peab's Suppliers' Code of Conduct. It defines our expectations of partners and their partners in the value chain to prevent actual and potential negative impacts on value chain workers and to enable corporate cultures that are characterized by responsibility, transparency and respect. The Suppliers' Code of Conduct covers business ethics and business principles, human rights and working conditions, the environment, information management and compliance requirements.

When developing the Suppliers' Code of Conduct we weighed in stakeholders' demands and expectations through dialogues, above all customer and supplier perspectives, and especially in matters regarding human rights, working conditions and anti-corruption.

The Suppliers' Code of Conduct applies to all of Peab's suppliers, including subcontractors and service providers. They are responsible for ensuring in turn that their suppliers are aware of and comply with the requirements of the code. The Suppliers' Code of Conduct is included in all new agreements we sign with suppliers and is available on Peab's external websites and intranet. We also provide information about applicable requirements through contract terms and conditions, conducting ongoing workplace training and special training initiatives, both during introductions and in specific risk functions.

Peab's Board of Directors adopted the Suppliers' Code of Conduct and has ultimate responsibility for its implementation. Operational responsibility lies with the CEO and other members of executive management, with the COO as the responsible party.

The Suppliers' Code of Conduct is supplemented by governance documents such as the Work Environment Policy, the due diligence process guideline, the purchasing guideline and the whistleblowing guideline. The Work Environment Policy covers all employees and everyone at Peab's workplaces and aims to create and maintain safe and healthy workplaces. The whistleblowing guideline governs reporting channels, anonymous whistleblowing, protection against retaliation, confidentiality and case management. The purchasing guidelines govern how purchases are carried out, controlled and monitored throughout the Group. They ensure the prices set, quality, safety, sustainable supplier relationships and that Peab only does business with serious and reliable actors.

→ [Read more about Peab's due diligence guidelines on page 72.](#)

Peab's work and policy documents are based on national legislation, industry agreements and collective agreements and are supplemented by international standards and guidelines. We strive to comply with the UN Declaration of Human Rights, the ILO Core Conventions, the OECD Guidelines for Multinational Enterprises, the UN Global Compact, the UN Convention on the Rights of the Child (Article 32) and the UN Convention against Corruption.

### S2-2

### Processes for engaging with value chain workers about impacts

We are aware of the important role that value chain workers play in Peab's operations. We want to promote routine contact with subcontractors and suppliers, ensure that their voices are heard and that problems are handled effectively.

Dialogue with subcontractors and suppliers initially takes place at the procurement stage, primarily via category managers and buyers. Framework agreements are usually updated every three years and for larger agreements, reconciliations with suppliers are carried out quarterly. Peab's contract templates for suppliers are revised at least twice a year. The revision group includes specialist expertise from the work environment, environment and law to ensure that relevant legal and customer requirements are met in these templates.

We also have well-established partnerships with trade unions and industry associations in our Nordic countries to promote the inclusion of workers' perspectives and rights in the value chain. Union collaboration takes place on an ongoing basis and through union representatives within Peab who, when necessary, carry out checks on subcontractors during ongoing projects.

### S2-3

### Processes to remediate negative impacts and channels for value chain workers to raise concerns

Peab has guidelines for due diligence which describe how we handle negative consequences of various kinds in the event of incidents and possible damage as well as violations of Peab's values, rules and codes, including violations of human rights. We handle negative impacts by working together for compensation. We help the person or thing affected to return as far as possible to the situation that would have existed if the negative impact had not occurred. We enable compensation that is proportionate to the severity of the negative impact. Appropriate compensation actions can be apologies, restoration or rehabilitation of, for example, ecosystems or employees, financial compensation and action to prevent future negative consequences. Work is carried out continuously where guidelines and processes with metrics and reporting are in place.

→ [Read more about Peab's due diligence guidelines on pages 72.](#)

Subcontractors working at Peab's workplaces are encouraged to contact their counterpart at Peab, safety representatives, union representatives or occupational health services to report problems of various kinds.

Peab also has a whistleblower service for the suppliers' employees and all external stakeholders who wish to use the channel to report suspected violations of regulations, laws, the Suppliers' Code of Conduct or other incidents. The whistleblower reports anonymously or openly, in the desired language, and without risk of retaliation. The whistleblower report is handled by Peab's Whistleblower Council and each case is investigated according to established procedures.

Everyone working at Peab's workplaces receives information about Peab's whistleblower service through mandatory workplace courses. Otherwise, information about the service is available on Peab's websites. We encourage suppliers and subcontractors to proactively communicate to their employees and other value chain workers about the possibility of using whistleblower systems, as well as to have their own complaint mechanisms, in the event of incidents that violate the Suppliers' Code of Conduct or legislation. During the year, four cases were received via the whistleblower channel that directly affected value chain workers. All cases were handled in accordance with established procedures and processes for whistleblowing. Cases that concerned violations of or complaints related to the Suppliers' Code of Conduct were, where relevant, transferred to the purchasing organization for further processing. Actions taken have included blocking suppliers and implementing targeted action programs. Apart from the fact that Peab

receives cases via the whistleblower service, which shows that the channel is working, there is currently no monitoring of its effectiveness.

Value chain workers that suspect irregularities can also make a whistleblower report to authorities such as the Swedish Work Environment Authority and the Economic Crime Authority in Sweden, The Tax Administration and the Labour Inspectorate in Norway, Occupational Safety and Health Administration in Finland and The Danish Labour Inspectorate and the Danish Tax Agency.

S2-4

### Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

The work linked to the impacts, risks and opportunities regarding value chain workers is conducted at Group and business area levels with relevant expertise in the organization. Responsibility goes through the CEO to the COO and the Group's HR manager, who is supported by specialists. Monitoring the effectiveness of the actions is done by the various functions, such as purchasing and work environment and within the framework of the steering group for the Quality-assured and traceable value chain. We currently measure the effectiveness of our work environment measures in terms of workplace accidents, safe procurement in the purchasing function and supplier audits. At the same time, we see a need to both systematize monitoring and develop new ways to measure the progress of our actions and to set times for them.

To promote rights and good working conditions for value chain workers, Peab has introduced a number of actions that are expressed in the selection, contracting and monitoring of suppliers and subcontractors through audits and workplace inspections. Before collaboration begins with a subcontractor or supplier, a check is carried out based on our economic criteria and sanction lists. All suppliers and subcontractors must approve and sign Peab's Suppliers' Code of Conduct, which sets requirements for compliance with human rights and labor law, including working conditions, wages, freedom of association and a ban on forced labor. The requirements are also clarified through contractual terms linked to the work environment and the environment.

In 2025, Peab developed work to strengthen processes for risk assessment, monitoring and supplier dialogue aimed at early identification and management of negative impacts for value chain workers. This includes increased traceability, in-depth assessments in categories, geographical areas and jobs with higher risk as well as strengthened dialogue with suppliers, subcontractors and other relevant stakeholders along the value chain.

The Group's purchasing work is important for our ability to manage the impacts, risks and opportunities regarding value chain workers. Through category-based purchasing work, we can sign contracts with decisive requirements and direct purchases to framework agreement suppliers, as well as make it easier for the business to call for orders from approved suppliers with predefined conditions. We see that structured and risk-based purchasing work through category management gives us better opportunities to strengthen relationships with suppliers and subcontractors who share our values, reduce variation and uncertainty in the supply chain and increase traceability in the value chain. The work method also strengthens our knowledge of each purchasing category and improves the ability to identify, monitor and manage risks and opportunities. The category work is led and coordinated by a category manager and each category has a responsible contact person. The work is carried out in category teams with representatives from support functions such as quality and environment, finance, HR and relevant functions within the business areas.

To increase transparency, traceability and reduce the risk of unscrupulous actors, Peab introduced procedures in Sweden in 2025 that mean that a maximum of two levels of subcontractors may be hired in a project. Corresponding requirements are already regulated by legislation in Norway and Finland. As an additional control measure, we conduct workplace inspections to ensure that unauthorized persons do not have access to our workplaces. Within the framework of industry-wide requirements in UE 2021, our inspections include ensuring that subcontractors have collective agreements and F-tax certificates.

During 2025 we have worked to introduce broader supplier assessments. Initially this comprises framework agreement suppliers to our direct operations. As part of contract follow-up, Peab conducts supplier audits based on the Suppliers' Code of Conduct. The audits aim to investigate whether basic requirements are being complied with and to create an understanding of what is required to be a supplier to Peab. The audits are carried out by internal cross-functional teams consisting of category managers and those responsible for quality, environment and work environment. This work, especially through framework agreements and supplier audits, gives us opportunities to have better relationships with greater transparency into suppliers' operations.

The broader supplier assessment, limitation of the number of subcontractors and supplier audits are examples of measures aimed at reducing the risk of negative impacts on value chain workers, particularly related to working conditions and human rights. During the year, we also developed a plan to train buyers in responsible purchasing in 2026 to increase internal competence and thereby reduce material risks and seize opportunities. The intention is to evaluate progress in the above in terms of both the quantity and quality of the actions, mainly within the framework of the work of the purchasing function.

**Working conditions: Secure employment and adequate wages**

When it comes to working conditions for employees at our partners and their partners, we are clear - particularly through the Suppliers' Code of Conduct - about our expectations of the actors who collaborate with us and contribute to our value chains in everything from wages and wage discrimination and inadequate working conditions to unreasonable working hours and temporary short-term contracts without security.

We apply collective agreements for subcontractors covered by UE 2021, which means that these employees receive terms and conditions that comply with Swedish industry standards regarding wages, working hours, insurance and the work environment. By including collective agreement-like terms and conditions in our contracts we ensure that even employees who are not directly employed by us are covered by fair and transparent employment terms. We have a similar approach in our other Nordic operational countries.

Peab is a member of several employer organizations and applies a total of 24 different collective agreements in our Nordic operational countries, divided into different business and operational areas. Following collective agreements applies to everyone - regardless of whether they are our own employees, employees from staffing companies or subcontractors - who works for Peab and is a prerequisite for achieving the Group's targets of safe and good working conditions.

**Working conditions: Health and safety**

The challenges with health and safety in the workplace are both directly linked to the construction and civil engineering industry in which Peab operates and for workers in the supply chain for materials and products that are necessary for Peab's projects. Everyone at Peab's workplaces is part of Peab's work environment responsibility and must be able to be there under safe and secure conditions, despite the fact that there are work risks in operations. We conduct systematic work environment work and several parts of operations are certified according to ISO 45001. In order to prevent accidents and incidents, we continuously develop quality assured and systematized working methods. At construction sites this involves recurring safety rounds with subsequent remediation for identified shortcomings. To strengthen safety at our workplaces all subcontractors take a mandatory work environment and safety course before they start working for Peab. In Sweden and Norway, the course is digital and in Finland it is physical.

The risks of exposure to hazardous substances affect both employees of manufacturers and subcontractors as well as the end customer, if the product containing substances of concern is incorporated into the final product. As described on pages 95-97 in section E2 Contamination, we are continuously working to reduce the risks of anyone being exposed to hazardous substances.

➔ [Read more about Peab's work environment work, including the targets regarding serious accidents, on page 124.](#)

Through Peab's Suppliers' Code of Conduct, which suppliers sign, we also require that they respect relevant local legislation in the area, as well as the ILO's core conventions. Peab also expects suppliers to have systematic work environment work that enables continuous monitoring and improvement of the work environment. As a major community builder in the Nordic region we have the ability to set these types of requirements and have a positive impact on actors in the value chain by challenging and guiding on matters such as health and safety. In this way we can increase well-being in the workplace and reduce the risk of workplace accidents.

**Equal treatment and equal opportunities for all**

Equal treatment and equal opportunities for all include gender equality and equal pay for work of equal value as well as measures against violence and harassment in the workplace. A safe and inclusive work environment is a right for everyone and Peab's work environment work therefore includes everyone who at our workplaces. We ensure that everyone who works in our workplaces is aware of our policies, including the Suppliers' Code of Conduct and Peab's Equal Treatment Plan, which includes guidelines regarding anti-discrimination and harassment.

**Other work-related rights**

Peab's Suppliers' Code of Conduct clearly states that we never accept child labor, human trafficking, forced labor or work linked to any form of threat or punishment. Work must always be done on a voluntary basis. Being that our own operations are conducted exclusively in the Nordic region with a large portion of Nordic workers and not using guest workers from non-approved contractors reduces the risks of failings in other labor-related rights such as child labor, forced labor and privacy violations. At the same time, as we have described, our dependence on suppliers in the value chain means that there are risks of failings in labor-related rights and that our opportunities to exercise supervision decrease the further we go in the value chain.

It is possible that violations of workers' rights occur in countries where protection of human rights and workers' rights is not as strong as in the Nordic countries, even though Peab has not identified any violations in 2025. Working with monitoring and continuous improvements is therefore important to protect the rights of vulnerable groups of value chain workers.

These efforts are particularly important in helping to ensure that the transition to renewable energy sources takes place in a way that respects and protects human rights. For example, we know that the supply chain for solar cell modules involves risks linked to human rights. The production of solar cells is often concentrated in geographical areas and supply chains with documented challenges regarding working conditions and risks of, among other things, forced labor. Given the growing need for solar cell technology in the construction and real estate industry, we can assume that these risks in the value chain will increase. Against this background, we are intensifying our work to create transparency in categories with identified high risks, such as the purchase of solar cell-related products. Good purchasing management is the basis for managing impacts, risks and opportunities in the value chain.

**S2-5**

**Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

We monitor the operations' purchases and the share of purchases made from suppliers with written agreements through the Secure procurement metric. Peab's goal is for more than 75 percent of purchases to meet the criteria for Secure procurement. In 2025, the share was 86 percent. The measurement covers our Swedish operations, but the intention is to include Norway, Finland and Denmark in the measurement. The target has been adopted by Peab's executive management and the purchasing function is responsible for monitoring it. It has not been formulated through the participation of external stakeholders.

In 2025 we conducted 69 (72) audits of our significant suppliers. We are working to review our audit program to increase its effectiveness for us and our suppliers. Among other things, we will further develop the process from a risk-based perspective with the aim of improving the selection of suppliers that are subject to audit.

We have been conducting third-party inspections of our Swedish operations since 2021 to ensure that unauthorized persons do not have access to or are present in our workplaces. In 2025, 33 (12) workplaces were visited and the inspections covered 1,212 (335) individuals.

Apart from Secure procurement, Peab has not set quantitative targets regarding value chain workers, but is considering evaluating measurable metrics and targets in the continued work and linking these even more clearly to impacts, risks and opportunities.



ESRS

# Affected communities

Material sustainability topics for Peab

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 expression

Freedom of assembly

Impacts on human rights defenders

Rights of indigenous peoples

Free, prior and informed consent

Self-determination

Cultural rights

rs Väg 52-54

Figure 62: IRO	Description of impacts, risks and opportunities	Category	Policies (MDR-P)	Actions (MDR-A)	Targets (MDR-T)	Metrics (MDR-T)
<b>ESRS S3 Affected communities</b>						
<b>Communities' economic, social and cultural rights</b>						
Environmental, social and community impacts during the construction phase	Projects and construction phases can impact local communities through noise, increased traffic, degraded living environments or environmental risks such as pollution. They can also affect safety, cultural environments and create conflicts of interest or negative opinion, especially when there is a lack of dialogue.	Negative Potential	Code of Conduct Supplier s' Code of Conduct Due Diligence Guidelines	Communication and dialogue activities Consultation with authorities and other stakeholders		
Local economic and social development	By strengthening relationships with local communities and contributing to housing, infrastructure and safe environments, our operations promote local development and a vibrant community. This creates local jobs, strengthens the economy and reduces the risk of conflict, delays and higher costs.	Positive Actual	Code of Conduct Supplier s' Code of Conduct Due Diligence Guidelines	Communication and dialogue activities Collaboration projects Local initiatives with young people via school and association projects		

ESRS 2 SBM-3 The figure above illustrates Peab's impacts, risks and opportunities and how they relate to our policies, actions, targets and metrics.

## Peab and affected communities

Peab applies the phase-in rules in accordance with the European Commission's phase-in rules for wave 1 companies under Omnibus and "Quick Fix" and reports the minimum disclosure requirements in according to ESRS 2 §17 for S3 Affected Communities by summarizing information on the topic's materiality, strategic connection, policies, actions and targets.

As a local community builder, Peab has a presence in many locations throughout the Nordic region. We impact the communities where we develop, build and construct. As one of the largest construction and civil engineering companies in the Nordic region, Peab has a significant impact on local economies, social cohesion and residential and working environments. Contributing positively to the development of society is at the core of our business, as is showing consideration and being responsive to local needs and wishes. We respect and promote the economic, social and cultural rights of communities and work to strengthen relationships with the local communities where we operate. Making a difference locally is clearly defined through the Group's strategic target of Leader in social responsibility.

We contribute with housing, premises, infrastructure and environments that promote local community life. At the same time we are aware that construction and civil engineering activities can have negative impacts. Our impact arises through direct actions – such as construction production, workplace establishment and purchasing from local suppliers. We might, for example, be perceived as infringing on others' wishes or intentions for the site or that people who live and work close by our projects are impacted by emissions or dust from the construction site. Our projects can also impair accessibility for people.

Our impact is also indirect through how we design projects, engage with local communities and manage relationships with municipalities, residents and other stakeholders. Because we want to positively influence local communities, we are responsive and active in such dialogues. This is closely integrated into Peab's business model, which is based on local community building with long-term relationships and responsibility in all phases of the projects.

Since Peab also has responsibility for communities that are affected or may be affected by its operations downstream in the value chain, the number of affected or potentially affected communities is growing.

Figure 62 shows identified impacts, risks and opportunities and how they relate to Peab's policies, actions, targets and metrics, which are described in this chapter.

In line with the results of Peab's double materiality assessment of affected communities, the economic, social and cultural rights of the communities are material. We have specifically identified adequate housing, land-related impacts and security-related impacts as material.

### SBM-3

## Material impacts, risks and opportunities and their interaction with strategy and business model

Peab's strategy to be the Nordic Community Builder involves a long-term responsibility to contribute positively to the local communities where we operate. This is integrated into the business model through:

- Local roots and our own employees which aims at ensuring that projects are developed and carried out with an understanding of local conditions.

- A responsible approach to production, with procedures that aim to minimize disruption and ensure a safe, efficient and sustainable construction process.
- Systematic sustainability work with a focus on social, environmental and economic impact in the project's life cycle.
- Focus on dialogue and transparency where we work closely with municipalities, local residents and other stakeholders to create good relationships and long-term value.
- Integration of social sustainability in urban development, with a focus on safety, accessibility, mobility and inclusive environments.

Our customers increasingly emphasize the importance of collaboration around a shared responsibility in shaping the communities of the future. This development is positive for Peab and is a matter of, for example, that we design attractive housing and safe residential areas as well as promote local associations and the development and education of young people. By contributing to more green areas, meeting places and accessibility to service facilities we can help shape sustainable, vibrant and inclusive societies.

This way our operations contribute to both reducing negative, and enhancing positive, effects in the local communities where we operate. This strengthens Peab's long-term competitiveness and value creation.

The community construction sector in the Nordic region is highly regulated, for example through the Swedish Planning and Building Act, the Norwegian Act on Planning and Building Procedures and the Finnish Land Use and Building Act. The overall aim of these laws is to create healthy, safe and pleasant living environments that function socially and where the needs of different population groups are taken into account. Through them we ensure that the perspectives of the affected communities are taken into account in our decisions as well as when and how consultations with affected communities and their representatives are held.

- Managing societal impact and creating positive effects is important to:
- Project implementation with reduced risks of delays, higher costs and conflicts.
  - Competitiveness by meeting customer demands.
  - Value creation that strengthens our brand and increases acceptance in local communities.



Affected communities are linked to the UN's 11th Global Goal for Sustainable Development: Sustainable Cities and Communities.

## Impact, risk and opportunity management

### MDR-P

## Policies adopted to manage material sustainability matters

The basis of Peab's commitment is compliance with Nordic legislation and other rules and regulations that apply in the markets where we operate. In addition, we strive to follow international guidelines, standards and initiatives: the UN Global Compact, the UN Declaration of Human Rights, the UN Global Goals for Sustainable Development, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGP) and the general principles of the international human rights framework. Our policies and guidelines are in turn consistent with these commitments, which is confirmed in Peab's Code of Conduct.

Peab has policies and guidelines that aim to minimize negative impacts and maximize positive effects for local communities. Our Code of Conduct and Suppliers' Code of Conduct define our commitments to social responsibility and human rights. Through these, we work to ensure that we and our suppliers take responsibility for both risks and opportunities in the communities affected by our joint operations. We also have guidelines on due diligence which describe how we identify and assess potential negative impacts on humans and the environment and work actively to prevent or minimize these as well as our procedures for compensation in the event of any negative impacts from our operations.

➔ [Read more about the due diligence process guideline on page 72.](#)

There are procedures and guidelines in each business area for our activities that affect the communities we operate in such as local consultations in connection with project development or establishing a quarry. According to our operational management systems responsibility for this lies with the respective operations manager.

Peab's Code of Conduct, policies and guidelines comprise the entire business, are updated annually and established by either the Board or executive management. They are communicated to relevant stakeholders and can be found on Peab's websites.

➔ [Read more about Peab's Code of Conduct on page 61.](#)

**MDR-A**

### Actions and resources in relation to material sustainability matters

We strive to minimize negative impacts and ensure that local economic, social and cultural rights are respected, including projects that affect the rights of indigenous peoples.

We involve affected communities in construction projects, for example through consultation processes with local residents. We hold dialogue meetings with municipalities, residents and interest groups before and during projects. We do this both to minimize negative impacts on local interests and to identify opportunities. Creating attractive and safe housing and residential areas is self-evident for us. In accordance with laws and regulations and democratically established processes we participate, for example, in processes to develop master plans together with municipalities and other developers, thereby contributing to establishing the foundation for future zoning programs.

Citizen dialogues and consultations are included in the regulated process for operations requiring permits like quarries or environmentally hazardous activities that could potentially have consequences for communities. Dialogues with relevant administrations and with society's elected representatives are therefore a natural part of our work.

We communicate in different ways to reach stakeholders in affected communities. We use different forms of dialogue and continuously have network meetings, collaboration projects, information meetings and

invite people to study visits. We have active contacts with municipal and regional decision-making bodies, and are involved in environmental reports, vision work, mentoring, sponsorship projects and citizen dialogues. Here preventive work in connection with the implementation of projects is vital. Information to, and dialogue with, local residents and neighboring stakeholders takes place before, during and after we do the work. Continuous communication is crucial for good management of the impacts, risks and opportunities that occur in affected communities.

Over the past year we have also implemented a number of concrete measures to reduce the impact on local communities. For example, this has involved introducing noise protection, reducing dust formation and improving road safety plans. We always monitor these types of measures to ensure that they have the intended effect, for example on noise levels. In 2025 no incidents were reported in affected communities.

We also work with local initiatives such as involvement in the development of children and young people. This can involve participation in, or sponsorship of, school activities and club life. In addition, many of our projects include different types of social responsibility requirements. Through our Peab Life concept, we have in recent years created collaborations with partners in various locations in the Nordic region to promote the development of children and young people. Our Peab Life collaborations are primarily aimed at schools and sports clubs, and we often try to direct our efforts to young people in socio-economically disadvantaged areas or to young people who are otherwise at risk of exclusion. In 2025, Peab Life carried out 51 (40) activities and involved nearly 3,200 (3,000) children, young people and students in local collaborations.

We have several well-functioning channels for outsiders to contact Peab such as our customer service or our websites. However, dialogue often takes place through direct contact with one of our local offices or with employees at a workplace. The contacts can concern complaints, requests or different questions. We have employees who are tasked with handling this type of contact. It is also common for residents living near one of Peab's operations to get in touch with questions or comments. This can involve noise, transports that impede access or disturbing smells from working with asphalt. We work transparently, systematically and preventively, especially when it comes to fixing problems. Here we are supported by established systems and work methods for incident management, which also gives us the opportunity to monitor handled cases.

In addition, we offer our web-based whistleblower system which guarantees anonymity for the reporter.

➔ [Read more about Peab's whistleblower service on page 139.](#)

**MDR-T**

### Tracking effectiveness of policies and actions through targets

We have not defined targets or metrics in the sustainability topic of affected communities but intend to evaluate the need for these in our continued work so that we can develop our ability to monitor the effectiveness of our actions. We are also continuing to develop both processes and work methods regarding affected communities.

ESRS

# Consumers and end-users

## Material sustainability topics for Peab

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

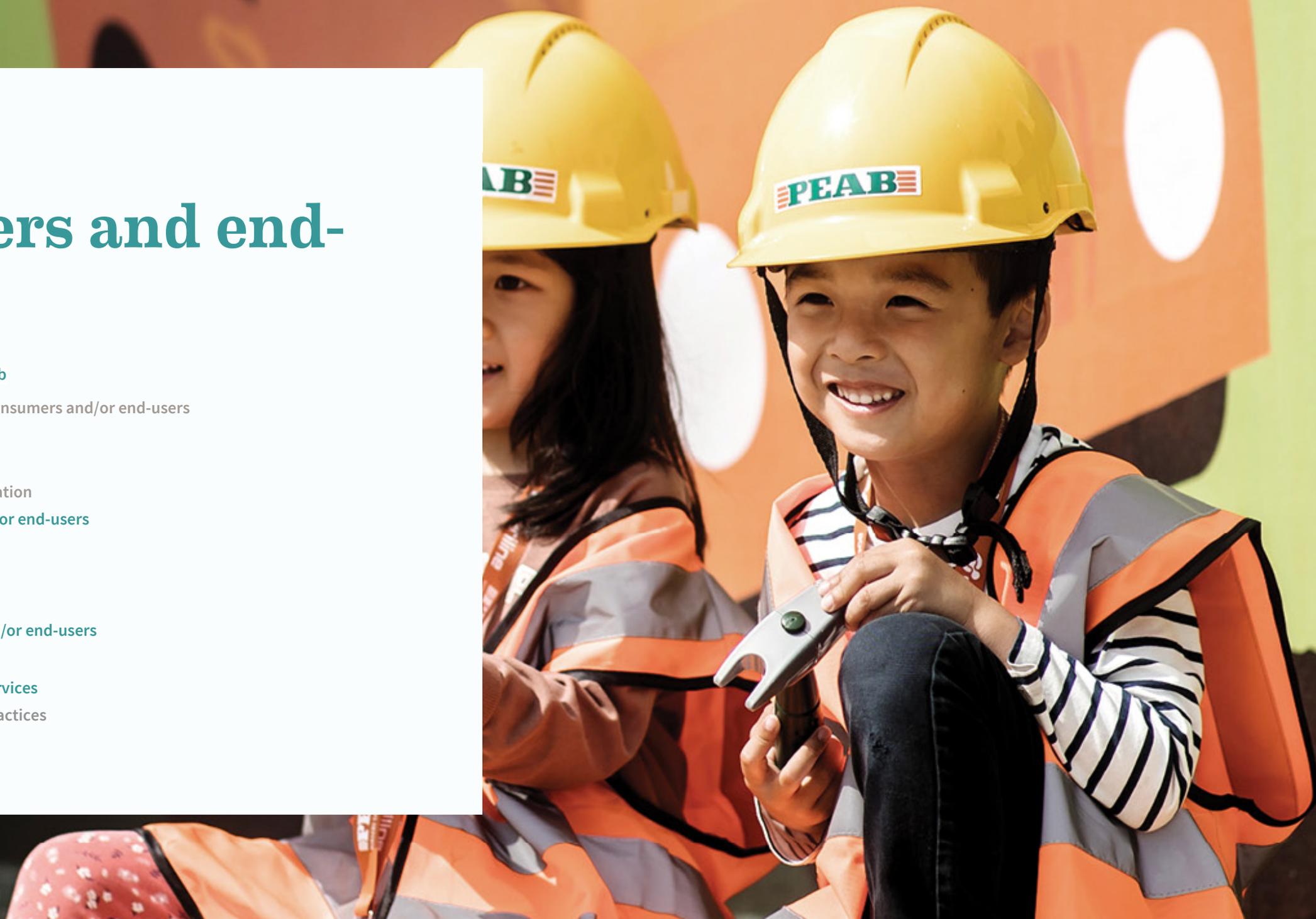


Figure 63	Description of impact, risks and opportunities	Category	Policies (MDR-P)	Actions (MDR-A)	Targets (MDR-T)	Metrics (MDR-T)
<b>ESRS S4 Consumers and end-users</b>						
<b>Personal safety for consumers and/or end-users</b>						
Health and safety in the built environment	Deficiencies in end products such as in technical installations, material selection, moisture and indoor environmental issues or in safety standards can negatively impact the health and safety of consumers and/or end users.	Negative Potential	Code of Conduct Due Diligence Process Guideline Quality Policy	Quality work and inspections Customer dialogues and available complaint mechanisms Product selection	Customer Satisfaction Index (CSI) Target: >75	Own metric
Health and safety in the built environment	Deficiencies in end products such as in technical installations, material selection, moisture and indoor environment issues or in safety standards, pose risks of financial consequences for residents, users and Peab as well as a risk of damaged reputation for Peab.	Risk Potential	Code of Conduct Due Diligence Process Guideline Quality Policy	Quality work and inspections Customer dialogues and available complaint mechanisms Product selection		
Safety and security in housing and urban development projects as well as outdoor environments	Building with consideration for design, safety and mobility impacts people's everyday lives and well-being. The safety of individuals and the protection of children are affected by aspects such as lighting, open spaces and traffic safety. Good consideration of the above prevents risks and promotes customer satisfaction and can benefit reputation and provide business opportunities.	Opportunity Potential	Code of Conduct Due Diligence Process Guideline Quality Policy	Peab Life, local initiatives with young people via school and association projects	Customer Satisfaction Index (CSI) Target: >75	Own metric
<b>Social inclusion for consumers and/or end-users</b>						
Access to goods and services and usability	Building with consideration for design, safety and mobility impacts people's everyday lives and well-being. The safety of individuals and the protection of children are affected by aspects such as lighting, open spaces and traffic safety.	Positive Potential	Code of Conduct Due Diligence Process Guideline Quality Policy	Customer Dialogues Product Selection Peab Life, local initiatives with young people via school and association projects		

ESRS 2 SBM-3 The figure above illustrates Peab's impacts, risks and opportunities and how they relate to our policies, actions, targets and metrics.

## Peab and consumers and end-users

Peab applies the phase-in rules in accordance with the European Commission's phase-in rules for wave 1 companies under Omnibus and "Quick Fix" and reports the minimum disclosure requirements according to ESRS 2 §17 for S4 Consumers and end-users by summarizing information on the topic's materiality, strategic connection, policies, actions and targets.

Peab's operations affect consumers and end-users across the Nordic region primarily through the buildings, residential areas and community properties and the infrastructure we develop, build and maintain. As the Nordic Community Builder, we have a long-term responsibility towards the people who use our products and services – from private individuals in new homes we have built to users of schools, infrastructure and care environments. Managing to meet needs and requirements and delivering on our commitments to customers, and ultimately to consumers and end-users, is crucial for a long-term sustainable business. This impact is therefore closely linked to Peab's business model, which is based on a locally rooted and customer-oriented approach where quality, safety and a life cycle perspective are cornerstones. Peab's impact in consumers and end-users is assessed to be material regarding the sub-topic personal safety for consumers and/or end-users with the sub-sub-topics health and safety, security of a person,

protection of children and the sub-topic social inclusion of consumers and/or end-users with the sub-sub-topics non-discrimination and access to goods and services.

Figure 63 shows identified impacts, risks and opportunities and how they relate to Peab's policies, actions, targets and metrics, which are described in this chapter.

### SBM-3

## Material impacts, risks and opportunities and their interaction with strategy and business model

Peab's strategy is based on being the leading community builder in the Nordic region. Our work with consumers and end-users is integrated into the Group's overall targets for sustainability, quality and customer relations. When we deliver construction and civil engineering projects that are used by consumers and end-users according to our business model, it has an impact on their safety, accessibility and quality of life. Our mission is to ensure that our projects meet high standards of quality, safety and social inclusion.

We identify actual and potential impacts for consumers and end-users, particularly related to:

- Health and safety in the built environment, including technical installations, material selection, moisture and indoor environmental issues and safety standards.
- Accessibility and usability, which affects people's opportunities to take part in community functions and living environments regardless of functional variation.
- Social functionality in housing and urban development projects, where design, security and mobility affect people's everyday lives and well-being.

The actual impact comes primarily from the execution of construction projects and later during management stages where shortcomings can impact humans. Potential impact is linked to design, material selection, supply chains and the transition to more digital solutions.



**Affected communities are linked to the UN's 11th Global Goal for Sustainable Development: Sustainable Cities and Communities.**

## Impact, risk and opportunity management

### MDR-P

## Policies adopted to manage material sustainability matters

Peab's work and responsibility towards consumers and end-users is regulated by national legislation in the Nordic countries and industry agreements. To support our work we also have international guidelines, standards and initiatives: the UN Global Compact, the UN Declaration of Human Rights, the UN Global Goals for Sustainable Development, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPR), the General Principles of the International Human Rights Framework and the OECD Convention against Bribery and its Recommendations. Our policies and guidelines are in turn consistent with these commitments, which is confirmed in Peab's Code of Conduct.

Our Code of Conduct is the basis of Peab's work regarding consumers and end-users and it guides us in our operations.

[➔ Read more about Peab's Code of Conduct on page 61.](#)

Peab's due diligence process guidelines support our work with consumers and end-users. They describe how we identify and assess

potential negative impacts on humans and the environment and actively work to prevent or minimize them.

➔ [Read more about Peab's guidelines regarding the due diligence process on page 72.](#)

Peab has a Quality Policy that concerns consumers and end-users as well as processes for involving them in matters related to impact. The Quality Policy states, among other things, that Peab as a community builder takes responsibility for the quality of our products and services. The objective of our quality work is that our end products are of high quality and provide good references for future business. We work preventively and long-lasting with quality as an integrated part of our daily operations.

Peab's Code of Conduct, policies and guidelines comprise the entire business, are updated annually and are adopted by either the Board or the executive management. The ongoing stakeholder dialogues, especially with customers and local community actors, provide valuable information for developing our policies and guidelines. Responsibility for implementing codes, policies and guidelines starts with executive management and extends via line managers to each workplace and project where dialogues with consumers and end-users are primarily held. Governance documents are communicated to relevant stakeholders and are available on Peab's websites.

**MDR-A**

### Actions and resources in relation to material sustainability matters

When we build homes, schools, swimming pool facilities and hospitals or infrastructure and courtyards, we keep in mind the perspective of those who will be living there. This perspective includes matters regarding personal safety and social inclusion. Before we begin working with a customer we perform reviews and investigations into customer demands, which usually also reflect demands from consumers and end-users, and our ability to meet them. For example, we work in tender councils which are intended to produce considered and fair offers and reduce risk-taking for Peab, the customer and therefore also the consumer and end-user. We follow the same procedure when we plan our own housing, premises and city districts. Material selection, design with concern for individual safety and well-being as well as accessibility are important elements.

The action taken to manage Peab's impact also includes ongoing dialogues with relevant stakeholder groups such as local consultation meetings and customer surveys. This gives us a basis for prioritizing our operations and the various projects and commissions we work on.

Throughout our operations, we work to:

- Strengthen customer dialogue through structured monitoring and improvement processes.
- Ensure that design and production are based on the highest possible level of safety and functionality.
- Integrate social sustainability, accessibility and inclusive design into project development.

We have not summarized the extent of the resources we allocate to manage impacts, risks and opportunities in a structured way but intend to develop both actions and resources in our upcoming work.

**Personal safety for consumers and/or end-users**

To safeguard health and safety in what we build we work with quality management, certified management systems, systematic controls at all stages of our projects, and procedures for incident reporting, warranty management and customer follow-up.

We have processes for product selection in our construction projects based on safety and health perspectives. It is vital to check up hazardous substances such as chemicals of various kinds.

➔ [Read more about our work with hazardous substances in the ESRS E2, Contaminants section on pages 95-97.](#)

We third-party certify most of our construction products like concrete, concrete frames, mineral aggregates and asphalt according to Environmental Product Declaration (EPD), which describes the environmental impact of the product throughout its entire life cycle. An EPD consists of product data sheets, method choices and results from the environmental impact assessment.

We follow relevant safety standards such as CE marking when installing equipment.

When developing and building homes, we Swan ecolabel our own housing developments which puts high demands on materials used to ensure a healthy living environment that meets set health requirements. In addition, together with our customers we build according to other certifications (mainly BREEAM, Miljöbyggnad and NollCO2) that have similar requirements.

To promote safety and security in the projects and environments we work on we always base the planning process on safe traffic solutions and residential areas in our designs. It is crucial to reducing the risk of violence, harassment and other forms of threatening situations to build in protection like railings and fences or surveillance systems.

When we design our own housing developments and residential environments with the perspective of children and young people. Building homes in a child-friendly way and designing safe living environments by equipping places with lighting and physical protective structures are examples of this. Through Peab Life we create local projects for and with children and youths. We regularly visit schools to talk about Peab's operations and to youths about the community building industry. Students can have practical suggestions and desires about places and schools we build. We want to eliminate injustices and contribute to greater diversity, community and participation by allowing youths to participate in local building projects.

**Social inclusion for consumers and/or end-users**

We are committed to building residential and public environments that provide everyone, including those with functional variations, with equal access to our products and services. We strive to follow international, national and industry-specific guidelines and standards in order to deliver accessible products and avoid violating fundamental rights. One example is the Catch up Construction manual that guides us in how to build accessibly. This requires making physical spaces accessible, for example through ramps and elevators.

We follow consultation processes and participate in dialogues with municipalities and local community stakeholders, thereby shaping sustainable, vibrant and inclusive communities.

**Channels of communication**

Consumers and end-users can contact Peab with questions, comments, requests, complaints or incidents by calling the switchboard or via Peab's various websites. It is also possible to contact Peab's many local offices and operations directly. Business area Project Development has its own customer service for private home buyers where they can contact Peab with their questions.

Furthermore, Peab's whistleblower service is available to all external stakeholders. It allows anonymity in reporting and all incoming cases are handled according to the same documented process.  
➔ [Read more about our whistleblower service on page 139.](#)

Comprehensive information on how consumers and end-users can reach us, for whatever reason, is available on Peab's websites.

**MDR-T**

### Tracking effectiveness of policies and actions through targets

One of the Group's nine external targets is the Customer Satisfaction Index (CSI). It is a standardized target and a weighted assessment of three questions to customers about 1) expectations, 2) total satisfaction and 3) ideal. The answers are given on a ten-point scale that is converted to an index between 0 and 100, with ratings between 65 and 75 corresponding to average customer satisfaction. In our measurement method for the Customer Satisfaction Index (CSI), each of our four business areas corresponds to a quarter of the rating for the Group's overall CSI results. The target for CSI is that the weighted value should exceed 75, which means that it is not relevant to measure the target outcome against a base year. Ratings below 65 correspond to unsatisfactory customer satisfaction and ratings above 75 correspond to very good customer satisfaction. Peab reports CSI annually.

Our CSI rating in 2025 was 80. The number of customers who participated in the autumn survey 2025 was almost 2,100, which corresponded to a response rate of 27 percent. No changes were made to the measurement method in 2025.

Figure 64	Customer Satisfaction Index (CSI)	Outcome
2021	81	>75
2022	80	>75
2023	80	>75
2024	78	>75
2025	80	>75

In addition to the CSI target we monitor the customer-related metrics of warranty and complaint costs that have an impact on consumers and end-users.

We continue to work on developing both processes and work methods as well as possible new targets and metrics within consumers and end-users to reinforce the connection to material impacts, risks and opportunities.

Business conduct

G1

ESRS

# Business conduct

Material sustainability topics for Peab

- Corporate culture
- Protection of whistle-blower
- Animal welfare
- Political engagement
- Management of relationships with suppliers, including payment practices
- Corruption and bribery

Figure 65	Impact, risks and opportunities	Category	Policies (MDR-P)	Measures (MDR-A)	Targets (MDR-T)	Metrics (MDR-T)
<b>ESRS G1 Business Conduct</b>						
<b>Corporate culture</b>						
Corporate culture	A sound corporate culture founded on strong ethical values strengthens the trust of employees and external stakeholders in Peab. It fosters a culture characterized by responsibility and commitment, supports the achievement of targets and strategies, and contributes to long-term value creation. A sound corporate culture, underpinned by a well-anchored Code of Conduct and core values, provides guidance for employees in their day-to-day work.	Positive Actual	Code of Conduct Internal Governance and Control Policy Due Diligence Process Guidelines Competition Law Guidelines	Programs and initiatives that promote corporate culture, such as apprenticeship programs and work with core values Corporate culture assessments Training	Code of Conduct training every two years	G1-1 G1-4
<b>Whistleblower protection</b>						
Whistleblower protection	A well-functioning and effective whistleblowing system promotes openness and transparency by making it easy and safe to report suspected misconduct anonymously. Protection for whistleblowers is essential to ensure that reporting can take place without risk of retaliation. This supports a responsible corporate culture and strengthens trust in Peab. Insufficient knowledge of how to use the whistleblowing system, concerns that anonymity cannot be guaranteed, or fear of retaliation may have a negative impact on both individuals and the organization.	Negative Potential	Code of Conduct Supplier Code Due Diligence Process Guidelines Whistleblowing Guidelines	Work to make whistleblowing channels available and increase awareness Investigations of all incoming cases Training		G1-1
<b>Management of relationships with suppliers, including payment procedures</b>						
Relationships and procedures with suppliers	Strong relationships with suppliers contribute to stable and reliable supply chains, while shortcomings in maintaining transparency and effective collaboration practices risk causing harm to people and the environment.	Negative Potential	Supplier Code Due Diligence Process Guidelines Whistleblowing Guidelines	Supplier relationship development and collaboration routines Risk assessments and audits Training		G1-6
<b>Corruption and bribery</b>						
Corruption and bribery	Corruption incidents can distort fair competition.	Negative Potential	Code of Conduct Internal Governance and Control Policy Due Diligence Process Guidelines Anti-Corruption and Competition Law Guidelines Entertainment and Benefits Guidelines	Investigations of all incoming cases Training		G1-3 G1-4
Corruption and bribery	Corruption incidents may result in legal proceedings, financial penalties, and damage to reputation.	Risk Potential	Code of Conduct Internal Governance and Control Policy Due Diligence Process Guidelines Anti-Corruption and Competition Law Guidelines Entertainment and Benefits Guidelines	Investigations of all incoming cases Training		G1-3 G1-4

ESRS 2 SBM-3 The figure above illustrates Peab's impact, risks and opportunities and how they relate to our policies, actions, targets and metrics.

## Peab and business conduct

Business conduct is central to Peab's values and governance. With extensive operations in the Nordic region and our role as a community builder, we have a responsibility to conduct business in accordance with high ethical standards. Business conduct can also be decisive for the success of our projects – and our operations as a whole – and therefore has a direct impact on Peab's business model and strategy. Business conduct constitutes a core component of Peab's strategic ambition to be a leader in social responsibility. We strive to create and maintain an ethical culture, reduce risks, and integrate responsible business conduct throughout the Group's governance and across our value chains.

Shareholders, customers, employees, and other stakeholders must be able to trust that Peab's operations are based on an ethical conduct, internal regulations, national laws, and international guidelines, and that we never compromise on these principles. We clearly state in all contexts that there is zero tolerance for all forms of corruption, that ethical breaches are not accepted, and that any violations are addressed through appropriate measures.

Non-compliance, human rights violations, and corruption are examples of risks that may result in financial harm, legal consequences, and reputational damage among our stakeholders. These risks can be particularly challenging in an industry characterized by decentralized operations and complex value chains, as such conditions have been shown to increase the risk of corruption and ethical misconduct.

Figure 65 illustrates identified impacts, risks and opportunities and how they relate to Peab's policies, actions, targets and metrics, as described in this chapter.

Peab's impact in business conduct is material to corporate culture, whistleblower protection, management of supplier relationships, including payment practices, as well as corruption and bribery.

### GOV-1

## The role of the administrative, supervisory and management bodies

In accordance with its established Rules of Procedure, Peab's Board of Directors considers the Group's responsibility for sustainable development as well as matters relating to environmental matters, social responsibility, and business ethics. Ethics and sustainability are standing items on the agenda at the Board's ordinary meetings. The Board sets overarching targets and strategies, adopts governing documents, and ensures that effective control systems are in place to manage risks

related to business conduct. The Board has delegated responsibility for the integration and follow-up of business conduct and sustainability to executive management, with the CEO ultimately responsible for operational implementation. The Board continuously evaluates the CEO's work in these areas.

The Board of Directors and the executive management possess extensive expertise in business conduct, which is a prerequisite given that business ethics is integrated into the company's governance structure and sustainability strategy. Members of executive management have long-standing experience in managing business conduct matters within the construction and civil engineering sector, including:

- Anti-corruption and fair business relations.
- Ethical conduct in the supply chain.
- Social impact and working conditions; and
- Compliance with laws and internal regulations.

During the year, the Board followed up on Peab's work on business conduct as part of the overall sustainability governance and ensured that relevant competencies are available to address these matters in line with the Group's values and external requirements.

Further information about the Board's and CEO's responsibilities with respect to business conduct, as well as the competence of the Board members, is presented in the Corporate Governance Report on pages 53-65.

Each business area manager is responsible for compliance and business conduct within their respective business area, and managers at all levels are responsible for ensuring that the requirements set out in adopted codes and governing documents are applied and complied with within their respective departments or functions. Peab's procurement and HR organizations are responsible for monitoring human rights within their respective areas of responsibility. In addition, the procurement function is responsible for ensuring compliance with Peab's Supplier Code of Conduct throughout the entire supply chain, including through supplier audits.

The Group function for Corporate Governance and Compliance is tasked with ensuring that Peab complies with applicable laws and regulations. The function is headed by the Chief Legal Officer. It is responsible for the development and maintenance of Group-wide governing documents, processes, and training initiatives related to responsible business conduct and business ethics. It provides expert support in areas such as whistleblowing, data protection, anti-corruption, sanctions, competition law, and corporate law. The Head of Corporate Governance and Compliance reports directly to the CEO and informs the Board of Directors and executive management annually of whistleblowing reports, serious breaches of the Code of Conduct, and other matters, particularly those relating to corruption and financial crime.

The function for Risk Management and Internal Control is responsible for carrying out and monitoring risk analyses at both business area and function levels and for consolidating identified risks at Group level. The risk process is based on risk registers maintained by each business area and function. Risk owners are assigned to identified risks and are responsible for documented action and response plans. The function compiles an annual risk report for the Board of Directors and executive management and performs various internal control activities to ensure compliance.

Cross-functional executive management forums, such as the Sustainability Council and the Ethics Council, support management in addressing matters related to sustainability and business conduct.

→ Further information is provided on page 71.

### IRO-1

## Description of the processes to identify and assess material impacts, risks and opportunities

To assess Peab's impacts, risks, and opportunities in relation to business conduct, a double materiality assessment has been conducted at Group level. The assessment evaluated actual and potential positive and negative impacts - including risks and opportunities - arising from Peab's operations on its environment, as well as how external factors may affect Peab's operations. The double materiality assessment covered all sub-categories related to business conduct and included evaluation of how assets and business activities may be exposed. The assessment was conducted across short-term (< 1 year), medium-term (1–5 years), and long-term (> 5 years) time horizons, in accordance with the standard time intervals defined in the ESRS.

Key employees from functions with expertise and specific insight into business conduct matters and Peab's operations participated in the assessment. The Corporate Governance and Compliance function, together with representatives from other Group support functions was involved in the work, which was coordinated by the Non-Financial Reporting function. The assessment was based on insights from multiple sources, including internal and external investigations, input and reports from the whistleblowing system, management information, internal whistleblowing contacts, information obtained through training activities, corruption identification programs, and investigations conducted by Peab's Security function. Through analyses of these sources, Peab assessed business conduct-related risks that may affect the company's operations, particularly how reported incidents may have financial, legal, and reputational impacts.

→ Read more on the process for identifying and assessing material impacts, risks and opportunities regarding business conduct on pages 78-83.

The fact that Peab's operations and employees are based in the Nordic region, as are the majority of our business partners, creates favorable conditions for a consistent and effective approach to business conduct. The Nordic region is characterized by stable institutions, extensive regulation, and strong societal norms regarding transparency, fairness, and responsible business conduct. This means that Peab's own requirements for zero tolerance of corruption and high ethical standards are supported by a robust societal framework in which legislation, regulatory authorities, and industry practices reinforce compliance with our internal policies.

Through the double materiality assessment, Peab has identified the risk of corruption as particularly relevant in certain parts of the business where commercial relationships, financial transactions, and external interactions are frequent and complex. For example, procurement involves significant financial values and requires responsible relationships with suppliers through structured tendering and contracting processes, including transactions both within and outside the Nordic region and in geographies associated with elevated risk. More generally, operations involving interaction with external parties - such as roles with responsibility for decision-making or supplier relationships, project management, or site management at construction sites - are exposed to higher risk of corruption.

Peab applies a risk-based approach involving recurring risk assessments, primarily by counterparty, category, and geography, as well as screening against sanctions lists and conducting supplier audits. The results of these assessments are integrated into the Group's overall risk management framework and inform the development of policies, contractual terms, training initiatives, and control measures.

### G1-1

## Corporate culture and business conduct policies and corporate culture

Peab's corporate culture is a strategic asset that contributes to addressing sustainability-related impacts, risks and opportunities, and forms an integral part of our business model and mission as a community builder. The culture is founded on Peab's well-established core values - down-to-earth, developing, personal, and reliable - which guide our actions, ways of working, and decision-making. The corporate culture is closely linked to our four strategic focus areas and is a prerequisite for creating long-term value for our stakeholders.

Peab's corporate culture is shaped through responsible and inclusive leadership, where employees are entrusted with development-oriented assignments and work in accordance with quality-assured and efficient processes. We emphasize the importance of having the right competence in the right place and actively promote collaboration and knowledge sharing across the Group.

We promote our culture through internal programs and initiatives, such as trainee programs and the apprenticeship program "Byggåret" for young women, continued investments in work environment and safety, and the development of ECO offerings and fossil-free materials. A particular focus is on our core values which are embedded in onboarding processes, performance and development dialogues, training initiatives, and leadership development programs, and permeate the organization at all levels. Through this approach, we strive to foster a safe, secure, and inclusive work environment where ethics, gender equality, inclusion, and diversity are fundamental principles.

Peab evaluates its corporate culture through regular employee surveys, follow-up of work environment indicators, and monitoring of target achievement within the sustainability area. Examples of such indicators include employees' perceptions of inclusion, reported incidents and near-misses, as well as progress against targets relating to gender equality and climate.

**Policies**

Peab has adopted a coherent framework of governing documents, including codes, policies, and guidelines, to manage impacts, risks, and opportunities related to business conduct and corporate culture. The Code of Conduct forms the core of this framework and is complemented by the Supplier Code of Conduct, policies relating to, for example, internal governance and control and the work environment, as well as guidelines governing the due diligence process. In addition, there are supplementary guidelines connected to business conduct that set out more detailed processes and control mechanisms and that all employees are required to follow. These guidelines are adopted by the CEO and include the following:

Figure 66	
Guideline	Description
Anti-corruption guidelines	Guides Peab's work to maintain zero tolerance for corruption by defining corruption risks, reporting requirements, handling conflicts of interest and correct action in the event of benefits, sponsorship and suspected irregularities.
Whistleblowing guidelines	Manage reporting channels, anonymous whistleblowing, protection against retaliation, confidentiality and case management.
Competition law guidelines	Controls how Peab will identify, manage and avoid competition law risks by complying with the prohibitions against anti-competitive collaborations and abuse of a dominant position.
Purchasing guidelines	Controls how purchases are implemented, controlled and followed up throughout the group. They ensure price, quality, safety, sustainable supplier relationships and that Peab only does business with serious and reliable players.
Guidelines on sanctions	Controls how the company ensures that no suppliers, subcontractors or other business partners are subject to international sanctions.
Guidelines on entertainment and benefits	Controls and sets limits on entertainment, gifts, benefits; approval and reporting requirements.
Certification guidelines	Manage financial control, two-step verification, conflict management, accurate accounting, transaction traceability.
Guidelines for side jobs	Manages Peab's work to prevent conflicts of interest by regulating external assignments.
Sponsorship Guidelines	Controls how Peab will conduct sponsorship in an ethical, sustainable and business-like manner through clear requirements for social benefit, youth development, reciprocal performance and compliance with Peab's core values.

Peab's Code of Conduct and Supplier Code of Conduct establish our commitments regarding social responsibility, accountability and ethical behavior as well as the requirements we impose on employees and business partners. They cover areas such as anti-corruption, competition law, human rights and whistleblowing. The requirements in the Code of Conduct are incorporated into the Supplier Code of Conduct and are thereby also applied throughout the value chain. The Supplier Code of Conduct specifies Peab's expectations of its business partners in combating corruption and promoting a culture characterized by transparency and compliance. Peab's governance framework is complemented by our business operation management system, which provides access to governing documentation, processes, procedures, and ways of working across the organization. Taken together, this supports a systematic approach to managing impacts, risks, and opportunities both within operations and throughout the value chain.

Training in the Code of Conduct is mandatory for all employees. In addition, targeted training initiatives are carried out for selected roles in areas such as anti-corruption and competition law. Information regarding these frameworks is made available in a clear and structured manner on Peab's internal and external websites. Peab's policies and guidelines are reviewed annually. The review process is based on a Nordic perspective and includes both external monitoring and input from the organization, such as HR and legal specialists and trade union representatives. Consideration is also given to requirements and feedback from customers, suppliers, and other stakeholders.

➔ [Read more on pages 53-65 of the corporate governance report.](#)

Peab's codes, policies and guidelines are consistent with national and international guidelines, standards and initiatives, including:

- UN Global Compact since 2012, including compliance with its ten principles
- UN Global Compact (UNCC) on Combating Corruption
- United Nations Convention against Corruption (UNCAC)
- UN Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights (UNGPs)
- UN Global Goals for Sustainable Development
- ILO core conventions on rights at work
- OECD Guidelines for Multinational Enterprises
- The general principles of international human rights law
- OECD Anti-Bribery Convention and its recommendations.
- Agreement against Bribery and Corruption (ÖMK) in Sweden
- Ethical principles of Rakennusteollisuus in Finland.

**Reporting violations**

Peab's Code of Conduct and Supplier Code of Conduct form the foundation for promoting ethical behavior and preventing violations. The company has established overarching procedures for identifying, reporting, and investigating incidents involving breaches of internal or external regulations. These procedures are integrated into Peab's system for internal governance and control.

Peab encourages employees and external parties to report suspicions of financial crime and corruption, deficiencies in internal controls, violations of human rights, environmental offenses, harassment, discrimination, breaches of health and safety standards, and other matters that may constitute legal violations or otherwise cause harm to Peab, its employees, or shareholders.

Employees may report concerns directly to their immediate manager, the manager's superior, or via the following channels:

- Corporate Governance and Compliance Function
- Ethics Council
- Internal whistleblower contacts
- Security Department
- Anonymously via the external digital service WhistleB

Peab also provides several well-functioning channels for external parties to contact the company, such as customer service and the Group's external websites.

The Corporate Governance and Compliance function is responsible for ensuring compliance with applicable laws and regulations, while the Risk and Internal Control function carries out and follows up on risk assessments at business area and function level. Executive management forums - such as the Tender Council, Investment Group, Ethics Council, and Sustainability Council - which review decisions and processes prior to implementation, also serve as important control points with regard to regulatory compliance.

To detect and identify deviations, Peab conducts monthly reconciliations, reviews, customer and employee surveys within each business area. In certain areas, we perform automatic and reoccurring controls, for example relating to supplier registers and payment routines.

Peab's Ethics Council has the mandate to address matters relating to business ethics, corruption, financial irregularities, harassment, and discrimination. The council handles serious breaches of the Code of Conduct and internal guidelines and is led by the Corporate Governance and Compliance function together with representatives from HR and Security. Where necessary, investigative responsibility is assigned to the Security function, which has specialized investigative expertise. The Board of Directors and executive management are regularly informed about serious deviations.

The described measures and control mechanisms apply across the Group and cover all Peab companies, business areas, functions, roles, and workplaces. No exceptions apply - uniform requirements for reporting, follow-up, and handling of violations apply throughout the organization.

**Whistleblower protection**

Peab has established a whistleblowing system that enables secure, confidential, and anonymous reporting of suspected misconduct, violations of law, internal regulations, or ethical guidelines. The system forms part of Peab's due diligence and business ethics work and follows a structured process to ensure objectivity, legal certainty, and protection of the reporting individual. Peab applies clear procedures to prevent retaliation against whistleblowers, in accordance with applicable legislation and internal policies. This includes protection against dismissal, demotion, threats, or other adverse consequences for individuals who report suspected violations in good faith. Whistleblowing reports may be submitted anonymously through the external digital service WhistleB or directly to the Corporate Governance and Compliance function, the Ethics Council, or designated contacts within the organization. These contacts forward reported matters to the Ethics Council and the Whistleblowing Council for handling in accordance with established procedures.

Peab's Code of Conduct encourages whistleblowing and ensures that no measures are taken - either prior to or following a report - against any individual who submits a whistleblowing report.

The Ethics Council is responsible for handling all incoming whistleblowing reports and complaints, in cooperation with the Whistleblowing Council, which allocates cases for investigation. The Ethics Council follows a documented process and adopted policies and guidelines, which define the Council's mandate and purpose, as well as specific procedures for handling whistleblowing matters.

Those investigating reported cases, including cases relating to corruption and bribery, are independent from the individuals involved in the matter. Investigations are carried out by the Security function in accordance with established procedures, ensuring that incidents relating to responsible business conduct -including corruption and bribery - are handled promptly, independently, and objectively. When necessary, corrective measures are taken, and the reporting individual is informed of the status and outcome to the extent possible. The whistleblowing system is integrated into Peab's overarching governance framework for sustainability risks, business conduct, and the due diligence process.

The Whistleblower Council, including the responsible investigators, meets on a weekly basis, while the Ethics Council convenes monthly.

The Code of Conduct, together with mandatory training, and the Whistleblowing Guidelines include a detailed description of the whistleblowing process. Further information about Peab's whistleblowing channels and the measures in place to protect whistleblowers is provided in the Whistleblowing Guidelines, which are available on Peab's internal and external websites and include a direct link for submitting reports. The whistleblowing process is available to both Peab employees and external stakeholders.

To ensure that Peab's business conduct principles are well embedded in the organization, we carry out regular training initiatives in addition to mandatory Code of Conduct training, tailored to different target groups. These include:

- Mandatory introductory training for new employees, in which business conduct and the Code of Conduct are key components;
- Recurring training in anti-corruption and competition law for managers and key personnel in functions exposed to higher risk, such as procurement, sales, and project management;
- E-learning courses and interactive modules that ensure broad accessibility and enable follow-up of participation.

These training initiatives are integrated into Peab's competence development programs and are followed up through participation statistics, feedback, and evaluations. The content is regularly updated to reflect changes in legislation, internal guidelines, and identified risks.

## G1-2

### Management of relationships with suppliers

Effective risk management in the supply chain requires well-functioning collaboration practices and robust procurement governance. Peab applies, among other things, category-based procurement. The purpose is to consolidate total purchasing volumes within each procurement category in order to enter joint framework agreements at favorable price levels and with appropriate requirements. This enables Peab to steer purchasing volumes towards a defined group of framework agreement suppliers and facilitates operations in sourcing exclusively from approved suppliers under predefined terms and conditions. At the same time, this structured approach supports the systematic development of knowledge within individual procurement categories, enhances understanding of risks and opportunities, and enables Peab to exert positive influence on suppliers:

Suppliers and subcontractors undergo an initial assessment based on a decision matrix prior to the commencement of cooperation. The assessment focuses on criteria such as taxation, corporate structure, employer registration, sanctions screening, and related factors.

Suppliers and subcontractors are required to acknowledge and sign Peab's Supplier Code of Conduct. The code sets out requirements to respect human and labor-related rights, including freedom of association, the prohibition of forced and child labor, non-discrimination, remuneration, working hours, working conditions, and the work environment. Depending on the procurement category and supplier profile, Peab may also impose additional contractual requirements.

Peab has initiated supplier risk mapping based on environmental considerations, human rights, category, and geography. This work includes collection and analysis of supplier self-assessment questionnaires.

Peab applies a contractually agreed payment term of 30 days, which is in line with the EU Late Payment Directive (2011/7/EU). This policy applies generally to all suppliers, including small and medium-sized enterprises.

➔ [Read more on page 65 in corporate Governance and internal control and pages 125-129 about the work with our suppliers in S2 Workers in the value chain.](#)

## G1-3

### Prevention and detection of corruption and bribery

Peab's efforts to prevent and detect corruption and bribery focus on maintaining zero tolerance for corruption, acting immediately when

corruption is suspected, and strengthening employee awareness through training and practical tools to prevent misconduct.

Peab has established a comprehensive and structured program to promote business ethics and counteract corruption. The program is based on the following key elements:

- Clear regulatory framework: Peab's Code of Conduct, Supplier Code of Conduct, and Anti-Corruption Guidelines clearly state that corruption is not tolerated. The company applies a zero-tolerance approach to corruption.
- Clear tone from executive management: Executive management takes an explicit stance against all forms of corruption. The Ethics Council reports directly to executive management.
- Formal processes: These include internal control mechanisms designed to identify and manage irregularities, such as approval procedures for secondary employment, background checks during recruitment, and segregation of duties in financial transactions (dual control).
- Training: Mandatory and recurring training programs for management and employees covering business conduct (anti-corruption and competition law), as well as the Code of Conduct and Supplier Code of Conduct.

Peab actively implements preventive measures, including:

- Governing documents, processes, routines, and controls;
- Web-based training focusing on corporate culture and the Code of Conduct, as well as other key governance and compliance documents. In 2025, executive management decided to introduce mandatory annual anti-corruption training for employees assessed as particularly exposed to corruption risks. The Corporate Governance and Compliance function, in cooperation with the Ethics Council, is responsible for once a year identifying, evaluating, and determining the target group of high-risk employees based on established criteria. During the reporting period, approximately six percent of employees were assessed as particularly exposed to corruption risks.
- Supplier reviews.
- Internal controls related to payments and representation.

All procedures and routines related to detection and prevention are documented in Peab's business management system and on the company intranet. Employees are informed through various channels about governing documents and are continuously and through different initiatives encouraged to report suspected violations or to use the whistleblowing channel. Key channels and methods used to promote awareness and engagement include:

- The intranet, which is continuously updated and provides employees with access to detailed information about Peab's governing documents, working methods, codes, policies, and guidelines;
- Code of Conduct training, which explains applicable guidelines, how the whistleblowing channel functions, and why it is important;

- Targeted anti-corruption training offered to employees with higher risk exposure, emphasizing the importance of detecting and reporting misconduct and reinforcing the principle of zero tolerance;
- Quarterly management communications reminding employees of applicable guidelines, the availability of the whistleblowing channel, and the importance of reporting suspected incidents without fear of retaliation;
- The business management system, providing access to up-to-date governing documentation and documented ways of working;
- Digital bulletin boards in common areas that are regularly updated with relevant information.

As previously noted, effective channels are also available for external parties to report suspected misconduct, including the whistleblowing channel. All reports are handled in accordance with established procedures.

The Ethics Council meets monthly and, in relation to corruption and bribery, is responsible for:

- Ensuring consistent and independent handling of reported incidents;
- Preparing and deciding on whistleblowing cases;
- Conducting risk analyses and developing anti-corruption action programs;
- Responding to employee inquiries;
- Reporting significant compliance breaches to executive management semi-annually and to the Board of Directors annually.

By handling incoming reports in cooperation with the Whistleblowing Council and allocating cases for investigation, the Ethics Council ensures that investigations are conducted promptly, independently, lawfully, and in line with Peab's zero-tolerance approach to corruption.

The Ethics Council prepares an annual report of reported cases, including criminal matters in a broader sense. Results from supplier reviews and compliance with Peab's Supplier Code of Conduct are reported continuously to the Group's COO, who is a member of executive management.

Mandatory Code of Conduct training, which all employees complete every two years, includes guidelines for preventing corruption, bribery, and unethical conduct. Additional mandatory training for high-risk employees consists of in-depth web-based courses in anti-corruption and competition law, including topics such as approval rights, authorization structures, and secondary employment.

Training for high-risk employees combines theoretical and scenario-based content. In 2025, Peab introduced a new mandatory annual web-based training program in anti-corruption and competition law for employees assessed as particularly exposed to risk, such as regional managers, project managers, site managers, procurement staff, and contract engineers, based on established criteria. The program comprises ten modules. At the end of 2025, the average completion rate was 73 percent. The Board of Directors,

executive management, and supervisory bodies complete the same mandatory Code of Conduct training and the same annual anti-corruption and competition law training as the identified high-risk employee groups. See Figure 67 for relevant key performance indicators. Please note that these KPIs have not been subject to external assurance.

In addition, Peab provides additional training in ethics, anti-corruption and competition law, including;

- Ethics for employees
- Ethics for managers and leaders
- Introduction to secure business transactions; and
- Competition law

All training programs are specifically tailored to Peab and focus, among other things, on:

- Common forms of corruption in the construction industry, such as personal benefits from suppliers, abuse of position, nepotism, and manipulation of travel and expense reports;
- Ethical dilemmas and case studies designed to raise awareness and foster a culture of transparency; and
- Internal policies and guidelines, including the Code of Conduct and Supplier Code of Conduct, the Anti-Corruption Policy, and guidelines on representation, gifts, secondary employment, and related matters.

**Metrics and targets**

**G1-4**

**Confirmed incidents of corruption or bribery**

Figure 67: Metrics	2025	2024
Conducted training in the Code of Conduct* every two years	5,921	4,861
Board and management members trained in anti-corruption	100%	100%
Employees who have undergone tailored training in ethics-related topics	1,108	1,221
At-risk departments that have received training	100%	100%
Average completion rate of annual training, at-risk employees	73%	NIL**
Cases received via the whistleblower service	97	100
Internally verified corruption cases	7	15
Confirmed cases of competition violations	0	0

\*Peab's anti-corruption policy is integrated into the Code of Conduct.  
 \*\*Comparable historical data is not available due to changes in the training system, which means that previously reported data is no longer accessible.

During the reporting period, Peab has not had any final and legally binding convictions\*\* relating to violations of laws or regulations concerning corruption and bribery. Furthermore, Peab has not been subject to any administrative sanctions or fines, which means that the total amount of fines for the period amounts to SEK 0.\*

In accordance with the ESRS definition, corruption includes fraud and theft, giving and receiving of bribes, breach of trust, as well as cases where the offense is directed at companies within the Peab Group and the act is committed by a Peab employee. As of 2024, incidents involving several persons acting jointly and in collusion are included as a single incident. The number of individuals deemed responsible in relation to each incident is reported separately:-

\*\*\*By "ruling" is meant a final and legally binding conviction rendered by a competent court. By "violation" or "offense" is meant a breach of law, regulation, permit condition, or other binding rule established by a court, authority, or internal investigation. By "fines" is meant financial sanctions imposed by a court or competent authority, such as fines, corporate fines, or administrative penalty charges. Only confirmed and legally valid decisions or violations are included.

**G1-6**

**Payment practices**

Peab recognizes that late payments may affect suppliers and their liquidity, particularly smaller suppliers in the lower tiers of the supply chain. As part of our efforts to ensure a sustainable value chain, we are working to improve our invoice handling and approval routines, as well as to strengthen dialogue with suppliers in order to reduce disputes and claims.

In accordance with Peab's standard agreements, a contractual payment term of 30 days applies towards suppliers. During 2025, Peab's average payment period amounted to 29 days. The calculation is based on a method using actual payment data per invoice. For each invoice, the payment date is compared with the due date, and the difference in days is calculated. These daily differences are aggregated across all invoices and used to determine the average payment period.

Calculations for the current reporting period have been subject to internal validation only. Peab always pays in accordance with agreed terms for services that have been correctly performed and approved. Peab has no ongoing legal disputes relating to late payments.



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**ESRS IRO 2\_01 - List of datapoints in cross-cutting and topical standards that derive from other EU legislation**

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Disclosure Requirements Related Data Point	Sustainability information	Reference in SFDR (Sustainability Disclosure Regulation)	Reference in the third pillar	Reference in the Benchmark Regulation	Reference in EU climate law	Page
ESRS 2 GOV-1 Paragraph 21 (d)	Gender distribution of the board	Indicator No. 13, Table 1, Annex I	Annex II to Commission Delegated Regulation (EU) 2020/1816			69
ESRS 2 GOV-1 Paragraph 21 (e)	Percentage of independent board members		Annex II to Delegated Regulation (EU) 2020/1816			69
ESRS 2 GOV-4 Item 30	Due diligence statement	Indicator No. 10, Table 3, Annex I				72
ESRS 2 SBM-1 Paragraph 40 (d) i	Involvement in activities linked to fossil fuels	Indicator No. 4, Table 1, Annex I	Article 449a, Regulation (EU) No 575/2013, Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on environmental risks and Table 2: Qualitative information on social responsibility risks	Annex II to Delegated Regulation (EU) 2020/1816		Not current
ESRS 2 SBM-1 Paragraph 40 (d) ii	Involvement in activities linked to chemical production	Indicator No. 9, Table 2, Annex I		Annex II to Delegated Regulation (EU) 2020/1816		Not current
ESRS 2 SBM-1 Paragraph 40 (d) iii	Participation in activities related to controversial weapons	Indicator No. 14, Table 1, Annex I	Article 12.1 of Delegated Regulation (EU) 2020/1818, Annex II to Delegated Regulation (EU) 2020/1816			Not current
ESRS 2 SBM-1 Paragraph 40 (d) iv	Involvement in activities related to the cultivation and production of tobacco		Article 12(1) of Delegated Regulation (EU) 2020/1818, Annex II to Delegated Regulation (EU) 2020/1816			Not current
ESRS E1-1 Item 14	Transition plan to achieve climate neutrality by 2050				Article 2(1) of Regulation (EU) 2021/1119	87
ESRS E1-1 Item 16 (g)	Companies excluded from the EU Paris Agreement benchmarks		Article 449a of Regulation (EU) No 575/2013, Commission Implementing Regulation (EU) 2022/2453, Template 1: Off-the-shelf activities – climate change-related transition risk: Credit quality of exposures by sector, emissions and remaining maturity	Article 12(1)(d) to (g) and Article 12(2) of Delegated Regulation (EU) 2020/1818		87
ESRS E1-4 Item 34	Targets for reducing greenhouse gas emissions	Indicator No. 4, Table 2, Annex I	Article 449a of Regulation (EU) No 575/2013, Commission Implementing Regulation (EU) 2022/2453, Template 3: Off-the-shelf operations – climate change-related transition risk: adaptation measures	Article 6 of Delegated Regulation (EU) 2020/1818		88-89
ESRS E1-5 Item 37	Energy use and energy mix	Indicator No. 5, Table 1, Annex I				90
ESRS E1-5 Paragraphs 40–43	Energy intensity associated with activities in sectors with high climate impact	Indicator No. 6, Table 1, Annex I				90
ESRS E1-6 Item 44	Gross greenhouse gas emissions within scope 1, 2, 3 and total greenhouse gas emissions	Indicator No. 1 and Indicator No. 2, Table 1, Annex I	Article 449a of Regulation (EU) No 575/2013, Commission Implementing Regulation (EU) 2022/2453, Template 1: Off-the-shelf activities – climate change-related transition risk: Credit quality of exposures by sector, emissions and remaining maturity	Articles 5(1), 6 and 8(1) of Delegated Regulation (EU) 2020/1818		90-92

Disclosure Requirements Related Data Point	Sustainability information	Reference in SFDR (Sustainability Disclosure Regulation)	Reference in the third pillar	Reference in the Benchmark Regulation	Reference in EU climate law	Page
ESRS E1-6 Paragraphs 53–55	Gross greenhouse gas emission intensity	Indicator No. 3, Table 1, Annex I	Article 449a of Regulation (EU) No 575/2013, Commission Implementing Regulation (EU) 2022/2453, Template 3: Off-the-shelf operations – climate change-related transition risk: adaptation measures	Article 8(1) of Delegated Regulation (EU) 2020/1818		92
ESRS E1-7 Item 56	Greenhouse gas sequestration and carbon credits				Article 2(1) of Regulation (EU) 2021/1119	Not current
ESRS E1-9 Paragraph 66 (a)	Breakdown of monetary amounts by acute and chronic physical risk		Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453, points 46 and 47, template 5: Off-premises operations – climate change-related physical risk: Exposures subject to physical risk.			Phasing-in
ESRS E1-9 Paragraph 66 (c)	Location of significant assets exposed to significant physical risk.					Phasing-in
ESRS E1-9 Paragraph 67 (c)	Breakdown of the carrying value of its property assets by energy efficiency class		Article 449a of Regulation (EU) No 575/2013, Commission Implementing Regulation (EU) 2022/2453, point 34, template 2 – Off-premises operations – Climate change-related transition risk: Loans secured by immovable property – Energy efficiency of the collateral			Phasing-in
ESRS E1-9 Item 69	The portfolio's degree of exposure to climate-related opportunities		Annex II to Delegated Regulation (EU) 2020/1818			Phasing-in
ESRS E2-4 Item 28	The amount of each pollutant listed in Annex II to the Regulation on the European Release and Transfer Register released into air, water and land	Indicator No. 8, Table 1, Annex I; Indicator No. 2, Table 2, Annex I; Indicator No. 1, Table 2, Annex I; Indicator No. 3, Table 2, Annex I				Not material
ESRS E3-1 Item 9	Water resources and marine resources	Indicator No. 7, Table 2, Annex I				Not material
ESRS E3-1 Item 13	Special policy	Indicator No. 8, Table 2, Annex I				Not material
ESRS E3-1 Item 14	Sustainable oceans and seas	Indicator No. 12, Table 2, Annex I				Not material
ESRS E3-4 Paragraph 28 (c)	Total recycled and reused water	Indicator No. 6.2, Table 2, Annex I				Not material
ESRS E3-4 Item 29	Total water consumption in m3 per net income from own business	Indicator No. 6.1, Table 2, Annex I				Not material
ESRS 2,- IRO-1-E4 Item 16 (a) i		Indicator No. 7, Table 1, Annex I				Expired according to EU Quick Fix
ESRS 2,- IRO-1-E4 Item 16 (b)		Indicator No. 10, Table 2, Annex I				Expired according to EU Quick Fix
ESRS 2,- IRO-1-E4 Item 16 (c)		Indicator No. 14, Table 2, Annex I				Expired according to EU Quick Fix
ESRS E4-2 Paragraph 24 (b)	Sustainable land/agricultural practices/policies	Indicator No. 11, Table 2, Annex I				Expired according to EU Quick Fix
ESRS E4-2 Paragraph 24 (c)	Sustainable practices/policies for ocean sustainability	Indicator No. 12, Table 2, Annex I				Expired according to EU Quick Fix

Disclosure Requirements Related Data Point	Sustainability information	Reference in SFDR (Sustainability Disclosure Regulation)	Reference in the third pillar	Reference in the Benchmark Regulation	Reference in EU climate law	Page
ESRS E4-2 Paragraph 24 (d)	Policies to combat deforestation	Indicator No. 15, Table 2, Annex I				Expired according to EU Quick Fix
ESRS E5-5 Paragraph 37 (d)	Non-recycled waste	Indicator No. 13, Table 2, Annex I				108-109
ESRS E5-5 Item 39	Hazardous waste and radioactive waste	Indicator No. 9, Table 1, Annex I				108-109
ESRS 2 SBM-3 – S1 Item 14 (f)	Risk of being subjected to forced labor	Indicator No. 13, Table 3, Annex I				118
ESRS 2 SBM-3 – S1 Item 14 (g)	Risk of being exposed to child labor	Indicator No. 12, Table 3, Annex I				118
ESRS S1-1 Item 20	Commitments in human rights policy	Indicator No. 9, Table 3 and Indicator No. 11, Table 1, Annex I				118-119
ESRS S1-1 Item 21	Due diligence strategies on matters covered by International Labour Organization (ILO) fundamental conventions 1–8			Annex II to Delegated Regulation (EU) 2020/1816		118-119
ESRS S1-1 Item 22	Processes and measures to prevent human trafficking	Indicator No. 11, Table 3, Annex I				118-119
ESRS S1-1 Item 23	Workplace accident prevention strategy or a system for managing such	Indicator No. 1, Table 3, Annex I				118-119
ESRS S1-3 Paragraph 32 (c)	Complaints handling mechanisms	Indicator No. 5, Table 3, Annex I				119
ESRS S1-14 Paragraph 88 (b) and (c)	Number of deaths and number and proportion of work-related accidents	Indicator No. 2, Table 3, Annex I		Annex II to Delegated Regulation (EU) 2020/1816		124
ESRS S1-14 Paragraph 88 (e)	Number of days lost due to injuries, accidents, deaths or illness	Indicator No. 3, Table 3, Annex I				124
ESRS S1-16 Paragraph 97 (a)	Unadjusted gender pay gap	Indicator No. 12, Table 1, Annex I		Annex II to Delegated Regulation (EU) 2020/181		124
ESRS S1-16 Paragraph 97 (b)	Excessively high CEO salary	Indicator No. 8, Table 3, Annex I				124
ESRS S1-17 Paragraph 103 (a)	Cases of discrimination	Indicator No. 7, Table 3, Annex I				124
ESRS S1-17 Paragraph 104(a)	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	Indicator No. 10, Table I and Indicator No. 14, Table 3, Annex I		Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		124
ESRS 2 – SBM-3 – S2 Clause 11 (b)	Significant risk of child labor or forced labor in the value chain	Indicator No. 12 and Indicator No. 13, Table 3, Annex I				126
ESRS S2-1 Item 17	Commitments in human rights policy	Indicator No. 9, Table 3 and Indicator No. 11, Table 1, Annex I				127
ESRS S2-1 Item 18	Policies for employees in the value chain	Indicator No. 11 and Indicator No. 4, Table 3, Annex I				127
ESRS S2-1 Item 19	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	Indicator No. 10, Table 1, Annex I		Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		127

Disclosure Requirements Related Data Point	Sustainability information	Reference in SFDR (Sustainability Disclosure Regulation)	Reference in the third pillar	Reference in the Benchmark Regulation	Reference in EU climate law	Page
ESRS S2-1 Item 19	Due diligence strategies on matters covered by International Labour Organization (ILO) fundamental conventions 1–8			Annex II to Delegated Regulation (EU) 2020/1816		127
ESRS S2-4 Item 36	Human rights issues and human rights cases linked to the company's upstream and downstream value chain	Indicator No. 14, Table 3, Annex I				128-129
ESRS S3-1 Item 16	Commitments in human rights policy	Indicator No. 9, Table 3, Annex I and Indicator No. 11, Table 1, Annex I				Expired according to EU Quick Fix
ESRS S3-1 Item 17	Failure to comply with the UN Guiding Principles on Business and Human Rights, the ILO Principles or the OECD Guidelines	Indicator No. 10, Table 1, Annex I		Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		Expired according to EU Quick Fix
ESRS S3-4 Item 36	Human rights issues and human rights incidents	Indicator No. 14, Table 3, Annex I				Expired according to EU Quick Fix
ESRS S4-1 Item 16	Consumer and end-user policies	Indicator No. 9, Table 3 and Indicator No. 11, Table 1, Annex I				Expired according to EU Quick Fix
ESRS S4-1 Item 17	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	Indicator No. 10, Table 1, Annex I		Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		Expired according to EU Quick Fix
ESRS S4-4 Item 35	Human rights issues and human rights incidents	Indicator No. 14, Table 3, Annex I				Expired according to EU Quick Fix
ESRS G1-1 Paragraph 10 (b)	United Nations Convention against Corruption	Indicator No. 15, Table 3, Annex I				138-140
ESRS G1-1 Paragraph 10 (d)	Whistleblower protection	Indicator No. 6, Table 3, Annex I				138-140
ESRS G1-4 Paragraph 24 (a)	Fines for violations of anti-corruption and bribery laws	Indicator No. 17, Table 3, Annex I		Annex II to Delegated Regulation (EU) 2020/1816		138-140
ESRS G1-4 Paragraph 24 (b)	Standards for combating corruption and bribery	Indicator No. 16, Table 3, Annex I				138-140

# Risks and risk management

Proactive and structured risk management on all levels in the Peab Group creates resilience to risks, ensures a long-term sustainable business and increases our ability to take advantage of opportunities.

## Established processes for managing risks

Risk management, clear delegation of responsibility and a 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. These sustainability-related risks have a unique reference number clearly linked to which ESRS standard they relate to. There is therefore a risk register on both business area and Group levels with the associated ownership and management plans are monitored regularly in our processes. 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.

## Crisis management and continuity planning

An integrated part of Peab's risk management is crisis management and continuity planning. Peab has a crisis management organization that regularly goes through training and practices in order to handle serious incidents that escalate out of operations.

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.

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.

Operative risks comprise risks that refer to how Peab runs daily operations and can affect our ability to function effectively. 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. Peab's project operations work with a number of different contract forms where risk levels vary depending on the type of contract. Ambiguities can arise concerning the terms of any type of contract which can lead to delimitation issues that risk disputes 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 entail risks regarding decisions that can affect Peab's future direction, competitiveness or ability to achieve set targets. Europe is facing the greatest political challenges since the Second World War with war nearby and huge uncertainty concerning American foreign and trade policies. The conflict in the Middle East affects access to oil and natural gas and the entire geopolitical uncertainty drives up energy prices. This political turbulence in the world around hampers macroeconomic growth. The construction industry is impacted by uncertainty and cautiousness concerning investments and continued high material and energy prices. Peab may be indirectly affected through material suppliers that suffer from geopolitic events. On a more local level, customer demands are quickly changing which makes big demands on Peab's organization to meet and manage them.

Compliance risks concern risks such as lack of compliance with laws, contracts or internal regulations and guidelines. Other examples are the risk of 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.

**Peab Industri Oy is cooperating with the Competition and Consumer Authority in an ongoing investigation**

In May 2025 the Competition and Consumer Authority in Finland launched a so-called competition law compliance audit of several companies active on the asphalt paving market in Finland, among them Peab's subsidiary Peab Industri Oy. Peab is cooperating fully with the authority. The fact that the authority has initiated an audit does not mean that Peab Industri Oy is guilty of any anticompetitive conduct and the result of the investigation should not be pre-empted. The Peab Group has zero tolerance of any forms of irregularities.

**Forward looking risks and their management**

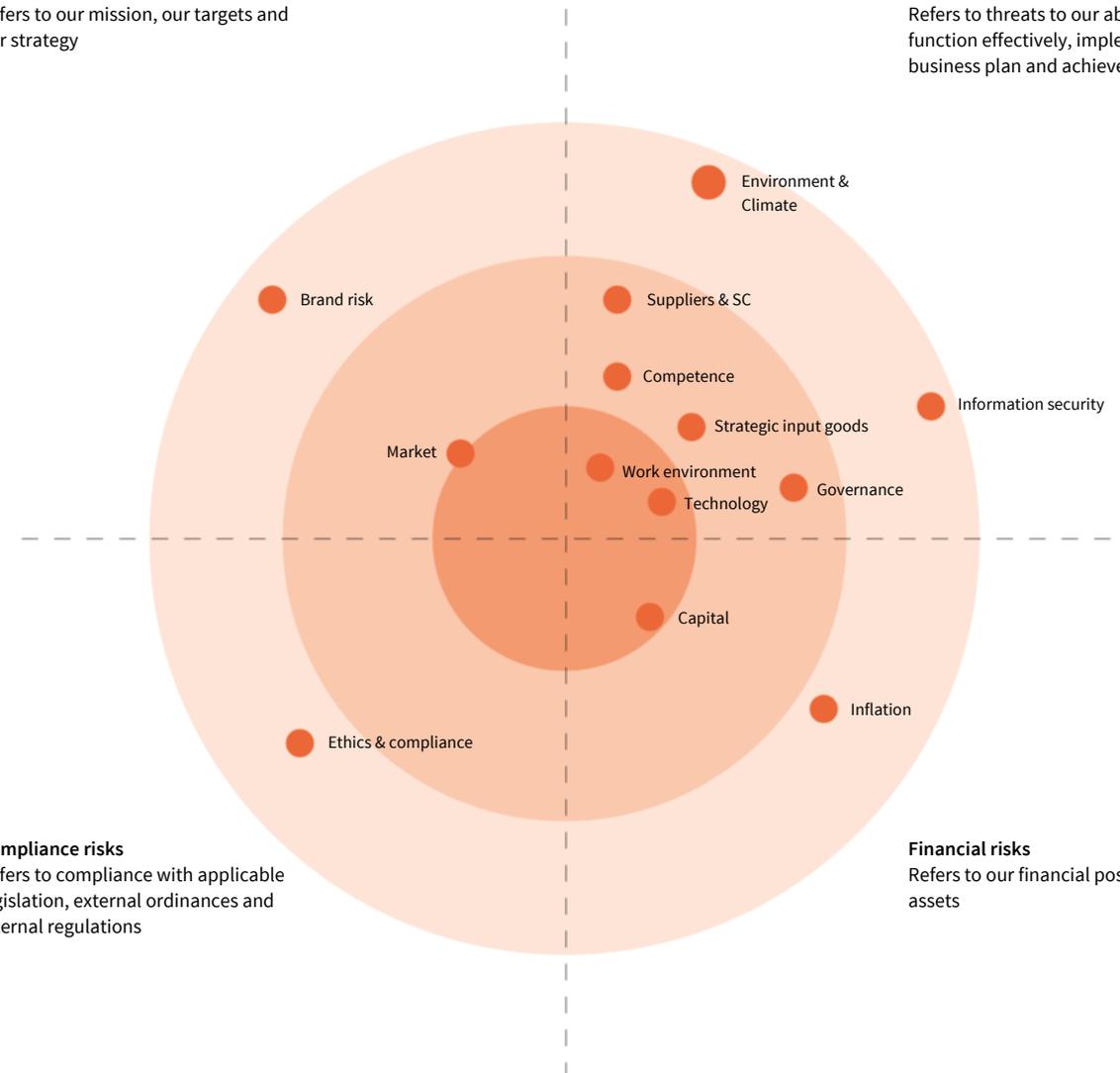
Peab's risks can separately or in combination have a material negative impact on Peab's business, strategy, financial outcome, cash flow, share value or repute. The illustration to the right visualizes the most material risks for Peab. Risks closer to the center of the illustration have a higher probability of impacting Peab negatively. The risks are described in more detail in the following text table.

**Strategic risks**

Refers to our mission, our targets and our strategy

**Operative risks**

Refers to threats to our ability to function effectively, implement our business plan and achieve set targets



**Compliance risks**

Refers to compliance with applicable legislation, external ordinances and internal regulations

**Financial risks**

Refers to our financial position and our assets

Strategic risks	Description	Action
<b>Macro outlook and the market</b>	Customer behavior and demands can change at such a rate that Peab cannot adapt to these changes quickly enough. The political landscape also has a significant influence on how we act. The uncertain geopolitical situation can deter investments and diminish growth. 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 corporate culture which is founded on our deeply rooted 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. Peab also has a Brand Council that manages issues linked the Group's brand,
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 monitor reported risk observations and investigations into incidents and accidents. Risk observations are the basis of organizational learning. 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.	We have 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 material. Peab is also working in various ways to secure access to circular building material. We strive to direct our focus on calculations, reconciliations and monitoring to understand how the construction process is affected by new technology.
<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 or disturbances in the supply chain can quickly upturn established raw material supply channels. 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 this risk. Peab has also a strategy with alternative suppliers to safeguard access to critical raw material.
Operative risks	Description	Action
<b>Talent</b>	There is competition for certain talent on the labor market. One one hand there is a risk that the industry is not considered attractive, especially with the decline in recent years in housing production, and on the other hand Peab risks failing to attract talent and key skills now that, for instance, major infrastructure investments are on the horizon. Peab must attract and keep skilled employees if we are going to achieve our targets.	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. As a community builder Peab strives constantly to create new recruitment channels together with schools and colleges, internal training and our own high school, the Peab School.

Operative risks	Description	Action
<b>Governance</b>	Governance-related risks refer to both overall Group governance and project governance. 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 which can lead to incorrect tenders 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 governance. We work actively to promote efficient governance and skills development, especially at strategic levels. Dialogue with, and advice to, our customers is customized to meet changes in project needs. We make structured risk assessments and have established processes and procedures like our tender and investment councils through which we ensure that risks are identified and dealt with before we submit a tender or approve an investment. 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. If a supplier or SC go bankrupt it can have a negative impact on Peab's operations.	Peab's Suppliers' Code of Conduct is included in the contract templates used in procuring suppliers/SCs. We continually develop procedures to monitor the work environment, working conditions, safe supply chains and environmental 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. Peab's purchasing function has an important roll in minimizing risks in supply chains by ensuring responsibility, conducting risk assessments and checks and audits. 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 to 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. Employees are regularly trained to maintain awareness of risks that can affect our information resources. 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 or SCs can lead to Peab's products and services not meeting future demands and expectations.	Risk prevention comes under the Group's four prioritized environmental aspects which are also targets; climate neutrality, resource efficiency, biodiversity and phasing out environmentally and health hazardous products. We have put our transition plan into practice through 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. Reoccurring extreme weather requires adapting production methods and other measures to limit the risks for damages to, for example, construction contracts projects and real estate.
<b>Compliance risks</b>	<b>Description</b>	<b>Action</b>
<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. This framework includes frequent training 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.

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 is the deciding organ. 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 the Group's investment group.
<b>Inflation</b>	Dramatically rising inflation can lead central banks to raise the policy rate which affects our customers' investment appetite. It can also subdue the economy. High inflation entails high construction costs which in turn dampen demand on the construction market.	High Inflation along with high interest rates can impact Peab's profitability due to high prices and low demand. Peab's four business areas, our good range of projects and product areas, operations in several countries as well as customers in both the private and public sectors have, however, a dampening effect. Our operations mix makes us less sensitive to ups and downs in the economy.
<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. Financial risks are handled by the Treasury function which is centrally organized. For further information on financial risks, see note 33.
<b>Financial reporting</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)	58,589	+/- 10%	*+/- 264
Operating margin (volume constant)	4.5 %	+/-1 percentage point	*+/-586
Production costs	41,709	+/- 1%	*+/- 417
<b>Financial</b>			
Average effective interest rate <sup>1)</sup>	4.4 %	+/-1 percentage point	*+/- 53

<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 5,282 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.

# Other information

## 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. Development mainly takes place within the framework of Peab's ordinary operations. 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 2025 we continued to run several R&D projects concerning circular material where we, for example, have studied how soil and old, demolished concrete can be reused in new material and projects. We have also done R&D in biodiversity for the rock material industry and ecologic weed control for our operation and maintenance operations. We have had a R&D project together with SSAB on reducing climate impact through fossil free steel. We have continued research into alternative binders for both concrete and asphalt and we have continued with our far reaching project on storing carbon dioxide in building materials.

During the year we continued to develop our network in several joint industry programs as well as our collaboration with universities and colleges. Together with Luleå University of Technology we are working on sustainable construction, digitalization and resource efficiency. At The Faculty of Engineering, LTH, in Lund we are active in the "Center for construction robotics". We have several projects together with The KTH Royal Institute of Technology in Stockholm and Chalmers in Gothenburg in road technology and geotechnical engineering. We also participate in other forms of local collaboration such as LFM30 (Local roadmap for a climate neutral construction and civil engineering sector in Malmö 2030) and several innovation programs for the

community building sector such as IQ-Samhällsbyggnad, InfraSweden and Smart Built Environment.

Through the function Products and Technology we have established a systematic where products and methods develop through gradual validation before they are implemented and used in projects for our customers. A technical advisory board is part of the systematic to ensure that the evaluation is made based on predetermined criteria.

## Operations with permit and notification obligations

Operations required to have permits or notify authorities in our Nordic operations are in sub-groups Swerock, Byggelement, Peab Asphalt, 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 depos, 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 are ongoing.

## Significant events during the year

### Green bond issue

On March 11, 2025 Peab issued green bonds for a total value of SEK 500 million. The bonds have a maturity of 3 years with a variable interest rate of 3 months Stibor (the Stockholm Interbank Offered Rate) plus 1.50 percentage points. Funds from the issue will be used to finance investments in green buildings, ECO-efficient and circular products and production processes, sustainable transportations and water management and measures for avoiding and limiting pollution. The green bonds were issued within the framework of Peab's Swedish MTN program and the framework for green financing.

### Peab Industri Oy is cooperating with the Competition and Consumer Authority in an ongoing investigation

In May 2025 the Competition and Consumer Authority in Finland launched a so-called competition law compliance audit of several companies active on the asphalt paving market in Finland, among them Peab's subsidiary Peab Industri Oy. Peab is cooperating fully with the authority. The fact that the authority has initiated an audit does not mean that Peab Industri Oy is guilty of any anticompetitive conduct and the result of the investigation should not be pre-empted. The Peab Group has zero tolerance of any forms of irregularities.

### Settlement agreement regarding Mall of Scandinavia

Through a settlement agreement Peab and Unibail-Rodamco-Westfield (URW) have agreed on a final resolution of all transactions regarding the contract for Mall of Scandinavia in Solna. The agreement entailed that Peab's liquidity increased by one billion Swedish kronor in the third quarter 2025, that net financial items in the second quarter were charged with SEK 611 million and that net debt remained the same.

On June 30, 2023 an arbitral award in the case regarding the contract for Mall of Scandinavia was rendered. The arbitral tribunal concurred with Peab's claims for compensation for added expenses generated by extensive changes in the project

made during the production phase and ruled that Peab was entitled to compensation of approximately one billion Swedish kronor for construction costs as well as SEK 390 million, in default interest. URW then challenged the award to Svea Court of Appeal which on May 28, 2025 rendered a judgment entitling Peab to compensation for the work incurred by changes and additions along with compensation for disorder and disruption. The arbitral award was set aside concerning URW's claim for liquidated damages for certain delays and Peab's claims for the costs of the arbitration procedures.

Since no payment was made as required by the judgment Peab initiated bankruptcy proceedings against the project company Rodamco Projekt AB in order to demand payment. URW announced on June 3, 2025 that it intended to initiate a new arbitration procedure regarding its claim for liquidated damages for certain delays and Peab intended to initiate a new arbitration procedure regarding its claim for the costs of the arbitration procedures.

On June 22, 2025 the parties agreed to a settlement entailing a payment of one billion Swedish kronor from URW to Peab which was paid on July 2, 2025. The settlement agreement further entailed that each party retracted all processes, that the contract is considered finally settled and that the parties have no claims against each other, including warranty obligations. The settlement agreement thereby entails that there are no remaining risks for Peab regarding the contract for Mall of Scandinavia.

### Expanded framework for MTN program

Peab has a MTN program with an original framework of SEK 5 billion. The program was expanded in June 2025 by SEK 2.5 billion to SEK 7.5 billion. More information concerning the loan program can be found on Peab's website.

### Peab creates a joint venture with KB Gruppen in Western Norway

Peab and the KB Gruppen have decided to merge their operations in the companies K. Nordang and Christie &

Opsahl, both of which operate in Western Norway. The companies are active in new construction, renovation and concrete work. The merger is expected to lead to synergies as the companies complement each other in products and geographically. The combined net sales of the two companies are expected to amount to around NOK 1.9 billion in 2025. In total, the two companies have 350 employees.

KB Gruppen will own 62.5 percent of the new associated company and Peab will own 37.5 percent. Going forward Peab will recognize the company as an associated company in the business area Construction. Net sales in K. Nordang AS were approximately NOK 800 million in 2025. K. Nordang AS was sold into the associated company at market price and this is expected to have an effect on operating profit in the first quarter 2026 of approximately NOK 100 million. The transaction has been approved from competition authorities and closing took place in the first quarter 2026.

#### **Nomination Committee**

The Nomination Committee of Peab AB has been constituted according to the principles for the Nomination Committee's appointment adopted by the Annual General Meeting. The Nomination Committee is based on the largest shareholders of the company per the final banking day in June 2025 that wish to appoint a member. Ulf Liljedahl, appointed by AB Axel Granlund, has stepped down from the Nomination Committee in advance of the Annual General Meeting 2026. Cicero Fonder is the new represented shareholder in this year's Nomination Committee.

The following persons have been appointed to the Nomination Committee for the Annual General Meeting 2026:

- Anders Sundström, Ekhaga Utveckling AB
- Suzanne Sandler, Handelsbanken Fonder
- Christer Sterndahlen, appointed by Cicero Fonder
- Anders Runevad, Chairman of the Board of Peab AB

The Nomination Committee has at its constituent meeting appointed Anders Sundström to be Chairman of the Nomination Committee. The Nomination Committee has begun its work on nominations for, among others, the Board, auditor and remunerations.

#### **Significant events after the year end**

##### ***The Nomination Committee's proposal for Board members of Peab AB***

Peab AB was informed by the company's Nomination Committee on February 10, 2026 of its proposal to the AGM 2026 regarding the composition of the Board of Directors. The Nomination Committee intends to propose Carl Mellander as a new member of the Board and reelection of the following Board members: Anders Runevad, Malin Persson, Magdalena Gerger, Liselott Kilaas, Kerstin Lindell, Fredrik Paulsson and Lars Sköld.

The Nomination Committee further intends to propose reelection of Anders Runevad as Chairman of the Board.

Carl Mellander has extensive experience from leading financial positions in global listed companies, among them as Group CFO for Ericsson. He has a broad background in financial governance, capital market matters, M&A, risk and regulation compliance as well as international business management. He is currently a member of the board of, and consultant to, several companies.

The Nomination Committee's proposal entails that the Board of Directors will consist, until the end of the next AGM, of eight (8) Board members. The Nomination Committee will continue its work and the complete proposal to the AGM 2026 will be presented with the notice of the AGM.

##### ***Exceedance of limit for flagging regarding repurchasing of own shares***

In accordance with Chapter 4, Section 18 of the Financial Instruments Trading Act (1991:980) Peab AB acquired on March 11, 2026 25,000 of its own B shares which entails that Peab's holding of its own shares exceeded the limit of five percent of all shares in Peab. Peab's total holding of own shares per March 11, 2026 amounted to 14,822,984 B shares, which corresponds to 5.01 percent of the total number of shares.

##### ***Peab has concluded repurchasing its own shares***

Peab AB has repurchased a total of 6,237,280 B shares worth around SEK 500 million between July 25, 2025 and March 12, 2026. The repurchasing has followed a decision by the Board and supported by authorization from the Annual General Meeting in May 6, 2025. After the acquisitions Peab's total

holding of own shares per March 12, 2026 amounted to 14,835,264 B shares.

#### **The Peab share**

At the end of 2025 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, 2025 there were approximately 58,000 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 has 23.0 percent of the capital and 48.7 percent of the votes. Mats and Fredrik Paulsson together with families has 5.6 percent of capital and 11.3 percent of the votes. In addition, the Mats Paulsson's foundations had 2.2 percent of the capital and 6.5 percent of the votes at the end of 2025. 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, 2025 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,

2025 the foundation owned 14,267,300 B shares in Peab, corresponding to 4.8 percent of the total number of shares.

#### **Holdings and repurchasing of own shares**

At the beginning of 2025 Peab's own B share holding was 8,597,984 which corresponds to 2.9 percent of the total number of shares. Supported by authorization from the Annual General Meeting May 6, 2025 the Board of Directors decided to repurchase own shares. Shares were regularly repurchased until March 12, 2026. The purpose of the repurchasing is to safeguard costs and deliveries connected to implementing the company's long-term Performance Share Program and to be able to use the repurchased shares in financing acquisitions. Repurchasing has taken into consideration the company's financial position and capital structure. The shares were repurchased on Nasdaq Stockholm according to the Nordic Main Market Rulebook for Issuers of Shares – Nasdaq Stockholm (Supplement D) and in accordance with EU Parliament's and Council's EU regulation nr. 596/2014 on market abuse (MAR). According to the Board's decision shares may be repurchased during the period for a maximum of SEK 500 million and 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. The shares may only be repurchased at a price per share within the price interval registered at any given time on Nasdaq Stockholm, meaning the interval between the current highest buy price and the lowest sell price published by Nasdaq Stockholm. The acquired shares were to be paid for in cash and during 2025 own B shares have been repurchased for a total of SEK 415 million. After repurchasing 5,520,000 B shares, on December 31, 2025 Peab holds 14,117,984 own B shares corresponding to 4.8 percent of the total number of shares. As of March 12, 2026 717,280 B shares were repurchased for the sum of SEK 85 million.

#### **Performance Share Program and transfer of own shares**

The AGM on May 6, 2025 resolved to approve the Board's proposal of Performance Share Program 2025 and transfer of a maximum of 2,009,058 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.

**Remuneration policy for senior officers**

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:

**Short-term incentives (STI)**

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 other, from time to time, important Group targets. In the current program outcome metrics are linked to Peab's strategy in the form of profitability, sustainability and the work environment.

Short-term incentives are determined for each financial year and reconciled the year after they are earned.

**Pensions**

Executive management is entitled to pension solutions according to collective bargaining agreements and agreements with Peab. All pension contributions are defined contributions. The current pension plan can, at the most, amount to 35 percent of basic pay and a contracted retirement age of 65. Previous pension plans of 47 percent of basic pay and a contracted retirement age of 62 years are only valid for concluded agreements.

**Other non-monetary benefits**

Executive management is entitled to extra healthcare insurance and extra health insurance up to 30 basic amounts as well as the benefits all other Peab employees are entitled to. The average value of the benefits is five percent of basic pay.

**Expectations concerning future development Sweden**

Despite geopolitical tensions the macroeconomic situation has stabilized. Households have regained confidence and several economic indicators have seen an upturn. Interest

rates have improved in step with the gradually decreasing policy rate, which is expected to remain on the same level in 2026.

Housing construction recovery is expected to gradually continue in 2026, albeit from a low level. Lower interest rates, an expected relaxation of home loan regulations and price stabilization on the second hand market will most likely augment demand. High construction costs and the copious offer of existing homes are, however, two important factors that hold back a more robust development of new production.

Investments in premise construction are expected to grow in 2026 after declining for a few years. This development will be supported above all by politically driven investments in the justice system and defense forces, along with investments in datacenters. Development in the renovation market is expected to be slightly positive in housing and somewhat more cautious in premises, where renovations are needed in schools and care buildings along with a growing demand for energy renovations.

Total civil engineering investments are expected to continue to increase in 2026. The new national plan for transportation infrastructure for the years 2026-2037 with higher investments in railroads and road maintenance, expansion of the electricity grid, water and sewage systems as well as more investments in defense generate broad growth in the civil engineering market.

**Norway**

Activity is expected to increase somewhat in the Norwegian economy and Norges Bank calculates a 1.5 percent increase in 2026. Norges Bank cut the interest rate twice in the autumn of 2025 to help lower inflation without hurting growth possibilities. Real wage growth and low unemployment are expected to boost purchasing power and benefit development in the construction market. However, despite the two latest cuts, interest rates are still high and so the interest burden is holding back households' demand in the housing market.

A gradual increase in housing construction is predicted in 2026 although construction costs and interest levels are slowing down recovery. Home renovations are expected to show continued stable growth.

Production-starts of premise construction remain on a low level but the forecast for 2026 points upwards. The continued high cost of construction and interest levels also have an impact on premise construction. Growing defense investments contribute to development in the premise market although the effects are not yet tangible. However, the large existing building stock needs to be maintained and rebuilt which will gradually increase the need for renovations, which are expected to grow in 2026.

An upturn is expected in the civil engineering market in 2026 compared to 2025. Investments are expected to grow primarily in power and energy plants, railroad and streetcar facilities as well as municipal technique facilities. The forecasts for operation and maintenance are moderate for 2026 but growth will accelerate again in 2027.

**Finland**

Inflation in Finland is expected to remain under two percent going forward, which together with higher wages and falling interest rates will improve consumers' purchasing power in the coming years. At the same time growth is hampered by global uncertainty and the rate of unemployment in the country.

The housing market is expected to recover in 2026 from low levels, even though the market continues to be cautious and hindered by excess supply and continued sluggish home sales.

Despite the uncertainty, premise construction is expected to increase and drive new production in the construction industry. Office and industrial buildings along with data centers and in particular defense and infrastructure projects are the driving forces. Renovations have developed weakly in recent years and demand in 2026 is expected to be hampered by high renovation costs, even though they are needed and there is potential for growth.

Investments in civil engineering are expected to continue to cautiously grow in 2026, mainly due to higher infrastructure investments. Zero growth is estimated in operation and maintenance, even though the need is great.

**Proposed dividend**

For 2025 the Board proposes an ordinary dividend of SEK 3.30 (2.75) per share for 2025 divided into two payments. Excluding the 14,117,984 shares held by Peab AB as of December 31, 2025 which do not entitle to a dividend, the proposed dividend entails a total dividend amount of SEK 930 million (788). Calculated as a share of recognized Group profit after tax according to segment reporting the proposed dividend amounts to 70 percent (38). The proposed dividend is equivalent to a direct return of 3.9 percent based on the closing price on December 31, 2025. The proposed record day for the first payment amounting to SEK 1.80 per share is May 4, 2026. The proposed record day for the second payment amounting to SEK 1.50 per share is October 30, 2026.

**Dividend**

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

**TARGET: >50 %**

**OUTCOME 2025: 70 %**

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## Income statement – the Group

MSEK	Note	2025	2024
Net sales	3,4	58,581	61,283
Production costs	11	-53,053	-55,402
<b>Gross profit</b>		<b>5,528</b>	<b>5,881</b>
Sales and administrative expenses	11	-3,237	-3,189
Other operating income	6	436	482
Other operating costs	7	-34	-11
<b>Operating profit</b>	4,8,9,10,18,28	<b>2,693</b>	<b>3,163</b>
Financial income		146	259
Financial expenses		-1,144	-642
<b>Net finance</b>	12	<b>-998</b>	<b>-383</b>
<b>Pre-tax profit</b>		<b>1,695</b>	<b>2,780</b>
Tax	13	-332	-392
<b>Profit for the year</b>		<b>1,363</b>	<b>2,388</b>
<b>Profit for the year attributable to:</b>			
Shareholders in parent company		1,357	2,392
Non-controlling interests		6	-4
<b>Profit for the year</b>		<b>1,363</b>	<b>2,388</b>
Profit per share before and after dilution, SEK	14	4.74	8.32

## Statement of comprehensive income – the Group

MSEK	Note	2025	2024
<b>Profit for the year</b>		<b>1,363</b>	<b>2,388</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		-224	41
Change for the year in fair value of cash flow hedges		-19	13
Shares in joint ventures' other comprehensive income		-1	-8
Tax referring to items that have been reclassified or can be reclassified to profit for the year	13	4	-3
<b>Other comprehensive income for the year</b>		<b>-240</b>	<b>43</b>
<b>Total comprehensive income for the year</b>		<b>1,123</b>	<b>2,431</b>
<b>Total comprehensive income for the year</b>			
Shareholders in parent company		1,117	2,435
Non-controlling interests		6	-4
<b>Total comprehensive income for the year</b>		<b>1,123</b>	<b>2,431</b>

## Balance sheet – the Group

MSEK	Note	Dec 31 2025	Dec 31 2024
<b>Assets</b>			
Intangible fixed assets	15	3,509	3,727
Tangible fixed assets	16,28	7,377	7,653
Investment property	17,28	59	59
Participation in joint ventures	18	1,481	2,796
Securities held as fixed assets	32,33	45	45
Interest-bearing long-term receivables	20,32,33	503	516
Deferred tax recoverables	13	49	48
Other long-term receivables	21	47	48
<b>Total fixed assets</b>		<b>13,070</b>	<b>14,892</b>
Project and development properties	22,28	17,451	18,342
Inventories	23	1,520	1,612
Accounts receivable	24,32,33	6,835	6,981
Interest-bearing current receivables	20,32,33	20	1,127
Tax assets		16	23
Work-up not invoiced income	3,33	1,646	2,015
Prepaid expenses and accrued income	25	357	902
Other current receivables	21	483	396
Liquid funds	32,33	3,145	1,478
<b>Total current assets</b>		<b>31,473</b>	<b>32,876</b>
<b>Total assets</b>		<b>44,543</b>	<b>47,768</b>

MSEK	Note	Dec 31 2025	Dec 31 2024
<b>Equity</b>	26		
Share capital		1,584	1,584
Other contributed capital		2,576	2,576
Reserves		-143	94
Profit brought forward including profit for the year		12,438	12,228
<b>Equity attributable to shareholders in parent company</b>		<b>16,455</b>	<b>16,482</b>
Non-controlling interests		24	22
<b>Total equity</b>		<b>16,479</b>	<b>16,504</b>
<b>Liabilities</b>			
Interest-bearing long-term liabilities	27,32,33	5,853	6,094
Interest-bearing long-term liabilities, project financing	27,32,33	5	53
Other long-term liabilities	30,32	196	164
Deferred tax liabilities	13	394	544
Provisions	29	1,464	1,493
<b>Total long-term liabilities</b>		<b>7,912</b>	<b>8,348</b>
Interest-bearing current liabilities	27,32,33	3,419	5,368
Interest-bearing current liabilities, project financing	27,32,33	2,360	2,859
Accounts payable	32,33	4,115	4,096
Tax liabilities		200	215
Invoiced income not worked-up	3	3,850	4,097
Accrued expenses and deferred income	31	3,571	3,624
Other current liabilities	30,33	2,162	2,272
Provisions	29	475	385
<b>Total current liabilities</b>		<b>20,152</b>	<b>22,916</b>
<b>Total liabilities</b>		<b>28,064</b>	<b>31,264</b>
<b>Total equity and liabilities</b>		<b>44,543</b>	<b>47,768</b>

## Report on changes in equity – the Group

### Equity attributable to owners in parent company

MSEK	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Profit brought forward including profit for the year	Total	Non-controlling interest	Total equity
<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>
Total comprehensive income for the year								
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>

Equity attributable to owners in parent company

MSEK	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Profit brought forward including profit for the year	Total	Non-controlling interest	Total equity
<b>Opening balance equity 2025-01-01</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>
<b>Total comprehensive income for the year</b>								
Profit for the year					1,357	1,357	6	1,363
Other comprehensive income for the year			-224	-16		-240	0	-240
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>-224</b>	<b>-16</b>	<b>1,357</b>	<b>1,117</b>	<b>6</b>	<b>1,123</b>
Cash flow hedge transferred to cost of inventory				4		4		4
Tax on cash flow hedge				-1		-1		-1
<b>Contribution from, and value transferred to, owners</b>								
Cash dividend					-788	-788	-4	-792
Repurchase of own shares					-415	-415		-415
Share-based payments settled with equity instruments					56	56		56
<b>Total contribution from, and value transferred to, owners</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-1,147</b>	<b>-1,147</b>	<b>-4</b>	<b>-1,151</b>
<b>Closing balance equity 2025-12-31</b>	<b>1,584</b>	<b>2,576</b>	<b>-141</b>	<b>-2</b>	<b>12,438</b>	<b>16,455</b>	<b>24</b>	<b>16,479</b>

## Cash flow statement – the Group

MSEK	Note	2025	2024
<b>Current operations</b>	37		
Pre-tax profit		1,695	2,780
Adjustments for non-cash items		2,321	1,117
Income tax paid		-484	-234
<b>Cash flow from current operations before working capital changes</b>		<b>3,532</b>	<b>3,663</b>
<b>Cash flow from changes in working capital</b>			
Increase (-) /Decrease (+) project and development properties		309	1,184
Increase (-) /Decrease (+) inventories		38	114
Increase (-) /Decrease (+) current receivables		234	8
Increase (+) /Decrease (-) current liabilities		-189	530
<b>Cash flow from changes in working capital</b>		<b>392</b>	<b>1,836</b>
<b>Cash flow from current operations</b>		<b>3,924</b>	<b>5,499</b>
<b>Investment operations</b>			
Sale of subsidiaries/businesses, net effect on liquid funds		279	28
Acquisition of intangible assets		-3	-17
Sale of intangible assets		2	—
Acquisition of tangible assets		-897	-579
Sale of tangible assets		238	245
Acquisition of financial assets		-132	-336
Sale of financial assets		1,484	1,904
<b>Cash flow from investment operations</b>		<b>971</b>	<b>1,245</b>
<b>Cash flow before financing</b>		<b>4,895</b>	<b>6,744</b>

MSEK	Note	2025	2024
<b>Financing operations</b>			
Repurchase of own shares		-415	—
Raised loans		1,135	3,393
Loan amortization		-1,926	-5,728
Raised bonds		1,223	1,500
Bond amortization		-778	-850
Leasing liabilities amortization		-680	-721
Raised loans Swedish tenant-owner associations		2,361	1,766
Loan amortization Swedish tenant-owner associations		-2,837	-5,558
Change in issued commercial papers		-522	109
Shareholder contribution non-controlling interest		—	2
Dividend distributed to shareholders in parent company		-788	-431
Dividend distributed to non-controlling interests		-4	—
<b>Cash flow from financing operations</b>		<b>-3,231</b>	<b>-6,518</b>
<b>Cash flow for the year</b>		<b>1,664</b>	<b>226</b>
Cash at the beginning of the year		1,478	1,243
Exchange rate differences in cash		3	9
<b>Cash at year-end</b>		<b>3,145</b>	<b>1,478</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 Margretetorsvägen 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 by the Board of Directors and Chief Executive Officer and dated for publication on March 30, 2026. 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 April 29, 2026.

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 liabilities.

### 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. Income 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 2025

Group accounting principles are unchanged compared to the annual accounts for 2024. The amended IFRSs applied as of 2025 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

IFRS 18 Presentation and Disclosure in Financial Statements will be effective as of January 1, 2027. The new standard has been approved by the EU and will replace 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.

The operating category will, to all extents and purposes, include the income and expenses in the current operating profit except profit from holdings in joint ventures and associated companies. The investing category will include income and expenses from certain assets such as profit from holdings in joint ventures and associated companies, dividends from own capital instruments and interest income from liquid funds. The financing category will comprise income and expenses from liabilities such as interest expenses on loans and leasing debts along with other expenses. Thus the new requirements will affect the Group's current subtotal Operating profit mainly because profit from holdings in joint ventures and associated companies will be included in the investing category. In addition, interest income and interest expenses will be included in various categories, which eliminates the presentation of net financial items.

Furthermore amendments have been made to IAS 7 Statement of Cash Flows, which include changing the basis for determining cash flows from operations under the indirect method from pre-tax profit to operating profit and removing the optionality in classification of cash flows from dividends and interest. Dividends and interest received will be included in the cash flow from investing operations while paid dividends and interest will be part of the cash flow from financing operations.

The new standard 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 and the notes.

The Group will conclude its analysis of the effects from IFRS 18 during 2026.

### 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. For information on how changes in important variables affect Group profit/loss, 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
Classification of partially owned companies	18	Participation in joint ventures
Project and development property	22	Project and development properties
Disputes	29	Provisions

### Assessment of the impact of climate-related factors on the financial reports

Two of Peab's nine external targets are climate-related. By 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 with 2015). The most long-term target of Peab's three overarching environmental targets is to be climate neutral by 2045. We have established two Groupwise development programs that support these transitions: 1) "Climate Road Map and strategic input goods", the purpose of which is to achieve Peab's climate targets and ensure access to critical input goods by breaking down the climate targets into action plans with measures and 2) "Quality-ensured and traceable value chain", which supports the first named program and contributes to the work and the responsibility regarding Peab's value chains.

Peab's operations are impacted by physical risks and transition risks but there are also a lot of opportunities linked to our customers' and our own transitions. Operations in Peab are largely project related with an average project time of around one to two years. This means that together with our customers we follow developments and adjust methods, material choices and processes continuously based on legal demands and other regulations as well as Peab's own and customers' climate targets. Adjustments to reduce climate impact are therefore implemented successively as new projects are started.

Peab's fixed assets consist mainly of machines, vehicles and other inventories with a relatively short financial life and which are continuously replaced with alternatives that are better for the environment.

Per December 31, 2025 the financial effects regarding activities for a better climate have not had a material impact on our financial reports. Peab believes climate and sustainability risks are low on the short- and medium-term and that their impact on Peab's financial position is limited. For more information, see the Sustainability Statement on pages 66-147.

Financial item	Note	Type of impact	Sustainability Statement, page
Remuneration to senior officers	9	Peab has integrated sustainability-related targets in the performance assessment of members of its governing organs. The assessment is made within the framework of both the short- and long-term incentive programs, in accordance with the company's Remuneration Policy adopted by the AGM 2025.	71
Operating costs	11	Most of our greenhouse gas emissions are connected to the input goods and material we purchase and use in production. Also our own production processes are sources of greenhouse gas emissions, for example through energy consumption and transportation. The Group therefore works with development in energy, material and construction tech solutions. The transition to reducing climate impact can in the future entail higher costs for material and higher operation costs.	84-93, 103-109,110-112
Intangible assets and impairment testing of goodwill	15	The cash flow forecasts used in impairment testing of goodwill are based on the best available forward looking information and reflect the expenses and investment plans in each cash-generating unit at the time for maintaining the cash-generating unit's operative capacity. The cash flow forecasts take into consideration our environmental targets according to the best assessment.	84-93, 103-109
Tangible fixed assets		We continuously invest in our factories, machines, vehicles and other inventories. Tangible fixed assets are recognized in the Group at cost after deductions for accumulated depreciation and any impairment losses. Depreciation is based on the original cost of acquisition less calculated residual value. An assessment of an asset's useful life and residual value is performed annually. Since we continuously invest in our fixed assets they are gradually replaced with alternatives better for the environment.	84-93, 103-109, 110-112
Project and development properties	22	Peab develops sustainable and vibrant urban environments with both residential and commercial properties as well as community service buildings. This means, among other things, a focus on safe residential environs, climate and environmentally adapted buildings and sustainable mass transit. In addition, the Group works on developing solutions regarding energy, construction material and technology in order to offer products and services that reduce climate and environmental impact. If constructions and installations are not energy efficient this increase energy consumption in operation, which leads to higher climate impact and operating costs for the end customer. This can in turn affect the value of properties. The recognized value of property is estimated at the lowest acquisition value and net sales value based on current price levels for the area. Changes in supply and demand can change recognized values and the need for write-downs can occur.	84-93, 103-109
Provisions	29	Peab continuously makes provisions for restoring quarries in Industry operations. The restoration amount is calculated on estimated future payments for restoration and reflect Peab's best current estimation taking existing environmental demands into account.	103-109
Bank loans, financing	33	Peab has issued bonds within the framework of green financing. The funds are to be used to finance or refinance assets and activities that generate clear environmental advantages. These can be divided into five categories that mirror Peab's overall business and the four business areas: <ul style="list-style-type: none"> <li>• Green and energy efficient buildings</li> <li>• Eco-effective and/or circular products, production technology and processes</li> <li>• Clean transportation</li> <li>• Pollution prevention and controls</li> <li>• Sustainable water and sewage management</li> </ul>	84-93, 103-109

## 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 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.

Feared 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.

Jan-Dec 2025, 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	21,443	16,331	16,434	4,327	54		58,589	-8	58,581
Internal sales	2,240	1,276	3,603	18	1,374	-8,511	—		—
<b>Total</b>	<b>23,683</b>	<b>17,607</b>	<b>20,037</b>	<b>4,345</b>	<b>1,428</b>	<b>-8,511</b>	<b>58,589</b>	<b>-8</b>	<b>58,581</b>
<b>Allocation per country</b>									
Sweden	18,165	15,622	12,029	3,692	1,133	-7,695	42,946	-96	42,850
Norway	2,780	1,985	1,215	364	142	-383	6,103	129	6,232
Finland	2,738		5,300	289	147	-426	8,048	-41	8,007
Denmark			1,467		6	-7	1,466		1,466
Other			26				26		26
<b>Total</b>	<b>23,683</b>	<b>17,607</b>	<b>20,037</b>	<b>4,345</b>	<b>1,428</b>	<b>-8,511</b>	<b>58,589</b>	<b>-8</b>	<b>58,581</b>
<b>Allocation per type of customer</b>									
Public sector	13,051	12,967	6,294	53	43		32,408		32,408
Private customers	8,392	3,364	10,140	4,274	11		26,181	-8	26,173
Internal customers	2,240	1,276	3,603	18	1,374	-8,511	—		—
<b>Total</b>	<b>23,683</b>	<b>17,607</b>	<b>20,037</b>	<b>4,345</b>	<b>1,428</b>	<b>-8,511</b>	<b>58,589</b>	<b>-8</b>	<b>58,581</b>
<b>Allocation per point in time</b>									
At one point in time	78	10	6,115	1,519	55	-1,085	6,692	2,530	9,222
Over time	23,589	17,580	11,930	2,655	1,145	-5,940	50,959	-2,538	48,421
Rent revenue <sup>2)</sup>	16	17	1,992	171	228	-1,486	938		938
<b>Total</b>	<b>23,683</b>	<b>17,607</b>	<b>20,037</b>	<b>4,345</b>	<b>1,428</b>	<b>-8,511</b>	<b>58,589</b>	<b>-8</b>	<b>58,581</b>
<b>Allocation per type of revenue</b>									
Construction contracts	23,589	17,580	11,930	2,655	23	-4,818	50,959	-2,538	48,421
Sales of goods			4,982			-569	4,413		4,413
Sales of property projects				1,480			1,480	2,530	4,010
Transportation services			1,011			-478	533		533
Administrative services					1,122	-1,122	—		—
Rent revenue <sup>2)</sup>	16	17	1,992	171	228	-1,486	938		938
Other	78	10	122	39	55	-38	266		266
<b>Total</b>	<b>23,683</b>	<b>17,607</b>	<b>20,037</b>	<b>4,345</b>	<b>1,428</b>	<b>-8,511</b>	<b>58,589</b>	<b>-8</b>	<b>58,581</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 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.

Remaining performance obligations

2025-12-31, MSEK	Coming financial			Total
	year	Next financial year	Thereafter	
Construction	16,380	7,556	1,198	25,134
Civil Engineering	12,235	6,128	3,838	22,201
Industry	3,385	1,710	295	5,390
Project Development	1,175	483	44	1,702
Eliminations	-3,153	-2,374	-356	-5,883
<b>Total, segment reporting</b>	<b>30,022</b>	<b>13,503</b>	<b>5,019</b>	<b>48,544</b>
Adjustment housing	-613	730	-10	107
<b>Total, IFRS</b>	<b>29,409</b>	<b>14,233</b>	<b>5,009</b>	<b>48,651</b>

2024-12-31, MSEK	Coming financial			Total
	year	Next financial year	Thereafter	
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>

Worked-up not invoiced income

MSEK	2025	2024
Worked-up income on incomplete contracts	32,299	32,824
Invoiced sales on incomplete contracts	-30,653	-30,809
<b>Total</b>	<b>1,646</b>	<b>2,015</b>

Invoiced income not worked-up

MSEK	2025	2024
Invoiced sales on incomplete contracts	57,453	53,082
Worked-up income on incomplete contracts	-53,603	-48,985
<b>Total</b>	<b>3,850</b>	<b>4,097</b>

Change in contract balances

MSEK	2025		2024	
	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		4,097		3,500
Invoiced during the year, reduced by amounts recognized as income during the year		-3,850		-4,097
Transferred from worked-up not invoiced income at the beginning of the period to accounts receivable	-2,015		-2,062	
Worked-up during the year, reduced by amounts invoiced during the year	1,646		2,015	
Exchange rate differences	-34	-49	-3	-1

Income recognized during the report period from performance obligations met during previous periods was SEK -272 million (-355).

## 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 Development 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 around 150 onsite offices all over the Nordics, organized in regions in Sweden, Norway and 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 and frame assembly. The business area also provides crane, barrack and machine rental, distribution of binder to the concrete industry, transportation and recycles surpluses from the construction and civil engineering industry. The business area is run in the two units, Swerock/Asphalt and Construction system. Swerock/Asphalt runs product areas mineral aggregates,

paving, concrete and transportation and machines and Construction system comprises prefab and rentals. All of them are directed at the Nordic construction and civil engineering market. Customers are the public sector 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 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.

2025, MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Difference in accounting principles <sup>1)</sup>	Group IFRS
External sales	21,443	16,331	16,434	4,327	54		58,589	-8	58,581
Internal sales	2,240	1,276	3,603	18	1,374	-8,511	—		—
<b>Total revenue</b>	<b>23,683</b>	<b>17,607</b>	<b>20,037</b>	<b>4,345</b>	<b>1,428</b>	<b>-8,511</b>	<b>58,589</b>	<b>-8</b>	<b>58,581</b>
Operating costs	-23,179	-16,916	-18,769	-4,258	-1,791	8,548	-56,365	75 <sup>2)</sup>	-56,290
Other operating income	10	20	252	152		2	436		436
Other operating costs	-2	-7	-35	-1		11	-34		-34
<b>Operating profit</b>	<b>512</b>	<b>704</b>	<b>1,485</b>	<b>238</b>	<b>-363</b>	<b>50</b>	<b>2,626</b>	<b>67</b>	<b>2,693</b>
<b>Operating margin, %</b>	<b>2.2</b>	<b>4.0</b>	<b>7.4</b>	<b>5.5</b>			<b>4.5</b>		<b>4.6</b>
Financial income							146		146
Financial expenses							-1,098	-46 <sup>3)</sup>	-1,144
<b>Pre-tax profit</b>							<b>1,674</b>	<b>21</b>	<b>1,695</b>
Tax							-332		-332
<b>Profit for the year</b>							<b>1,342</b>	<b>21</b>	<b>1,363</b>
Depreciation	-20	-66	-1,189	-5	-89	0	-1,369	-345	-1,714
Write-downs in operating profit	-5	-12	-12	-63	—	0	-92	1	-91
Profit from Joint ventures	1		-22	146	-2	14	137	-4	133
Capital gains/losses	8	12	220	102		12	354		354
Other significant non-cash items	-20	-45	-86	-198	-51	-611	-1,011	8	-1,003
Capital employed (CB)	-1,830	-568	9,198	18,220	1,763 <sup>4)</sup>		26,783	1,332	28,115
Total assets							42,472	2,071 <sup>5)</sup>	44,543
Equity							16,716	-237	16,479
Equity/assets ratio, %							39.4		37.0
Net debt							6,400	1,569	7,969
Cash flow before financing	1,576 <sup>6)</sup>	900 <sup>6)</sup>	1,951 <sup>6)</sup>	552 <sup>6)</sup>	-860 <sup>7)</sup>		4,119	776	4,895

<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 43 million and housing projects SEK 32 million.

<sup>3)</sup> Refers to IFRS 16, additional leases SEK -46 million.

<sup>4)</sup> Unallocated to Group Segment.

<sup>5)</sup> Divided between IFRS 16, additional leases SEK 1,285 million and housing projects SEK 786 million.

<sup>6)</sup> Refers to operational cash flow. For definition, see section Alternative key figures and definitions.

<sup>7)</sup> Unallocated cash flow.

2024, MSEK	Construction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Group Segment	Difference in accounting principles <sup>1)</sup>	Group IFRS
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 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>2,586</b>	<b>61,283</b>
Operating costs	-23,404	-16,052	-20,285	-3,840	-1,690	8,861	-56,410	-2,181 <sup>2)</sup>	-58,591
Other operating income	4	17	164	299	1	2	487	-5	482
Other operating costs	-1	-5	-12	-1	-2	10	-11		-11
<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>400</b>	<b>3,163</b>
<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>
Financial income							259		259
Financial expenses							-597	-45 <sup>3)</sup>	-642
<b>Pre-tax profit</b>							<b>2,425</b>	<b>355</b>	<b>2,780</b>
Tax							-345	-47	-392
<b>Profit for the year</b>							<b>2,080</b>	<b>308</b>	<b>2,388</b>
Depreciation	-24	-68	-1,219	-7	-87	0	-1,405	-358	-1,763
Write-downs in operating profit	-3	-22	-36	-34	1	—	-94	-7	-101
Profit from Joint ventures	0	0	3	389	-4	48	436	-1	435
Capital gains/losses	3	12	115	298	0	13	441	-5	436
Other significant non-cash items	111	-15	-253	-124	-159	280 <sup>4)</sup>	-160	36	-124
Capital employed (CB)	-215	-370	9,920	19,767	-103 <sup>4)</sup>		28,999	1,879	30,878
Total assets							45,226	2,542 <sup>5)</sup>	47,768
Equity							16,760	-256	16,504
Equity/assets ratio, %							37.1		34.6
Net debt							9,118	2,135	11,253
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	4,143	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.

**Comments on the tables**

Group net sales according to segment reporting were SEK 58,589 million (58,697) in 2025. Operating profit for 2025 according to segment reporting was SEK 2,626 million (2,763) and the operating margin was 4.5 percent (4.7).

Net sales contracted somewhat in business area Construction and amounted to SEK 23,683 million (23,817). The portion of industrial projects in net sales rose while the portion of housing fell. Operating profit was SEK 512 million (416) and the operating margin was 2.2 percent (1.7).

Net sales increased in business area Civil Engineering to SEK 17,607 million (16,539) and the operating margin was 4.0 percent (3.0). A large part of the increase is related to the product areas streets and groundwork and ports and sea.

Net sales in business area Industry contracted by seven percent and amounted to SEK 20,037 million (21,548). The reduction is primarily related to Swerock/Asphalt where volumes in paving in Finland and Norway were lower. In addition, activity was lower in Construction systems due to the weak market for new housing production. Operating profit was SEK 1,485 million (1,415) and the operating margin was 7.4 percent (6.6). The operating margin improved in the unit Swerock/Asphalt to 8.6 percent (6.9) with higher earnings in several operations. The operating margin decreased to 1.2 percent (4.6) in Construction systems due to the continued weak market for new housing production.

Net sales increased in business area Project Development by two percent and amounted to SEK 4,345 million (4,270). Net sales rose in Housing Development due to more production starts of tenant-owner apartment projects and more sold homes, while net sales declined in Property Development. Operating profit was SEK 238 million (728) and the operating margin was 5.5 percent (17.0). Capital gains from sales of property and shares in joint ventures in Property Development contributed SEK 117 million (440). In the comparable period capital gains from the divestiture of the shares in Tornet Bostadsproduktion contributed SEK 220 million and profit contributions from the joint venture Fastighets AB Centur amounted to SEK 417 million. Sales of homes and converting homes on our own balance sheet to tenant-owner apartment projects had a positive effect in Housing Development in 2025. The operating margin in Housing Development amounted to 0.2 percent (-2.7).

**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	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
External sales	42,850	43,843	6,232	6,820	8,007	9,170	1,466	1,438	26	12	58,581	61,283
Fixed assets <sup>1)</sup>	8,548	9,784	1,004	1,322	2,589	2,848	285	281	0	0	12,426	14,235

<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.

**2025**

There have been no business combinations in 2025.

**Asset acquisition**

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 -253 million and refer to project and development properties with development rights in Sweden.

**2024**

There have been no business combinations in 2024.

**Asset acquisition**

On January 12, 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 percent 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.

**Acquisitions after the balance sheet date**

No substantial acquisitions have been made during 2026 as of the presentation of these financial reports.

**Note 6 Other operating income**

MSEK	2025	2024
Capital gains from shares sold in businesses/joint ventures	155	309
Insurance compensation	14	9
Profit from sales of fixed assets	207	131
Government grants	1	1
Profit from participation in joint ventures	—	3
Exchange gain from receivables/liabilities relating to operations	2	—
Other	57	29
<b>Total</b>	<b>436</b>	<b>482</b>

**Note 7 Other operating costs**

MSEK	2025	2024
Loss from sales of fixed assets	-5	-4
Loss from sales of business/joint ventures	-3	—
Exchange loss from receivables/liabilities relating to operations	—	-6
Profit from participation in joint ventures	-22	—
Other	-4	-1
<b>Total</b>	<b>-34</b>	<b>-11</b>

**Note 8 Government grants**

Government grants received in 2025 in the Group amounted to SEK 16 million (20). Of these, SEK 15 million (18) has reduced the reported value of assets in the balance sheet. In the income statement SEK 0 million (1) has reduced costs and SEK 1 million (1) 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**

Share-related incentive programs 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.

**Costs for remuneration to employees**

MSEK	2025	2024
Salaries and remuneration etc.	8,322	8,481
Costs for share-related remuneration	56	26
Pension costs, defined contribution plans	981	984
Social security	2,165	2,192
<b>Total</b>	<b>11,524</b>	<b>11,683</b>

**Average number of employees**

	2025		2024	
	No. of employees	Percent of which were women	No. of employees	Percent of which were women
Sweden	9,112	16	9,465	15
Norway	1,238	12	1,426	11
Finland	1,691	13	1,689	13
Denmark	334	9	317	9
Poland	2	100	2	100
<b>Group</b>	<b>12,377</b>	<b>15</b>	<b>12,899</b>	<b>14</b>

**Gender distribution in boards and other senior officers**

	Percentage of women 2025	Percentage of women 2024
Boards <sup>1)</sup>	46	44
Other senior officers <sup>2)</sup>	26	27

<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 (15 persons) 2025	Board of Directors and senior officers (16 persons) 2024
Salaries and other remuneration	70	55
– of which variable remuneration	26	12
Pension costs	18	30
– of which pension costs for variable remuneration	—	13

**Salaries and other remuneration for senior officers in 2025**

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	1,695					1,695
<b>Other members of the Board</b>						
Lars Sköld	897					897
Fredrik Paulsson	810					810
Kerstin Lindell	728					728
Liselott Kilaas	810					810
Malin Persson	645					645
Magdalena Gerger	728					728
<b>Board of Directors fees, remuneration from the parent company</b>	<b>6,313</b>					<b>6,313</b>
CEO, Jesper Göransson	10,200	5,916	1,969	717	5,866 <sup>2)</sup>	24,668
Other senior officers, remuneration from the parent company	14,844	7,422	2,596	1,294	7,295 <sup>3)</sup>	33,451
Other senior officers, remuneration from subsidiaries	11,460	5,730	2,006	752	4,421 <sup>4)</sup>	24,369
<b>Total</b>	<b>42,817</b>	<b>19,068</b>	<b>6,571</b>	<b>2,763</b>	<b>17,582</b>	<b>88,801</b>
Remuneration from the parent company	31,357	13,338	4,565	2,011	13,161	64,432
Remuneration from subsidiaries	11,460	5,730	2,006	752	4,421	24,369

<sup>1)</sup> Estimated cost for 2025, which will be adjusted until the allocation of shares. For more information see Performance Share Program.

<sup>2)</sup> Includes fees for endowment insurance of SEK 943 thousand.

<sup>3)</sup> Includes fees for endowment insurance of SEK 721 thousand.

<sup>4)</sup> Includes fees for endowment insurance of SEK 212 thousand.

**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.

### 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 2025 and 2024 the group senior officers consisted of eight persons, of which five were in the parent company.

### The Board of Directors

The 2025 AGM decided on a remuneration to members of the Board of SEK 6,313 thousand (6,538), of which SEK 5,320 thousand (5,625) refers to Board work and SEK 993 thousand (913) refers to committee work. Compensation for work as Chairman of the Board was SEK 1,450 thousand (1,250) and SEK 3,870 thousand (4,375) was divided among the other Board members. Compensation for work on the Remuneration Committee was SEK 288 thousand (248), SEK 288 thousand (248) for work on the Finance Committee and SEK 417 thousand (417) 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 2025 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 2025 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 for 2025 were maximized at SEK 7,140 thousand (6,930) for the CEO and a total of SEK 15,782 thousand (15,198) 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.

There are LTI programs for the period 2024-2026 and 2025-2027 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 2025 received a salary and other remuneration, including benefits, totaling SEK 10,917 thousand (10,472). In addition, he has received short-term incentives for 2025 of SEK 5,916 thousand (6,930) as well as expensed remuneration of SEK 1,969 thousand (938) related to the LTI program. Pension contributions including fees for endowment insurance for the year were SEK 5,866 thousand (5,498).

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 28,350 thousand (27,226). In addition, short-term incentives for 2025 were SEK 13,152 thousand (15,198) which were placed in pension savings in endowment insurance connected to the Peab share, alternatively paid in cash. For 2025 remuneration of SEK 4,602 thousand (2,002) related to the LTI program was expensed. Pension

contributions including fees for endowment insurance during the year amounted to SEK 11,716 thousand (11,088).

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 to 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 2025 AGM decided in accordance with the Board of Directors' proposal for a Performance Share Program, LTI 2025, for the period 2025-2027. 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 was allocated a number of share rights at the start of LTI 2025 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 2025-2027 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 2025-2027. 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.

Peab already had a Performance Share Program for 2024-2026, which was adopted by the 2024 AGM. Peab has therefore had two LTI Performance Share Programs running during the year for the periods 2024-2026 and 2025-2027.

By recommendation of the Board and after a decision by the AGM Peab intends to start a new three-year program annually.

### 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.
Fair value per share right <sup>1)</sup>	69.45 SEK

### Performance Share Program 2025-2027

Vesting period	May 2025-May 2028
Performance target:	Formula for calculating the outcome:
1. Earnings per share according to segment reporting	Based on the outcome for period 2025-2027: SEK 15.00 generates 0% outcome, SEK 22 generates 100% outcome, linear allocation in between.
2. Carbon dioxide emissions	Less than 137,000 tons CO <sub>2</sub> e calculated on direct (Scope 1) and indirect emissions (Scope 2) based on calculation principles from the GHC protocol.
Fair value per share right <sup>1)</sup>	83.70 SEK

<sup>1)</sup> 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	2025	2024
Per January 1	2,172,688	—
Allocated, during the period	20,254	2,217,711
Entitled to	-148,971	-45,023
<b>Per December 31</b>	<b>2,043,971</b>	<b>2,172,688</b>

Number of share rights, performance program	
2025-2027	2025
Allocated, during the period	1,839,487
Entitled to	-29,183
<b>Per December 31</b>	<b>1,810,304</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	2025	2024
May 2027	2,043,971	2,172,688
May 2028	1,810,304	—

Cost of Performance Share Program

MSEK	2025			2024		
	Cost of Share program	Social security	Total	Cost of Share program	Social security	Total
Program 2024-2026	39	12	51	26	8	34
Program 2025-2027	17	4	21	—	—	—
	<b>56</b>	<b>16</b>	<b>72</b>	<b>26</b>	<b>8</b>	<b>34</b>

For 2025, compensation related to LTI programs of SEK 56 million (26) has been expensed. Provisions for social security per closing day amount to SEK 24 million (8).

### 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 103 million (110) for 2025 for the profit-sharing foundation. The amount, less payroll tax, will be paid in for the employees who are part of the foundation in 2026.

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 2025 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 135 million (138). 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 0.89 percent (0.87) respective 0.64 percent (0.65).

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 2025, Alecta's surplus in the form of the collective consolidation level amounted to 167 percent (162).

#### 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	2025	2024
Expenses for defined contribution plans	981	984
<i>Of which ITP 2 plans financed in Alecta</i>	144	143

### Note 10 Fees and cost remuneration to accountants

MSEK	2025	2024
<b>Ernst &amp; Young AB</b>		
Audit work	24	20
Other additional audit-related work	1	1
Other assignments	1	0
<b>Total</b>	<b>26</b>	<b>21</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. Other assignments consist mainly of consulting assignments.

### Note 11 Operating costs divided by type

MSEK	2025	2024
Production costs <sup>1)</sup>	41,511	43,613
Personnel expenses	12,311	12,493
Depreciation	1,714	1,763
Write-downs	91	101
Other operating costs	663	621
<b>Total</b>	<b>56,290</b>	<b>58,591</b>

<sup>1)</sup> Included in production costs are purchased material, sub-contractors, expenses for property projects and other production costs.

## Note 12 Net financial income/expenses

### Accounting principles

#### 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.

MSEK	2025	2024
Interest income <sup>1)</sup>	139	257
Dividends received related to financial assets valued at fair value via profit/loss	3	1
Change in value of financial assets valued at fair value via profit/loss:		
Unlisted shares	4	—
Change in value currency swaps	0	1
<b>Financial income</b>	<b>146</b>	<b>259</b>
Interest expenses <sup>2)</sup>	-459	-612
Net exchange rate fluctuation	0	-1
Settlement regarding Mall of Scandinavia <sup>3)</sup>	-611	—
Increase during the year in discounted amounts of provisions for restoration costs	-1	-1
Change in value of financial assets valued at fair value via profit/loss:		
Unlisted real estate and infrastructure funds	-5	-1
Change in value currency swaps	-3	0
Other items	-65	-27
<b>Financial expenses</b>	<b>-1,144</b>	<b>-642</b>
<b>Net financial income/expenses</b>	<b>-998</b>	<b>-383</b>

<sup>1)</sup>Refers to items valued at accrued acquisition value. In 2025 SEK 49 million (130) 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 159 million (383), which has reduced the item interest expenses.

<sup>3)</sup> For more information about the settlement regarding Mall of Scandinavia, see Other information.

## Note 13 Taxes

### Accounting principles

#### 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	2025	2024
<b>Current tax expenses/income</b>		
Tax expenses for the year	-470	-403
Adjustment of tax attributable to previous years	-2	2
	<b>-472</b>	<b>-401</b>
<b>Deferred tax expenses/income</b>		
Temporary differences	150	-13
Capitalized tax value of loss carry-forwards during the year	1	22
Utilisation of capitalized tax value of loss carry-forwards	-9	-2
Revaluation of recognized deferred tax values	-2	2
	<b>140</b>	<b>9</b>
<b>Total recognized tax expenses in the Group</b>	<b>-332</b>	<b>-392</b>

**Tax attributable to other comprehensive income**

MSEK	2025			2024		
	Pre-tax	Tax	After tax	Pre-tax	Tax	After tax
Translation difference for the year foreign operations	-224	—	-224	41	—	41
Joint ventures other comprehensive income	-1	—	-1	-8	—	-8
Cash flow hedges	-19	4	-15	13	-3	10
<b>Other comprehensive income</b>	<b>-244</b>	<b>4</b>	<b>-240</b>	<b>46</b>	<b>-3</b>	<b>43</b>

**Reconciliation of effective tax**

MSEK	2025		2024	
Pre-tax profit	1,695	%	2,780	%
Tax in accordance with tax rate for the parent company	-349	20.6	-573	20.6
Effect of other tax rates for foreign subsidiaries	6	-0.4	9	-0.3
Non-deductible expenses	-85	5.0	-34	1.2
Tax exempt income	74	-4.4	162	-5.8
Deductible/taxable non profit-influencing items	2	-0.1	46	-1.6
Revaluation of recognized deferred tax values	-2	0.1	2	-0.1
Utilized non-capitalized loss carry-forwards	12	-0.7	8	-0.3
Tax attributable to previous years	-2	0.1	2	-0.1
Increase in loss carry-forwards without corresponding capitalization of deferred tax	-15	0.9	-103	3.7
Effect net profit of joint ventures	27	-1.6	89	-3.2
<b>Recognized effective tax</b>	<b>-332</b>	<b>19.6</b>	<b>-392</b>	<b>14.1</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	
	2025	2024	2025	2024	2025	2024	2025	2024
Intangible assets			-62	-68	-62	-68	4	23
Tangible assets			-800	-824	-800	-824	10	26
<i>Of which rights of use</i>			-384	-402	-384	-402	9	33
Investment property			-6	-6	-6	-6	0	0
<i>Of which rights of use</i>			-4	-4	-4	-4	0	0
Financial fixed assets	2	4			2	4	-2	0
Project and development properties			-583	-682	-583	-682	85	562
<i>Of which rights of use</i>			-56	-39	-56	-39	-18	-4
Inventories	1	0			1	0	1	0
Accounts receivable	8	16			8	16	-8	-11
Worked-up not invoiced income			-59	-18	-59	-18	-44	-104
Other receivables	16	33			16	33	-17	24
Interest-bearing liabilities	804	907			804	907	-92	-800
<i>Of which rights of use</i>	438	436			438	436	12	-34
Provisions for pensions	225	223			225	223	2	30
Provisions	205	169			205	169	40	-32
Invoiced income not worked-up			-32	-37	-32	-37	5	90
Other liabilities	311	231			311	231	80	121
Loss carry-forwards	121	142			121	142	-14	22
Tax allocation reserves			-498	-601	-498	-601	103	43
Capitalized remaining negative net interest	2	15			2	15	-13	15
<b>Tax recoverables/tax liabilities</b>	<b>1,695</b>	<b>1,740</b>	<b>-2,040</b>	<b>-2,236</b>	<b>-345</b>	<b>-496</b>		
<b>Offset</b>	<b>-1,646</b>	<b>-1,692</b>	<b>1,646</b>	<b>1,692</b>	<b>—</b>	<b>—</b>		
<b>Net</b>	<b>49</b>	<b>48</b>	<b>-394</b>	<b>-544</b>	<b>-345</b>	<b>-496</b>	<b>140</b>	<b>9</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 2025-12-31 as well as 2024-12-31 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 1,458 million (1,437) remains uncertain. They have not been capitalized. The fiscal value of the non-capitalized loss carry-forward is SEK 321 million (316).

In the Danish operations the ability to use loss carry-forwards of SEK 5 million (30) is uncertain. They have not been capitalized. The fiscal value of the non-capitalized loss carry-forward is SEK 1 million (7).

### 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. 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

	IFRS		Segment reporting	
	2025	2024	2025	2024
Profit for the year attributable to shareholders in parent company, MSEK	1,357	2,392	1,336	2,084
Average number of shares	286,390,289	287,451,746	286,390,289	287,451,746
Earnings per share before and after dilution, SEK	4.74	8.32	4.66	7.25

### Average number of outstanding shares

Number of shares	2025	2024
Total number of outstanding shares, January 1	287,451,746	287,451,746
Repurchased own shares during the year <sup>1)</sup>	-5,374,000	—
<b>Total number of outstanding shares, December 31</b>	<b>282,077,746</b>	<b>287,451,746</b>
<b>Average number of outstanding shares during the year</b>	<b>286,390,289</b>	<b>287,451,746</b>

<sup>1)</sup> In addition, 146,000 shares were acquired in 2025, which were settled in 2026.

## Note 15 Intangible assets

### Accounting principles

#### Goodwill

Goodwill is valued at acquisition value minus any accumulated writedowns. 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	20 years
Industry when repurchased by Peab 2008	20 years
Brands, other	5-10 years
Customer relations	3-5 years
Customer contracts / order backlog	Remainder 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 2026 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.

2025, MSEK	Intangible assets, external purchase					Intangible assets, internally developed		Total
	Goodwill	Brands	Customer relations and customer contracts	Tenancies gravel and rock quarries	Other tangible assets	Balanced development costs		
Opening acquisition value	3,225	213	7	351	303	270		4,369
Purchases					3			3
Sales/disposals	-12	-6	-3	-6				-27
Exchange rate differences	-92	-5		-7	-2			-106
<b>Closing accumulated acquisition value</b>	<b>3,121</b>	<b>202</b>	<b>4</b>	<b>338</b>	<b>304</b>	<b>270</b>		<b>4,239</b>
Opening depreciation	—	-162	-6	-196	-144	-106		-614
Sales/disposals		6	2	3				11
Depreciation		-14		-20	-34	-41		-109
Exchange rate differences		4		3	2			9
<b>Closing accumulated depreciation</b>	<b>—</b>	<b>-166</b>	<b>-4</b>	<b>-210</b>	<b>-176</b>	<b>-147</b>		<b>-703</b>
Opening write-downs	-25	-2	-1	—	—	—		-28
Sales and disposals	12		1					13
Write-downs	-12				-1			-13
Exchange rate differences	1							1
<b>Closing accumulated write-downs</b>	<b>-24</b>	<b>-2</b>	<b>—</b>	<b>—</b>	<b>-1</b>	<b>—</b>		<b>-27</b>
<b>Closing recognized value</b>	<b>3,097</b>	<b>34</b>	<b>—</b>	<b>128</b>	<b>127</b>	<b>123</b>		<b>3,509</b>

2024, MSEK	Intangible assets, external purchase					Intangible assets, internally developed		Total
	Goodwill	Brands	Customer relations and customer contracts	Tenancies gravel and rock quarries	Other tangible 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>

Depreciation is recognized in the following lines of the income statement:

MSEK	2025	2024
Production costs	-38	-43
Sales and administrative expenses	-71	-65
<b>Total</b>	<b>-109</b>	<b>-108</b>

Write-downs are recognized in the following line of the income statement:

MSEK	2025	2024
Production costs	-13	-13
<b>Total</b>	<b>-13</b>	<b>-13</b>

### Goodwill impairment testing in cash generating units

The Peab Group balance sheet 2025-12-31 included total goodwill of SEK 3,097 million (3,200). The table below shows goodwill per group of cash generating units for which goodwill is tested for impairment.

MSEK	2025	2024
<b>Construction</b>		
Construction Sweden	76	76
Construction Finland	70	74
Construction Norway	31	32
<b>Civil Engineering</b>		
Civil Engineering Sweden	121	121
Civil Engineering Norway	60	64
<b>Industry</b>		
Industry Sweden	1,416	1,416
Industry Finland	1,286	1,367
Industry Norway	—	11
Industry Denmark	23	25
<b>Project Development</b>		
Housing Development Sweden	14	14
<b>Summa</b>	<b>3,097</b>	<b>3,200</b>

### Goodwill write-downs

The Group has written down goodwill in 2025 by SEK 12 million (10). Write-downs for the year mainly refer to business area Industry, where an overhaul of the operations has been carried out, and are due to low profitability in parts of 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 writedown of goodwill in the coming financial year. In the event of a change of -0.5 percent in the operating margin during the forecast period 2026-2029 or a change of +0.5 percent in WACC, no impairment requirement is identified for the significant cash generating units.

### 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 8.1 percent (8.0), in Norway 8.8 percent (8.7), in Finland 8.4 percent (8.3) and in Denmark 8.4 percent (7.9). The corresponding pre-tax discount in Sweden was on average 8.4 percent (8.3), in Norway 9.2 percent (9.2), in Finland 8.7 percent (8.4) and in Denmark 8.7 percent (8.2).

## Note 16 Tangible assets

### Accounting principles

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

Tangible fixed assets consist of owned and leased assets.

MSEK	Note	2025	2024
Tangible fixed assets – owned		5,514	5,705
Rights of use – leased with	28	1,863	1,948
<b>Total</b>		<b>7,377</b>	<b>7,653</b>

2025, MSEK	Buildings and land	Machinery and equipment	Construction in progress	Total
Opening acquisition value	3,009	13,477	103	16,589
Purchases	38	620	239	897
Sales/disposals	-17	-627	-1	-645
Sales via sold company	-9	-24		-33
Reclassifications <sup>1)</sup>	11	226	-109	128
Exchange rate differences	-47	-253	-3	-303
<b>Closing accumulated acquisition value</b>	<b>2,985</b>	<b>13,419</b>	<b>229</b>	<b>16,633</b>
Opening depreciation	-1,391	-9,463	—	-10,854
Sales/disposals	12	555		567
Sales via sold company	7	19		26
Depreciation	-98	-868		-966
Reclassifications <sup>1)</sup>	6	-88		-82
Exchange rate differences	20	193		213
<b>Closing accumulated depreciation</b>	<b>-1,444</b>	<b>-9,652</b>	<b>—</b>	<b>-11,096</b>
Opening write-downs	-11	-19	—	-30
Sales/disposals		7		7
Write-downs	-1			-1
Reclassifications <sup>1)</sup>	1	-1		—
Exchange rate differences	1			1
<b>Closing accumulated write-downs</b>	<b>-10</b>	<b>-13</b>	<b>—</b>	<b>-23</b>
<b>Closing recognized value</b>	<b>1,531</b>	<b>3,754</b>	<b>229</b>	<b>5,514</b>

<sup>1)</sup> Also including resolved leasing contracts

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	-1,311	-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>

<sup>1)</sup> Also including resolved leasing contracts

Write-downs are recognized in the following line of the income statement:

MSEK	2025	2024
Production costs	-1	-9
<b>Total</b>	<b>-1</b>	<b>-9</b>

No loan costs have been activated during 2025 or 2024.

## Note 17 Investment property

### Accounting principles

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	2025	2024
Investment properties – owned		35	36
Rights of use – leased with	28	24	23
<b>Total</b>		<b>59</b>	<b>59</b>

MSEK	2025	2024
Opening acquisition value	40	42
Reclassifications	—	-2
Exchange rate differences	-1	—
<b>Closing accumulated acquisition value</b>	<b>39</b>	<b>40</b>
Opening depreciation	-4	-4
Depreciation	0	0
<b>Closing accumulated depreciation</b>	<b>-4</b>	<b>-4</b>
<b>Closing recognized value</b>	<b>35</b>	<b>36</b>

### Accumulated fair value

At year-end fair value amounted to SEK 61 million compared to the recognized value of SEK 59 million including rights of use. At the end of 2024 fair value amounted to SEK 94 million compared to the recognized value of SEK 59 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 principles

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.

### Important estimates and assessments

#### The most important sources of uncertainty in estimates

All jointly owned companies are analyzed to determine whether they should be classified as subsidiaries, joint ventures or joint operations. In cases where Peab has a controlling influence, is exposed to or has rights to variable returns and can use influence to affect the returns, the jointly owned company is classified as a subsidiary. All three criteria must be met to be classified as a subsidiary. In cases where Peab together with one or more partners has a joint controlling influence that is regulated by a cooperation agreement, this is reported as a joint arrangement, as joint venture or joint operations.

**Information regarding significant joint ventures in the Group**  
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.

Fastighets AB Centur, 50 percent ownership. The company has owned, managed and developed 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.

MSEK	Significant joint ventures 2025-12-31			Significant joint ventures 2024-12-31			
	Fastighets AB ML4	Point Hyllie Holding AB	Skiab Invest AB	Fastighets AB Centur	Fastighets AB ML4	Point Hyllie Holding AB	Skiab Invest AB
Net sales	169	117	123	471	194	115	120
Operating profit <sup>1)</sup>	111	51	55	1,007	138	53	54
Interest expenses and similar profit/loss items	-66	-35	-37	-216	-88	-46	-38
Tax	-13	-5	-8	213	-17	-6	-8
<b>Profit for the year</b>	<b>32</b>	<b>11</b>	<b>10</b>	<b>1,004</b>	<b>33</b>	<b>1</b>	<b>8</b>
Other comprehensive income		-2	-27			-4	-7
<b>Total comprehensive income for the year</b>	<b>32</b>	<b>9</b>	<b>-17</b>	<b>1,004</b>	<b>33</b>	<b>-3</b>	<b>1</b>
Less non-controlling interest				-4			
<b>Total comprehensive income less non-controlling interest</b>	<b>32</b>	<b>9</b>	<b>-17</b>	<b>1,000</b>	<b>33</b>	<b>-3</b>	<b>1</b>
<sup>1)</sup> Depreciation amounts to	50	36	48		50	36	48

MSEK	Significant joint ventures 2025-12-31			Significant joint ventures 2024-12-31			
	Fastighets AB ML4	Point Hyllie Holding AB	Skiab Invest AB	Fastighets AB Centur	Fastighets AB ML4	Point Hyllie Holding AB	Skiab Invest AB
Fixed assets	274		21		261		25
Investment property	1,791	1,280	1,719	373	1,840	1,316	1,709
Short-term investments and liquid funds	66	37	77	280	66	33	152
Other current assets	2	2	437	2,245	6	7	330
<b>Total assets</b>	<b>2,133</b>	<b>1,319</b>	<b>2,254</b>	<b>2,898</b>	<b>2,173</b>	<b>1,356</b>	<b>2,216</b>
Long-term financial liabilities	1,687	926	966	313	1,759	952	931
Other long-term liabilities	106	8	2	31	94	8	2
Current financial liabilities	72	13	9		69		9
Other current liabilities	10	35	46	36	27	28	26
<b>Total liabilities</b>	<b>1,875</b>	<b>982</b>	<b>1,023</b>	<b>380</b>	<b>1,949</b>	<b>988</b>	<b>968</b>
<b>Net assets</b>	<b>258</b>	<b>337</b>	<b>1,231</b>	<b>2,518</b>	<b>224</b>	<b>368</b>	<b>1,248</b>
<b>Group share of net assets at the beginning of the year</b>	<b>113</b>	<b>184</b>	<b>624</b>	<b>759</b>	<b>96</b>	<b>185</b>	<b>624</b>
Share of total comprehensive income	16	5	-8	500	17	-1	0
Dividends received		-20					
<b>Group share of net assets at year-end</b>	<b>129</b>	<b>169</b>	<b>616</b>	<b>1,259</b>	<b>113</b>	<b>184</b>	<b>624</b>
<b>Group share of unrealized internal profit at the beginning of the year</b>	<b>-53</b>	<b>-120</b>	<b>-85</b>	<b>-48</b>	<b>-55</b>	<b>-121</b>	<b>-87</b>
Reclassification of internal profit when restructuring partially owned company				89			
Elimination of unrealized profit	2	2	-1	-51	2	1	2
<b>Group share of unrealized internal profit at year-end</b>	<b>-51</b>	<b>-118</b>	<b>-86</b>	<b>-10</b>	<b>-53</b>	<b>-120</b>	<b>-85</b>
<b>Recognized value at year-end</b>	<b>78</b>	<b>51</b>	<b>530</b>	<b>1,249</b>	<b>60</b>	<b>64</b>	<b>539</b>
<b>Total comprehensive income is reported in the following lines in the income statement:</b>							
Production costs	18	8	5	449	19	2	6
Other comprehensive income		-1	-14			-2	-4
<b>Total</b>	<b>18</b>	<b>7</b>	<b>-9</b>	<b>449</b>	<b>19</b>	<b>0</b>	<b>2</b>
<b>Recognized amount is reported in the following line in the balance sheet:</b>							
Participation in joint ventures	78	51	530	1,249	60	64	539
<b>Total</b>	<b>78</b>	<b>51</b>	<b>530</b>	<b>1,249</b>	<b>60</b>	<b>64</b>	<b>539</b>

## Information on other joint venture's value in the Group

MSEK	2025	2024
<b>Share of comprehensive income in other joint ventures</b>	<b>101</b>	<b>-41</b>
<b>Other comprehensive income is divided among the following items in the income statement:</b>		
Productions costs	123	-44
Other operating income	—	3
Other operating costs	-22	—
<b>Total</b>	<b>101</b>	<b>-41</b>
<b>Recognized value of other joint ventures</b>	<b>801</b>	<b>871</b>
<b>Recognized amount is divided among the following items in the balance sheet:</b>		
Participation in joint ventures	822	884
Other provisions <sup>1)</sup>	-1	-1
Accrued expenses and deferred income <sup>2)</sup>	-20	-12
<b>Total</b>	<b>801</b>	<b>871</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	Company Corp. ID no.	Registered Office	Share of equity <sup>1)</sup>	
			2025	2024
Blindheim Kran AS	918 329 293	Ålesund	—	45.0 %
Bondistranda Utvikling AS	992 512 741	Oslo	50.0 %	50.0 %
Byggutveckling Svenska AB	556627-2117	Linköping	50.0 %	50.0 %
Einerhagen Eiendom AS	915 167 241	Tromsø	50.0 %	50.0 %
Eldslund Holding AB	559472-4089	Solna	50.0 %	50.0 %
Fastighets AB Centur	556813-6369	Stockholm	50.0 %	50.0 %
Fastighets AB ML 4	556786-2155	Malmö	50.0 %	50.0 %
Fastighets AB Tornet	559008-2912	Gothenburg	—	50.0 %
Fjällvärme i Sälen AB	556536-1895	Malung-Sälen	50.0 %	50.0 %
Fløifjellet Eiendom AS	915 467 407	Tromsø	50.0 %	50.0 %
Fløtningen Park AS	992 212 330	Skien	50.0 %	50.0 %
Forsøket Boliger AS	919 440 694	Tromsø	50.0 %	50.0 %
Fri Sikt Volsdalsberga AS	990 529 396	Ulstein	40.0 %	40.0 %
Galtungveien Eiendom AS	927 660 407	Halden	50.0 %	50.0 %
Hakametsän Kehitys Oy	3291839-3	Tampere	30.0 %	—
Hans Haslums Vei Utvikling AS	914 498 937	Lysaker	50.0 %	50.0 %
Hälsostaden Ängelholm Holding AB	556790-5723	Ängelholm	33.3 %	33.3 %
I Tolv AB	556513-2478	Eksjö	50.0 %	50.0 %
JV Slättö Peab Finland AB	559363-1897	Stockholm	50.0 %	50.0 %
Kaldslettneset AS	911 692 058	Tromsø	50.0 %	50.0 %
KB Älvhögsborg	916899-2734	Trollhättan	50.0 %	50.0 %
Klosterfoss Utvikling AS	991 043 829	Skien	50.0 %	50.0 %

Company	Company Corp. ID no.	Registered Office	Share of equity <sup>1)</sup>	
			2025	2024
Kungsörs Grusaktiebolag	556044-4134	Kungsör	50.0 %	50.0 %
Lillegården Eiendom AS	886 804 512	Skien	—	50.0 %
Majorbygg AS	912 077 020	Skien	50.0 %	50.0 %
Medkila Nord AS	998 565 545	Harstad	50.0 %	50.0 %
Myren Parkering AS	912 024 733	Skien	26.4 %	26.4 %
Nedre Holte AS	985 911 495	Harstad	50.0 %	50.0 %
Nordasfalt AS	950 501 480	Bodö	—	50.0 %
PEKO Fastighets AB	559220-8911	Solna	—	50.0 %
PeKum AB	559041-7464	Kumla	50.0 %	50.0 %
Point Hyllie Holding AB	559023-4034	Solna	50.0 %	50.0 %
PPE Holding AB	559003-7304	Solna	50.0 %	50.0 %
PPE Holding i Borgholm AB	559309-7768	Kalmar	50.0 %	50.0 %
Runö Fastigheter Handelsbolag	969723-2107	Stockholm	30.0 %	30.0 %
Scandinavian Mountains AB	556973-5631	Malung-Sälen	15.9 %	15.9 %
Skanör Falsterbo Strandbad AB	559352-5602	Vellinge	50.0 %	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 %
Tunveien Eiendom AS	916 321 007	Oslo	50.0 %	50.0 %
Umeå Mark & Exploatering AB	556660-7064	Umeå	50.0 %	50.0 %
Villa Primus AB	559522-6860	Solna	50.0 %	—

<sup>1)</sup> The share of capital corresponds to the share of votes

## Note 19 Joint operations

### Accounting principles

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	Company Corp. ID no.	Registered Office	Share of equity <sup>1)</sup>	
			2025	2024
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 %	50.0 %

<sup>1)</sup> The share of capital corresponds to the share of votes.

## Note 20 Interest-bearing receivables

### Interest-bearing long-term receivables

MSEK	2025	2024
Receivables in joint ventures	479	463
Other interest-bearing receivables	24	53
<b>Total</b>	<b>503</b>	<b>516</b>

### Interest-bearing current receivables

MSEK	2025	2024
Receivables in joint ventures	12	20
Other interest-bearing receivables <sup>1)</sup>	8	1,107
<b>Total</b>	<b>20</b>	<b>1,127</b>

<sup>1)</sup> In 2024, the claim on Unibail Rodamco Westfield related to the Mall of Scandinavia arbitration is included with SEK 1,067 million. The claim has been finally settled in 2025. For more information, see Other information.

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	2025	2024
Receivables sold properties	23	1
Paid advances, down payments	3	25
Recoverable tax	17	18
Other long-term receivables	4	4
<b>Total</b>	<b>47</b>	<b>48</b>

### Other current receivables

MSEK	2025	2024
Receivables in joint ventures	0	12
Receivables sold properties	193	185
Paid advances, down payments	14	21
VAT, other taxes	238	136
Derivate instruments held for hedging purposes	7	10
Other current receivables	31	32
<b>Total</b>	<b>483</b>	<b>396</b>

For information on credit risks and loss reserves, see note 33 Financial risks and Finance Policy.

## Note 22 Project and development properties

### Accounting principles

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.

Project and development properties consist of owned and leased assets.

MSEK	Note	2025	2024
Project and development properties – owned		17,174	18,037
Rights of use – leased with	28	277	305
<b>Total</b>		<b>17,451</b>	<b>18,342</b>

MSEK	2025	2024
Housing development rights	8,633	9,284
Commercial development rights	1,574	1,670
On going housing projects	3,990	3,907
On going commercial projects	422	115
Completed and repurchased homes	1,321	1,868
Completed commercial property	1,234	1,193
<b>Total</b>	<b>17,174</b>	<b>18,037</b>

Project and development properties were written down during the year for a total of SEK 62 million (39). Loan interest of SEK 159 million (383) has been activated during the year. The interest rate on the activated loan costs is 4.17 percent (4.98).

Cost of goods sold during the year amounts to SEK 4,015 million (6,108).

### Recovery

Of the recognized value of project and development property of SEK 17,174 million (18,037) some SEK 13,800 million (approximately 11,100) 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 principles

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	2025	2024
Raw materials and consumables	579	655
Products in progress	6	8
Finished products and goods for resale	935	949
<b>Total</b>	<b>1,520</b>	<b>1,612</b>

## Note 24 Accounts receivable

Total accounts receivables amounted to SEK 6,835 million (6,981). In business areas Civil Engineering and Project Development accounts receivables have increased, while business areas Construction and Industry has decreased accounts receivables compared to 2024.

Accounts receivables were written down in the income statement with actual and feared bad debts for a total of SEK 33 million (36). Actual bad debts amounted to SEK 30 million (25) in the Group, of which SEK 5 million were written down in 2024. The losses resulted from some of the company's customers going bankrupt. Most of the losses stemmed from business areas Industry and Civil Engineering.

### Accounts receivable

MSEK	2025	2024
Private customers	2,827	2,857
Public customers	3,990	4,134
Joint ventures	59	30
<b>Accounts receivable, gross</b>	<b>6,876</b>	<b>7,021</b>
Loss reserves	-41	-40
<b>Accounts receivable, net</b>	<b>6,835</b>	<b>6,981</b>

For more information regarding accounts receivable see note 33.

## Note 25 Prepaid expenses and accrued income

MSEK	2025	2024
Accrued operating income	90	91
Accrued interest income <sup>1)</sup>	3	581
Prepaid rents	18	0
Prepaid expenses	130	130
Other	116	100
<b>Total</b>	<b>357</b>	<b>902</b>

<sup>1)</sup> In 2024, the claim on Unibail Rodamco Westfield related to the Mall of Scandinavia arbitration is included with SEK 576 million. The claim has been finally settled in 2025. For more information, see Other information.

## Note 26 Equity

### Shares and share capital

	A shares	B shares	Number of issued fully paid shares	Share capital, SEK
Issued shares per 1 januari 2025	34,319,957	261,729,773	296,049,730	1,583,866,056
<b>Issued shares per 31 december 2025</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>	
	2025	2024	2025	2024
Opening repurchased own shares	8,597,984	8,597,984	1,429	1,429
Repurchased own shares during the year <sup>2)</sup>	5,374,000	—	415	—
<b>Closing repurchased own shares</b>	<b>13,971,984</b>	<b>8,597,984</b>	<b>1,844</b>	<b>1,429</b>

1) Amount affecting equity refers to the accumulated net sum of acquired and divested own shares.

2) In addition, 146,000 shares were acquired in 2025, which were settled in 2026.

**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 3.30 (2.75) per share, totaling SEK 930,374,762 (787,848,552), 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 April 29, 2026.

During the year 2025, a cash dividend of SEK 2.75 per share (1.50) has been paid.

**Note 27 Interest-bearing liabilities**

MSEK	2025	2024
Interest-bearing long-term liabilities	5,853	6,094
Interest-bearing long-term liabilities, project financing	5	53
Interest-bearing current liabilities	3,419	5,368
Interest-bearing current liabilities, project financing	2,360	2,859
<b>Total</b>	<b>11,637</b>	<b>14,374</b>

**Long-term liabilities**

MSEK	2025	2024
Bank loans <sup>1)</sup>	919	1,589
Bonds	3,348	2,935
Leasing liabilities	1,575	1,618
Other liabilities	16	5
<b>Total</b>	<b>5,858</b>	<b>6,147</b>

<sup>1)</sup> Of which SEK 5 million (53) consists of project financing.

**Current liabilities**

MSEK	2025	2024
Bank loans <sup>1)</sup>	2,632	2,855
Commercial paper	97	642
Bonds	750	787
Leasing liabilities	518	575
Liabilities in Swedish tenant-owner associations <sup>2)</sup>	1,782	2,258
Liabilities to joint ventures	—	1,100
Other liabilities	—	10
<b>Total</b>	<b>5,779</b>	<b>8,227</b>

<sup>1)</sup> Of which SEK 578 million (601) consists of project financing.

<sup>2)</sup> Liabilities in Swedish tenant-owner associations consist entirely of project financing.

<sup>2)</sup> Refers to dividend of SEK 1,100 million, which were offset against interest-bearing debt that arose in connection with the acquisition of properties from Fastighets AB Centur.

<sup>3)</sup> Acquired liabilities including liabilities taken over in business combinations and asset purchase.

**Changes in liabilities**

MSEK	2024-12-31	Cash flow	Items that do not effect cash flow				2025-12-31
			New leasing contracts	Sales	Other changes	Exchange rate difference	
Bank loans	4,444	-807				-86	3,551
Commercial paper	642	-522				-23	97
Bonds	3,722	445				-69	4,098
Leasing liabilities	2,193	-680	506	-1	131 <sup>1)</sup>	-56	2,093
Liabilities in Swedish tenant-owner associations	2,258	-476					1,782
Liabilities to joint ventures	1,100				-1,100 <sup>2)</sup>		—
Other liabilities	15	16				-15	16
<b>Total</b>	<b>14,374</b>	<b>-2,024</b>	<b>506</b>	<b>-1</b>	<b>-984</b>	<b>-234</b>	<b>11,637</b>

MSEK	2023-12-31	Cash flow	Items that do not effect cash flow				2024-12-31
			New leasing contracts	Acquisitions <sup>3)</sup>	Other changes	Exchange rate difference	
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>1)</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>

<sup>1)</sup> Refers to extensions, index changes and termination of contracts.

## Note 28 Leasing

### Accounting principles

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 2025	-314	-324	—	—	-638
<b>Closing recognized value December 31, 2025</b>	<b>985</b>	<b>878</b>	<b>24</b>	<b>277</b>	<b>2,164</b>
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>

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 reevaluations of leasing liabilities due to changed payments because the leasing period has changed. Additional rights of use in 2025 amounted to SEK 650 million (661). 2024 included SEK 155 million related to leaseholds recognized as project and development properties.

### Agreed leases not yet commenced

MSEK	2025	2024
Agreed leases not yet commenced	149	80

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 82 million (86) in 2025. Total leasing payments amounted to SEK 2,164 million (2,168).

The cost of short-term leasing for the year was SEK 1,427 million (1,408). The cost of leasing for low values for the year was SEK 12 million (29). Variable fees not included in leasing liabilities were SEK 26 million (19).

Leasing income for subleased items was SEK 9 million (7). 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	2025	2024
Minimum lease payments	930	834
Variable fees	8	1
<b>Total leasing income</b>	<b>938</b>	<b>835</b>

*Non-cancellable leasing payments amount to:*

MSEK	2025	2024
Within a year	100	85
Between one and five years	204	169
Later than five years	93	101
<b>Total</b>	<b>397</b>	<b>355</b>

**Note 29 Provisions**

**Accounting principles**

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 essential 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	2025	2024
Feared losses not worked-up	412	507
Guarantee risk reserve	641	547
Restoration costs	214	246
Special payroll tax on pensions and social security costs	162	147
Disputes	1	1
Obligations in joint ventures	1	1
Other	33	44
<b>Total</b>	<b>1,464</b>	<b>1,493</b>

**Provisions which are current liabilities**

MSEK	2025	2024
Feared losses not worked-up	141	110
Guarantee risk reserve	120	84
Restoration costs	74	93
Disputes	80	40
Other	60	58
<b>Total</b>	<b>475</b>	<b>385</b>

2025, MSEK	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
Opening recognized value	617	631	339	147	41	1	102	1,878
Provisions set aside during the year	28	494	10	23	44		35	634
Amounts requisitioned during the year	-92	-335	-45	-8	-3		-42	-525
Reversed unutilized provisions during the year		-12	-10					-22
Increase in discounted amounts during the year			1					1
Exchange rate differences	0	-17	-7	0	-1	0	-2	-27
<b>Closing recognized value</b>	<b>553</b>	<b>761</b>	<b>288</b>	<b>162</b>	<b>81</b>	<b>1</b>	<b>93</b>	<b>1,939</b>
Of which are long-term provisions	412	641	214	162	1	1	33	1,464
Of which are current provisions	141	120	74		80		60	475

2024, MSEK	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
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

## Note 30 Other liabilities

### Other long-term liabilities

MSEK	2025	2024
Liabilities acquired properties	183	151
Derivate instruments held for hedging purposes	1	—
Other liabilities	12	13
<b>Total</b>	<b>196</b>	<b>164</b>

### Other current liabilities

MSEK	2025	2024
Liabilities to joint ventures	—	2
Withholdings, social security costs	369	387
VAT, other taxes	545	535
On account work-in-progress	1,094	855
Derivate instruments held for hedging purposes	17	1
Liabilities acquired properties	55	366
Other liabilities	82	126
<b>Total</b>	<b>2,162</b>	<b>2,272</b>

## Note 31 Accrued expenses and deferred income

MSEK	2025	2024
Payroll expenses	1,798	1,813
Social security expenses	512	514
Operating expenses	1,183	1,228
Negative value joint ventures <sup>1)</sup>	20	12
Interest expenses	17	22
Rent revenue	41	35
<b>Total</b>	<b>3,571</b>	<b>3,624</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 principles

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 property and infrastructure 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 on the balance sheet.

#### 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.



**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>	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Financial assets</b>										
Securities held as fixed assets	45	45					45	45	45	45
Interest-bearing long-term receivables					503	516	503	516	502	530
Other long-term receivables					26	5	26	5	26	5
Accounts receivable					6,835	6,981	6,835	6,981	6,835	6,981
Interest-bearing current receivables					20	1,127	20	1,127	20	1,127
Prepaid expenses and accrued income					3	581	3	581	3	581
Other current receivables	3	3	4	7	210	190	217	200	217	200
Cash and bank					3,145	1,478	3,145	1,478	3,145	1,478
<b>Total financial assets</b>	<b>48</b>	<b>48</b>	<b>4</b>	<b>7</b>	<b>10,742</b>	<b>10,878</b>	<b>10,794</b>	<b>10,933</b>	<b>10,793</b>	<b>10,947</b>
<b>Financial liabilities</b>										
Interest-bearing long-term liabilities					5,853	6,094	5,853	6,094	5,897	6,103
Interest-bearing long-term liabilities, project financing					5	53	5	53	5	53
Other long-term liabilities	1				148	96	149	96	149	96
Interest-bearing current liabilities					3,419	5,368	3,419	5,368	3,420	5,369
Interest-bearing current liabilities, project financing					2,360	2,859	2,360	2,859	2,360	2,860
Accounts payable					4,115	4,096	4,115	4,096	4,115	4,096
Accrued expenses and prepaid income					17	22	17	22	17	22
Other current liabilities	6	—	11	1	65	122	82	123	82	123
<b>Total financial liabilities</b>	<b>7</b>	<b>—</b>	<b>11</b>	<b>1</b>	<b>15,982</b>	<b>18,710</b>	<b>16,000</b>	<b>18,711</b>	<b>16,045</b>	<b>18,722</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 -3 million (1). The effects of valuing unlisted shares and funds including received dividends amounted to SEK 2 million (0).

**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	
	2025	2024	2025	2024	2025	2024
<b>Financial assets</b>						
Securities held as fixed assets			45	45	45	45
<i>Of which unlisted shareholdings and participations</i>			45	41	45	41
<i>Of which unlisted funds</i>				4	—	4
Other current receivables	7	10			7	10
<i>Of which currency derivatives</i>		1			—	1
<i>Of which commodity hedging with futures</i>	7	9			7	9
<b>Total financial assets</b>	<b>7</b>	<b>10</b>	<b>45</b>	<b>45</b>	<b>52</b>	<b>55</b>
<b>Financial liabilities</b>						
Other long-term liabilities	1				1	—
<i>Of which commodity hedging with futures</i>	1				1	—
Other current liabilities	17	1			17	1
<i>Of which currency derivatives</i>	3				3	—
<i>Of which commodity hedging with futures</i>	14	1			14	1
<b>Total financial liabilities</b>	<b>18</b>	<b>1</b>	<b>—</b>	<b>—</b>	<b>18</b>	<b>1</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	
	2025	2024	2025	2024
<b>Opening balance</b>	<b>4</b>	<b>5</b>	<b>41</b>	<b>41</b>
Investments	1			
Dividends received	-3	-1		
Reported in profit/loss for the year				
Net finance	-2		4	
<b>Closing balance</b>	<b>—</b>	<b>4</b>	<b>45</b>	<b>41</b>
	Contingent consideration			
MSEK	2025		2024	
<b>Opening balance</b>			<b>—</b>	<b>6</b>
Payments during the year				-6
<b>Closing balance</b>			<b>—</b>	<b>—</b>

## Note 33 Financial risks and Finance Policy

### Accounting principles

#### 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 at times 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 the purchase of gas and 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. As of 2026 cash flow hedging is applied for oil-related derivatives, which are reported as Bitumen according to the description above.

#### 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	2025-12-31	2024-12-31
Cash and bank holdings	3,145	1,478
Unutilized overdraft facilities	500	500
Other unused credit lines	6,598	7,552
Liquidity commitment for outstanding commercial papers and utilized overdraft facilities	-164	-708
<b>Total</b>	<b>10,079</b>	<b>8,822</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 2025, the average loan period for utilized credits was 29 months (23), for unutilized credits 28 months (28), and for all granted credits 28 months (25). Basic financing is a credit facility totaling SEK 7,000 million which matures in June 2028. 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 402 million (846) 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 2025. 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 2025 for Scope 1+2 meant a reduction of 58 percent since the base year 2015. The outcome in 2025 for Scope 3 meant a reduction of 7 percent since the base year 2015. Peab met the sustainability targets for the loan facility for both Scope 1+2 but did not meet the Scope 3 target.

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 9 million (41) and SEK 0 million (175) corresponding to a total of SEK 97 million (646).

Peab has a MTN program since 2012 with a loan framework of SEK 7.5 billion. At the end of 2025 Peab had outstanding bonds with a nominal value of EUR 125 (85) million and SEK 2,750 (2,750) million corresponding to a total of SEK 4,098 million (3,726). On March 11, 2025 Peab issued a bond for a value of SEK 500 million. The bond matures in 3 years and was issued with a variable interest rate of 3 months Stibor (the Stockholm Interbank Offered Rate) plus 1.50 percentage points. Per December 31, 2025 Peab had issued SEK 2,500 (2,000) 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 framework for green financing. The framework has been audited by the independent company Sustainalytics 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, ECO-effective and circular products and production processes, clean transportation as well as water and pollution management. For more information see the Green Bond Investor Report at Peab's website under Financial Info - Green bond.

Total credit commitments, excluding the unutilized part of the certificate program and the unutilized part of the MTN program, amounted to SEK 15,620 million (18,710) per December 31, 2025. Of the total credit commitments SEK 8,521 million (10,656) was utilized.

**Age analysis of financial liabilities, undiscounted cash flow including interest**

2025, MSEK	Currency	Average interest rate on balance sheet day, %	Nominal value, original currency	Amount SEK	Matures 2026		Matures 2027	Matures 2028	Matures 2029	Matures 2030	Matures 2031-
					Jan-Mar	Apr- Dec					
Bank loans	SEK	3.7	2,562	2,562	1,393	660	243	128	68	65	5
Bank loans	NOK	5.7	504	461	349	79	24	5			4
Bank loans	EUR	3.4	48	517	129	387	1				
Bank loans	DKK	3.5	114	165	161	4					
Commercial papers	EUR	2.5	9	97	97						
Bonds	SEK	3.8	2,932	2,932	26	829	959	1,118			
Bonds	EUR	3.9	140	1,510	13	39	264	468	450	276	
Other liabilities	SEK	3.3	19	19				1	1	1	16
Leasing liabilities <sup>1)</sup>	SEK	3.7	480	480	43	118	133	175	3	6	2
Leasing liabilities <sup>1)</sup>	NOK	5.9	228	209	16	55	38	27	23	14	36
Leasing liabilities <sup>1)</sup>	EUR	4.1	9	98	7	13	14	4	4	1	55
Leasing liabilities <sup>1)</sup>	DKK	5.0	41	60	3	10	11	12	11	7	6
<b>Total interest-bearing financial liabilities according to the Finance Policy</b>				<b>9,110</b>	<b>2,237</b>	<b>2,194</b>	<b>1,687</b>	<b>1,938</b>	<b>560</b>	<b>370</b>	<b>124</b>
Leasing liabilities <sup>2)</sup>	SEK	3.4	872	872	34	173	191	144	95	37	198
Leasing liabilities <sup>2)</sup>	NOK	4.3	224	205	16	45	48	34	24	11	27
Leasing liabilities <sup>2)</sup>	EUR	3.8	52	563	14	37	44	36	33	21	378
Leasing liabilities <sup>2)</sup>	DKK	2.3	1	1		1					
Bank loans in Swedish tenant-owner associations <sup>3)</sup>	SEK	3.7	1,935	1,935	133	423	604	775			
<b>Total interest-bearing financial liabilities according to IFRS</b>				<b>12,686</b>	<b>2,434</b>	<b>2,873</b>	<b>2,574</b>	<b>2,927</b>	<b>712</b>	<b>439</b>	<b>727</b>
Accounts payable	SEK	—	3,126	3,126	3,126						
Accounts payable	NOK	—	521	477	477						
Accounts payable	EUR	—	38	409	409						
Accounts payable	DKK	—	69	100	100						
Accounts payable	Other	—		3	3						
Other liabilities	SEK	—	65	65	1			64			
Other liabilities	NOK	—	71	65			65				
Other liabilities	EUR	—	5	54		54					
Derivatives		—		18	5	11	2				
<b>Total non-interest bearing financial liabilities</b>				<b>4,317</b>	<b>4,121</b>	<b>65</b>	<b>67</b>	<b>64</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total financial liabilities</b>				<b>17,003</b>	<b>6,555</b>	<b>2,938</b>	<b>2,641</b>	<b>2,991</b>	<b>712</b>	<b>439</b>	<b>727</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 2031 the payments are recognized without discounts but for the period 2031 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, 2025 Group leasing liabilities regarding leaseholds amounted to SEK 275 million (327), 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.

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 according to 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	—		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>—</b>	<b>—</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 (207), 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.

### 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, 2025 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, 2025 SEK 8,521 million (10,656). The interest-bearing credit facilities with a maturity of more than twelve months were SEK 4,801 million (5,836) and with a maturity of less than twelve months were SEK 3,720 million (4,820).

As the table below shows, the fixed interest period for SEK 8,521 million (10,656) of the Group's utilized credit facilities is less than one year. Interest-bearing asset items including liquid funds were SEK 3,668 million (3,121), of which SEK 3,239 million (2,702) 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 5,282 million (7,954). 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 and the section on Risks and risk management.

### Fixed interest rate period on utilized credits per 2025 -12-31

Fixed interest period	Amount, MSEK	Average effective interest rate	Share
2026	8,521	3.95 %	100 %

### 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, 2025, including leasing and liabilities in Swedish tenant-owner associations, was allocated as follows:

	2025-12-31		2024-12-31	
	Local currency in millions	MSEK	Local currency in millions	MSEK
SEK	8,193	8,193	10,308	10,308
EUR	224	2,426	212	2,440
NOK	881	806	1,456	1,411
DKK	146	212	140	215
<b>Total</b>		<b>11,637</b>		<b>14,374</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 2025 and 2024, there were no outstanding currency swaps relating to financial exposure. Exchange rate differences in net financials items from financial exposure were SEK 0 million (-1) in 2025. 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 2 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 2025 and 2024 there were no hedges in forward exchange contracts for foreign net assets.

### Foreign net assets

Local currency in millions	Of which hedged		Of which hedged	
	2025	2024	2025	2024
NOK	1,337	1,404	—	—
EUR	195	180	—	—
DKK	125	80	—	—
PLN	4	4	—	—

A change in the euro exchange rate as of December 31, 2025 by ten percent would entail a translation effect on equity of SEK 211 million (206). A corresponding change in the exchange rate for the Norwegian krone and Danish krone, respectively, would entail a translation effect on equity of SEK 122 million (136) respectively 18 million (12). Translation differences in equity (net assets in foreign subsidiaries) for the year amounted to SEK -224 million (41).

### 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 the coming 12 months. At the end of 2025, there were exchange rate hedges related to forecasted currency flows of EUR 16 million (8) and DKK 13 million (-). 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 in 2025.

#### 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, 2025

Fixed price contract – cash flow hedging	Total	<3 mon	4-12 mon	>1 year
Purchase of Bitumen/via HSFO hedging contract, ton	85,880	61,300	18,900	5,680
Fair value hedging contract, MSEK	-11	-3	-7	-1

Warehouse contract – fair value	Total	<3 mon	4-12 mon	>1 year
Sale of Bitumen/via HSFO hedging contract, ton	78,800	9,800	69,000	—
Fair value hedging contract, MSEK	4	0	4	—

#### Bitumen derivatives without hedge accounting per December 31, 2025

Fixed price contract – cash flow hedging	Total	<3 mon	4-12 mon	>1 year
Purchase of Bitumen/via HSFO hedging contract, ton	11,516	—	5,600	5,916
Fair value hedging contract, MSEK	-2	—	-1	-1

Warehouse contract – fair value	Total	<3 mon	4-12 mon	>1 year
Sale of Bitumen/via HSFO hedging contract, ton	300	300	—	—
Fair value hedging contract, MSEK	0	0	—	—

#### Bitumen derivatives with hedge accounting per December 31, 2024

Fixed price contract – cash flow hedging	Total	<3 mon	4-12 mon	>1 year
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

Warehouse contract – fair value	Total	<3 mon	4-12 mon	>1 year
Sale of Bitumen/via HSFO hedging contract, ton	1,000	1,000	—	—
Fair value hedging contract, MSEK	-1	-1	—	—

Fixed price contract – cash flow hedging	Total	<3 mon	4-12 mon	>1 year
Sale of Bitumen/via HSFO hedging contract, ton	430	—	430	—
Fair value hedging contract, MSEK	0	—	0	—

**Effect of hedge accounting**

The effect of hedge accounting on Group profit/loss and financial position is shown below.

MSEK	2025-12-31				January-December 2025			
	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
		Asset	Liabilities					
<b>Commodities risk <sup>1)</sup></b>								
Cash flow hedging – fixed price contract Bitumen	85,880	—	11	Other receivables/liabilities	—	-20	2	Production costs
Fair value hedging – warehouse contract Bitumen	78,800	4	—	Other receivables/liabilities	5	—	—	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 2025.

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
		Asset	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.

**Credit risk**

Credit risk refers to the risk of losing money if a counterparty fails to meet its obligations.

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.

**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

	2025		2024	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Recognized gross amount	7	15	10	1
Amount covered by netting agreement	-7	-7	-1	-1
<b>Net sum after netting agreement</b>	<b>0</b>	<b>8</b>	<b>9</b>	<b>0</b>

Peab did not suffer any financial instrument credit losses in 2025. Total counterparty exposure related to derivative trading calculated as a net receivable per counterparty amounted to SEK 0 million (9) at the end of 2025. The estimated gross exposure to counterparty risks related to liquid funds and current investments amounted to SEK 3,145 million (1,478). Most of the Group's liquid funds are placed in banks with the credit rating AA- from Standard & Poor's.

**Loss reserves for interest-bearing receivables**

MSEK	2025	2024
Opening balance per January 1	18	20
Revaluating the loss reserve, net	-12	-2
<b>Closing balance per December 31</b>	<b>6</b>	<b>18</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 2025 amounted to SEK 30 million (25). 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 750 million (848). 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 0 million (6).

**Accounts receivable written down**

MSEK	2025	2024
Opening balance per January 1	40	27
Reversed write-downs	-24	-13
Write-downs	26	25
Exchange rate differences	-1	1
<b>Closing balance</b>	<b>41</b>	<b>40</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	
	2025	2024	2025	2024
Equity attributable to shareholders in parent company	16,455	16,482	16,692	16,738

**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 nonfinancial 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 2025 was SEK 2,626 million (2,763) and the operating margin was 4.5 percent (4.7).

The net debt/equity ratio at the end of 2025 was 0.4 (0.5) which was within the target interval 0.3–0.7. A dividend of SEK 1,100 million was received from Fastighets AB Centur at the start of the year which had a positive effect on 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 2026 Peab's Board proposed an ordinary dividend of SEK 3.30 (2.75) per share for 2025 divided into two payments, one in May and the other in October 2026. Excluding the 14,117,984 shares held by Peab AB as of December 31, 2025 which do not entitle to a dividend, the proposed dividend entails a total dividend amount of SEK 930 million (788). Calculated as a share of recognized Group profit after tax according to segment reporting the proposed dividend amounts to 70 percent (38).

**Holdings of own shares**

At the start of 2025 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, 2025 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 repurchased 5,520,00 Peab shares during 2025. Peab's holding of own shares was 14,117,984 B shares corresponding to 4.8 percent of the total number of shares at the end of 2025.

**Note 34 Investment obligations**

In 2025 the Group signed contracts to acquire tangible fixed assets amounting to SEK 276 million (119).

The Group had no obligations to invest in joint arrangements at the end of 2025 or 2024.

Companies classified as joint arrangements have obligations for investments of SEK 663 million (797). 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 principles**

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	2025	2024
<b>For own liabilities and provisions</b>		
Real estate mortgages <sup>1)</sup>	1,748	2,625
Real estate mortgages in Swedish tenant-owner associations <sup>1)</sup>	551	466
Assets with retention of title <sup>2)</sup>	1,907	1,936
Other (pledged shares in subsidiaries)	345	247
<b>Other pledged assets and guarantees</b>		
Pledged shares in joint arrangements	530	539
<b>Total</b>	<b>5,081</b>	<b>5,813</b>

<sup>1)</sup> Pledged assets are recognized as current assets.

<sup>2)</sup> Includes leasing assets of SEK 819 million (803) with retention of title, primarily vehicles.

**Contingent liabilities**

MSEK	2025	2024
Shared obligations as part owners in limited partnerships	34	38
Surety for the benefit of joint arrangements	1,484	1,668
Surety for construction loans to tenant-owner associations	445	508
Other surety	0	17
<b>Total</b>	<b>1,963</b>	<b>2,231</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 23.0 percent of the capital and 48.7 percent of the votes. Mats and Fredrik Paulsson together with families have 5.7 percent of capital and 11.3 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.

**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 has been a member of the Board of Directors of Peab up to the AGM May 6, 2025. Karl-Axel Granlund is the chairman of the board of Volito AB, which is part of the AB Axel Granlund Group and thereby during this time the AB Axel Granlund Group was a related party to Peab.

**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.

**Summary of transactions with related parties**

MSEK	2025	2024
<b>Transactions with joint arrangements</b>		
Sales to joint arrangements	331	505
Purchases from joint arrangements	106	2,223 <sup>1)</sup>
Interest revenue from joint arrangements	28	65
Interest expenses to joint arrangements	11	13
Receivables from joint arrangements	548	523
Liabilities to joint arrangements	29	1,117
Dividends from joint arrangements	1,284	113
Capital contributions to joint arrangements	38	145
Guarantee liabilities for the benefit of joint arrangements	1,484	1,654
	10	23
	1	—
<b>Transactions with SkiStar</b>		
Sales to SkiStar	10	23
Purchases from SkiStar	1	—
<b>Transactions with Ekhaga Utveckling</b>		
Sales to Ekhaga Utveckling	59	55
Purchases from Ekhaga Utveckling	82	102
Interest revenue from Ekhaga Utveckling	1	—
Receivables from Ekhaga Utveckling	14	7
Liabilities to Ekhaga Utveckling	5	6
<b>Transactions with Annehem Fastigheter</b>		
Sales to Annehem Fastigheter	38	63
Purchases from Annehem Fastigheter	48	107
Receivables from Annehem Fastigheter	2	2
Liabilities to Annehem Fastigheter	6	2

<sup>1)</sup> For the year 2024 includes SEK 2,091 million from the acquisition of properties and building rights from Fastighets AB Centur.

**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 2025 and 2024, the CEO and other senior officers in total hired companies within the Peab Group for private services of less than SEK 600 thousand each year. The services have been delivered at market prices.

**Transaction terms**

Transactions with related parties were on market terms.

## Note 37 Cash flow statement

### Paid interest and dividends received

MSEK	2025	2024
Dividends received	187	114
Interest received	86	127
Interest paid	-623	-999

### Adjustments for items not included in cash flow

MSEK	2025	2024
Profit from participation in joint ventures	-133	-435
Dividends received from joint ventures	185	113
Depreciation and write-downs	1,854	1,863
Unrealised exchange rate differences	-14	7
Profit/loss on sales of fixed assets	-305	-381
Profit/loss on sales of subsidiaries/businesses	-10	-12
Provisions	93	67
Change in fair value of financial instruments	1	1
Arbitration Mall of Scandinavia	611	-129
Share-based payments	56	26
Other	-17	-3
<b>Total</b>	<b>2,321</b>	<b>1,117</b>

### Transactions without payments

MSEK	2025	2024
Aquisition of assets by leasing	506	565

### Disposal of subsidiaries/businesses

MSEK	2025	2024
<i>Disposed assets and liabilities</i>		
Tangible fixed assets	8	—
Project and development properties and inventories	291	7
Accounts receivable and other receivables	26	8
Interest-bearing liabilities (leasing)	-1	—
Accounts payable and other current liabilities	-55	—
<b>Disposed net assets</b>	<b>269</b>	<b>15</b>
Sales price	279	28
Less: Liquid funds in disposed companies	—	—
<b>Effect on liquid funds</b>	<b>279</b>	<b>28</b>

### Liquid funds

The following components are included in liquid funds:

MSEK	2025	2024
Cash and bank	3,145	1,478
<b>Total</b>	<b>3,145</b>	<b>1,478</b>

## Note 38 Significant events after the balance sheet date

### The Nomination Committee's proposal for Board members of Peab AB

Peab AB was informed by the company's Nomination Committee on February 10, 2026 of its proposal to the AGM 2026 regarding the composition of the Board of Directors. The Nomination Committee intends to propose Carl Mellander as a new member of the Board and reelection of the following Board members: Anders Runevad, Malin Persson, Magdalena Gerger, Liselott Kilaas, Kerstin Lindell, Fredrik Paulsson and Lars Sköld.

The Nomination Committee further intends to propose reelection of Anders Runevad as Chairman of the Board.

Carl Mellander has extensive experience from leading financial positions in global, listed companies, among them as Group CFO for Ericsson. He has a broad background in financial governance, capital market matters, M&A, risk and regulation compliance as well as international business management. He is currently a member of the board of, and consultant to, several companies.

The Nomination Committee's proposal entails that the Board of Directors will consist, until the end of the next AGM, of eight (8) Board members. The Nomination Committee will continue its work and the complete proposal to the AGM 2026 will be presented with the notice of the Annual General Meeting.

### Exceedance of limit for flagging due to repurchasing own shares

In accordance with Chapter 4, Section 18 of the Financial Instruments Trading Act (1991:980) Peab AB acquired on March 11, 2026 25,000 own B shares, which entailed that Peab's holding of own shares exceeded the limit of five percent of all the shares in Peab. The total number of shares in Peab on March 11, 2026 amounted to 14,822,984 B shares, which corresponds to 5.01 percent of the total number of shares.

Peab has concluded repurchasing own shares

Peab AB has repurchased a total of 6,237,280 B shares for about SEK 500 million between July 25, 2025 and March 12, 2026. The shares have been repurchased after a decision by the Board and through the authorization granted by the AGM on May 6, 2025.

## ESEF information

Company name:	Peab AB
Legal form:	Public limited liability company
Address:	Margretetorpsvägen 84, 269 73 Förslöv
Country:	Sweden
Description of nature of entity's operations and principal activities	Peab is the Nordic Community Builder

## 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 2025 amounted to SEK 1,047 million (910) and primarily comprised internal Group services. Operating profit for the year was SEK -280 million (-256). Profit after financial items amounted to SEK 561 million (747). Financial items included SEK 700 million (990) in dividends from subsidiaries. SEK 1,012 million (1,332) of appropriations are Group contributions. Profit for the year amounted to SEK 1,796 million (1,948).

### 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	8,011,802,020
Profit for the year	1,796,816,438
<b>Total</b>	<b>12,116,827,406</b>
The Board of Directors propose the following appropriation of disposable profit and non-restricted reserves;	
Dividend, 281,931,746 shares at SEK 3.30 per share <sup>1)</sup>	930,374,762
Carried forward <sup>2)</sup>	11,186,452,644
<b>Total</b>	<b>12,116,827,406</b>
<sup>1)</sup> On December 31, 2025 there were 296,049,730 registered shares in the parent company, of which the number of shares entitled to a dividend were 281,931,746. The total dividend may change up to the record date depending on the repurchase of own shares.	
<sup>2)</sup> Of which to share premium reserve	2,308,208,948

### Income statement – the parent company

MSEK	Note	2025	2024
Net sales	A2	1,047	910
Administrative expenses	A3,A4	-1,327	-1,166
Other operating income		0	—
<b>Operating profit</b>		<b>-280</b>	<b>-256</b>
<b>Profit/loss from financial investments</b>	A5		
Profit/loss from participation in Group companies		700	822
Other interest income and similar profit/loss items		151	185
Interest expenses and similar profit/loss items		-10	-4
<b>Profit/loss after financial items</b>		<b>561</b>	<b>747</b>
Appropriations	A6	1,496	1,452
<b>Pre-tax profit</b>		<b>2,057</b>	<b>2,199</b>
Tax	A7	-261	-251
<b>Profit for the year <sup>1)</sup></b>		<b>1,796</b>	<b>1,948</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 2025	Dec 31 2024
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible assets	A8	231	300
Tangible assets	A9	49	48
<b>Financial assets</b>			
Participation in Group companies	A17	10,350	10,339
Receivables from Group companies		69	23
Other securities held as fixed assets		0	0
Deferred tax recoverables	A7	116	106
<b>Total financial assets</b>		<b>10,535</b>	<b>10,468</b>
<b>Total fixed assets</b>		<b>10,815</b>	<b>10,816</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Receivables from Group companies	A13	6,189	5,734
Other receivables	A10	89	61
<b>Total current receivables</b>		<b>6,278</b>	<b>5,795</b>
Cash and bank	A13	0	0
<b>Total current assets</b>		<b>6,278</b>	<b>5,795</b>
<b>Total assets</b>		<b>17,093</b>	<b>16,611</b>

MSEK	Note	Dec 31 2025	Dec 31 2024
<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		8,013	7,212
Profit for the year		1,796	1,948
<b>Total equity</b>		<b>14,001</b>	<b>13,352</b>
<b>Untaxed reserves</b>	A18	<b>2,314</b>	<b>2,798</b>
<b>Provisions</b>			
Other provisions	A11	51	44
<b>Total provisions</b>		<b>51</b>	<b>44</b>
<b>Current liabilities</b>			
Liabilities to Group companies	A13	474	112
Current tax liabilities		23	89
Other liabilities	A12	230	216
<b>Total current liabilities</b>		<b>727</b>	<b>417</b>
<b>Total liabilities</b>		<b>727</b>	<b>417</b>
<b>Total equity and liabilities</b>		<b>17,093</b>	<b>16,611</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 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>–</b>	<b>–</b>	<b>–</b>	<b>–</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>

<b>Opening balance equity 2025-01-01</b>	<b>1,584</b>	<b>300</b>	<b>2,308</b>	<b>7,212</b>	<b>1,948</b>	<b>13,352</b>
Profit and comprehensive income for the year					1,796	1,796
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,796</b>	<b>1,796</b>
Repurchase of own shares				-415		-415
Allocation of profit				1,948	-1,948	–
Share-based payments settled with equity instruments				56		56
Cash dividends				-788		-788
<b>Closing balance equity 2025-12-31</b>	<b>1,584</b>	<b>300</b>	<b>2,308</b>	<b>8,013</b>	<b>1,796</b>	<b>14,001</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

MSEK	Note	2025	2024
<b>Current operation</b>	A19		
Pre-tax profit		561	747
Adjustments for non-cash items		102	255
Income tax paid		-336	-150
<b>Cash flow from current operations before working capital changes</b>		<b>327</b>	<b>852</b>
<b>Cash flow from changes in working capital</b>			
Increase (-) /Decrease (+) current receivables		-15	47
Increase (+) /Decrease (-) current liabilities		10	80
<b>Cash flow from changes in working capital</b>		<b>-5</b>	<b>127</b>
<b>Cash flow from current operations</b>		<b>322</b>	<b>979</b>
<b>Investment operations</b>			
Shareholder contributions		-85	-54
Acquisition of tangible assets		-20	-28
Acquisition of intangible assets		—	-11
Acquisition of subsidiaries / businesses, net effect on liquid funds		—	-433
Acquisition of financial assets		-346	-1,015
<b>Cash flow from investment operations</b>		<b>-451</b>	<b>-1,541</b>
<b>Cash flow before financing</b>		<b>-129</b>	<b>-562</b>
<b>Financing operations</b>			
Received Group contribution		1,357	1,579
Paid Group contribution		-25	-586
Repurchase of own shares		-415	—
Dividend distributed		-788	-431
<b>Cash flow from financing operations</b>		<b>129</b>	<b>562</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 2024.

### Coming changes in accounting principles

#### New IFRSs and interpretations that have not yet been applied

##### *IFRS 18 Presentation and Disclosure in Financial Statements*

IFRS 18 Presentation and Disclosure in Financial Statements will be effective as of January 1, 2027. The new standard has been approved by the EU and will replace IAS 1 Presentation of Financial Statements. In addition, narrow scope amendments have been made to IAS 7 Statement of Cash Flows. The Council for Sustainability and Financial Reporting has updated recommendation RFR 2 which entails deviations from IFRS 18 regarding presentation in the income statement, cash flow and so-called Management-defined Performance Measures (MPM).

### 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.

### Other

Other 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.

### 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. Loss provisions are made for expected credit losses on financial assets. For more information, see Note 33.

### 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	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
External sales	7	7	—	0	—	—	—	—	7	7
Internal sales	891	773	69	64	74	65	6	1	1,040	903
<b>Total</b>	<b>898</b>	<b>780</b>	<b>69</b>	<b>64</b>	<b>74</b>	<b>65</b>	<b>6</b>	<b>1</b>	<b>1,047</b>	<b>910</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 106 million (95) as well as purchases from Ekhaga Utveckling AB for SEK 1 million (1). Sales to joint venture companies amounted to SEK 1 million (0). 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

	2025		2024	
	No. of employees	Of which percentage of women	No. of employees	Of which percentage of women
Sweden	411	59	376	57

### Gender distribution in boards and other senior officers

	2025	2024
	Percentage of women	
The Board of Directors	50	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

2025, MSEK	Board of Directors and senior officers (12 persons) <sup>1)</sup>		Other employees	Total
Salaries and other remuneration	51	311	362	
– of which variable remuneration	18	11	29	
Social security costs	35	165	200	
– of which pension costs	13	50	63	
– of which pension costs for variable remuneration	—	—	—	

<sup>1)</sup> The group senior officers refers to the five persons in executive management employed by the parent company.

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.

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	2025			2024		
	Cost for share-based program	Social security cost	Total	Cost for sharebased program	Social security cost	Total
Program, 2024-2026	6	3	9	4	1	5
Program, 2025-2027	3	1	4	—	—	—
	<b>9</b>	<b>4</b>	<b>13</b>	<b>4</b>	<b>1</b>	<b>5</b>

Provisions for social security costs per December 31, 2025 amounted to SEK 5 million (1).

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.

### Changes in the number of outstanding share rights is as follows regarding parent company employees:

Number of share rights, Performance Share Program 2024-2026	2025	2024
	As of January 1	313,851
Allocated during the period	—	313,851
<b>Per December 31</b>	<b>313,851</b>	<b>313,851</b>

Number of share rights, Performance Share Program 2025-2027	2025
	Allocated during the period
<b>Per December 31</b>	<b>281,370</b>

Maturity date	2025	2024
May 2027	313,851	313,851
May 2028	281,370	—

### Pensions

MSEK	2025	2024
Expenses for defined contribution plans	63	72
Of which ITP 2 plans financed in Alecta	18	15

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	2025	2024
<b>Ernst &amp; Young AB</b>		
Audit work	6	4
Other additional audit-related work	1	1
Other services	1	0
<b>Total</b>	<b>8</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 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. Other services consist mainly of consulting assignments.

## Note A5 Net financial income/expenses

### Profit from participations in Group companies

MSEK	2025	2024
Dividends	700	990
Write-downs <sup>1)</sup>	—	-168
<b>Total</b>	<b>700</b>	<b>822</b>

### Other interest income and similar profit/loss items

MSEK	2025	2024
Interest income, Group <sup>2)</sup>	150	183
Interest income, external <sup>2)</sup>	1	1
Net exchange rate fluctuation	0	1
<b>Total</b>	<b>151</b>	<b>185</b>

### Interest expenses and similar profit/loss items

MSEK	2025	2024
Interest expenses, Group <sup>2)</sup>	—	-2
Interest expenses, external <sup>2)</sup>	0	-2
Loss reserve for expected credit losses	-10	—
<b>Total</b>	<b>-10</b>	<b>-4</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	2025	2024
Change in additional depreciation, intangible assets	-6	-49
Change in additional depreciation, machinery and equipment	20	-3
Transfer to tax allocation reserve	—	-440
Reversal from tax allocation reserve	470	612
Received Group contribution	1,478	1,357
Paid Group contribution	-466	-25
<b>Total</b>	<b>1,496</b>	<b>1,452</b>

## Note A7 Taxes

### Recognized in the income statement

MSEK	2025	2024
<b>Current tax expenses/income</b>		
Tax expenses for the year	-270	-274
Adjustment of tax attributable to previous years	-1	—
	<b>-271</b>	<b>-274</b>
<b>Deferred tax expenses/income</b>		
Temporary differences	10	23
	<b>10</b>	<b>23</b>
<b>Total recognized tax expenses in the parent company</b>	<b>-261</b>	<b>-251</b>

### Reconciliation of effective tax

MSEK	2025		2024	
<b>Pre-tax profit</b>	<b>2,057</b>	<b>%</b>	<b>2,199</b>	<b>%</b>
Tax according to valid tax rate for parent company	-424	20.6	-453	20.6
Non-deductible expenses	-15	0.7	-60	2.7
Tax exempt income	144	-7.0	204	-9.3
Taken over deductible for negative net interest	31	-1.5	37	-1.7
Deductible, non profit-influencing items	4	-0.2	21	-1.0
Tax attributable to previous years	-1	0.0	—	—
<b>Recognized effective tax</b>	<b>-261</b>	<b>12.7</b>	<b>-251</b>	<b>11.4</b>

### Reported on the balance sheet, deferred tax recoverables and tax liabilities

MSEK	Deferred tax recoverables		Changes recognized in profit/loss for the year	
	2025	2024	2025	2024
Provisions for pensions	109	101	8	19
Tangible assets	1	—	1	—
Financial assets	2	—	2	—
Other liabilities	4	5	-1	4
<b>Net</b>	<b>116</b>	<b>106</b>	<b>10</b>	<b>23</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

	Intangible assets, external purchase	
	Other intangible assets	
MSEK	2025	2024
Opening acquisition value	362	6
Purchases	—	11
Purchases via business transfer	—	352
Disposals	—	-7
<b>Closing accumulated acquisition value</b>	<b>362</b>	<b>362</b>
Opening depreciation	-62	-4
Depreciation <sup>1)</sup>	-69	-58
Closing accumulated depreciation	-131	-62
<b>Closing recognized value</b>	<b>231</b>	<b>300</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	
	2025	2024	2025	2024	2025	2024
Opening acquisition value	4	—	62	3	66	3
Purchases	—	—	20	28	20	28
Purchases via business transfer	—	4	—	31	—	35
Sales and disposals	0	—	-1	—	-1	—
<b>Closing accumulated acquisition value</b>	<b>4</b>	<b>4</b>	<b>81</b>	<b>62</b>	<b>85</b>	<b>66</b>
Opening depreciation	-2	—	-16	-1	-18	-1
Sales and disposals	0	—	1	—	1	—
Depreciation <sup>1)</sup>	-2	-2	-17	-15	-19	-17
<b>Closing accumulated depreciation</b>	<b>-4</b>	<b>-2</b>	<b>-32</b>	<b>-16</b>	<b>-36</b>	<b>-18</b>
<b>Closing recognized value</b>	<b>—</b>	<b>2</b>	<b>49</b>	<b>46</b>	<b>49</b>	<b>48</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	2025	2024
Other receivables	18	2
Prepaid expenses and accrued income	71	59
<b>Total</b>	<b>89</b>	<b>61</b>

## Note A11 Provisions

MSEK	2025	2024
Special payroll tax on pensions	46	43
Social security costs for share-related remuneration	5	1
<b>Total</b>	<b>51</b>	<b>44</b>

MSEK	Special payroll tax on pensions		Social security costs for share-related remuneration		Total	
	2025	2024	2025	2024	2025	2024
Opening recognized value	43	43	1	—	44	43
Provisions set aside during the year	6	6	4	1	10	7
Amounts requisitioned during the year	-3	-6	—	—	-3	-6
<b>Closing recognized value</b>	<b>46</b>	<b>43</b>	<b>5</b>	<b>1</b>	<b>51</b>	<b>44</b>
Of which are long-term provisions	46	43	5	1	51	44

For information on accounting principles regarding Provisions see note 29.

## Note A12 Other liabilities

MSEK	2025	2024
Accounts payable	65	50
Other liabilities	25	23
Accrued expenses and deferred income	140	143
<b>Total</b>	<b>230</b>	<b>216</b>

## Note A13 Classification and valuation of financial assets and liabilities

MSEK	Note	Accrued acquisition value		Fair value	
		2025	2024	2025	2024
<b>Financial assets</b>					
Long-term receivables Group companies		69	23	69	23
Securities held as fixed assets		0	0	0	0
Current receivables Group companies		6,189	5,734	6,189	5,734
Cash and bank		0	0	0	0
<b>Total financial assets</b>		<b>6,258</b>	<b>5,757</b>	<b>6,258</b>	<b>5,757</b>
<b>Financial liabilities</b>					
Accounts payable	A12	65	50	65	50
Current liabilities Group companies		474	112	474	112
<b>Total financial liabilities</b>		<b>539</b>	<b>162</b>	<b>539</b>	<b>162</b>

## Note A14 Leasing

### Leasing – lessees

MSEK	2025	2024
<i>Future minimum leasing fees for non-cancellable leases</i>		
Within one year	34	27
Between one and five years	98	92
Later than five years	0	5
<b>Total</b>	<b>132</b>	<b>124</b>
Financial year's expensed leasing fees	58	54

## Note A15 Contingent liabilities

MSEK	2025	2024
Surety and contract guarantees for Group companies	18,236	18,950
Surety for the benefit of joint arrangements	1,518	1,702
Surety for construction loans to tenant-owner associations	2,949	3,209
Other surety	0	17
<b>Total</b>	<b>22,703</b>	<b>23,878</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	8,011,802,020
Profit for the year	1,796,816,438
<b>Total</b>	<b>12,116,827,406</b>

The Board of Directors propose the following appropriation of disposable profit and non-restricted reserves;

Dividend, 281,931,746 shares at SEK 3.30 per share <sup>1)</sup>	930,374,762
Carried forward <sup>2)</sup>	11,186,452,644
<b>Total</b>	<b>12,116,827,406</b>

<sup>1)</sup> There were 296,049,730 registered shares on December 31, 2025 in the parent company, of which the shares entitled to dividends amounted to 281,931,746. The total dividend may change up to the record date depending on the repurchase of own shares.

<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, MSEK	
				2025	2024	2025	2024
Peab Sverige AB	556099-9202	Båstad	1,000,000	100.0 %	100.0 %	3,622	3,622
Peab Industri AB	556594-9558	Ängelholm	82,521,948	100.0 %	100.0 %	2,638	2,638
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	61
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 %	17	6
Peab Support AS	998 622 670	Oslo	1,000	100.0 %	100.0 %	0	0
Peab Support OY	2586326-7	Helsinki	100	100.0 %	100.0 %	0	0
<b>Total</b>						<b>10,350</b>	<b>10,339</b>

<sup>1)</sup> The share of capital corresponds to the share of votes

MSEK	2025	2024
Opening acquisition value	10,618	10,544
Shareholder contribution	11	74
<b>Closing accumulated acquisition values</b>	<b>10,629</b>	<b>10,618</b>
Opening write-downs	-279	-111
Write-downs for the year	—	-168
<b>Closing accumulated write-downs</b>	<b>-279</b>	<b>-279</b>
<b>Closing balance</b>	<b>10,350</b>	<b>10,339</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.

### Specification of other Group companies

Company	Corp. ID. nr	Registered office	Share of equity <sup>1)2)</sup>
3F Eiendom AS	998 735 068	Tromsø	100.0 %
AB M113	559291-7727	Solna	100.0 %
Aktiebolaget Smidmek Eslöv	556232-3963	Eslöv	100.0 %
ANS Solligården	957 524 346	Bærum	100.0 %
Arne Olav Lund A/S	914 004 330	Larvik	90.4 %
Asfaltti-System Oy	0924008-6	Helsinki	100.0 %
Asunto Oy City Garden, Tampere	2625235-3	Tammerfors	100.0 %
ATS Kraftservice AB	556467-5998	Båstad	100.0 %
Barkåkra 56:1 AB	559328-6783	Solna	100.0 %
Birsta Fastigheter AB	556190-3765	Helsingborg	100.0 %
Bjurrhovda Fastighets AB	559254-2384	Solna	100.0 %
Bo i Norrviken AB	559136-6728	Solna	100.0 %
Boende Bankeryd AB	559247-1873	Solna	100.0 %
Bogstrand AS	996 043 428	Harstad	100.0 %
Bojfastet Invest AB	556695-4169	Solna	100.0 %
Primus Brygga Ekonomisk förening	769634-4915	Stockholm	100.0 %
Primusterrassen Ekonomisk förening	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 %
Fanfaren Fastighets AB	559526-6999	Solna	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 Partille 11	556518-4354	Göteborg	100.0 %
Fastighets AB Spelhamnen	556795-0992	Solna	100.0 %
Fastighetsbolaget Draggläddret 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 %
Halmstad Fyllinge 7:2 AB	559085-5788	Malmö	100.0 %
Hasselnöten Fastighets 1 AB	559353-6591	Solna	100.0 %
Hasselnöten Fastighets 2 AB	559353-6609	Solna	100.0 %
HavreluddEtt AB	559033-0667	Solna	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 %

Company	Corp. ID. nr	Registered office	Share of equity <sup>1)2)</sup>	Company	Corp. ID. nr	Registered office	Share of equity <sup>1)2)</sup>
INSPI Sweden AB	556796-7970	Stockholm	100.0 %	Peab Bolig Borgundfjorden AS	916 162 898	Oslo	100.0 %
K. Nordang AS	936 574 696	Stranda	100.0 %	Peab Bolig Prosjekt AS	990 892 385	Bærum	100.0 %
Kiinteistö Oy Eventes II	1582860-1	Esbo	100.0 %	Peab Borås Exploatering AB	556651-7727	Båstad	100.0 %
Kiinteistö Oy Helsingin Karvaamokuja 1	2405933-0	Helsinki	100.0 %	Peab Bostad AB	556237-5161	Stockholm	100.0 %
Kiinteistö Oy Mallanpuisto	1580499-2	Esbo	100.0 %	Peab BU Drift AB	559076-5516	Solna	100.0 %
Kjølnes Eiendom AS	991 085 033	Skien	75.0 %	Peab BU Finland AB	559369-7245	Solna	100.0 %
Kokpunkten Fastighets AB	556759-5094	Stockholm	100.0 %	Peab BU Holding 1 AB	559019-1846	Solna	100.0 %
KB Klagshamn Exploatering	916563-4412	Båstad	100.0 %	Peab BU Holding 10 AB	559283-3718	Solna	100.0 %
KB Messingen	916837-9817	Stockholm	100.0 %	Peab BU Holding 11 AB	559283-3825	Solna	100.0 %
KB Muraren 105	916837-9544	Möndal	100.0 %	Peab BU Holding 12 AB	559206-1088	Solna	100.0 %
KB Muraren 135	916837-9841	Båstad	100.0 %	Peab BU Holding 13 AB	559325-0631	Solna	100.0 %
KB Möllevarvet	969639-7877	Båstad	100.0 %	Peab BU Holding 14 AB	559325-0680	Solna	100.0 %
Kranor AS	976 313 062	Asker	100.0 %	Peab BU Holding 15 AB	559342-4392	Solna	100.0 %
Krantorp KB	969623-0540	Möndal	100.0 %	Peab BU Holding 16 AB	559342-4376	Solna	100.0 %
Kreaton AB	556644-5010	Gothenburg	100.0 %	Peab BU Holding 17 AB	559342-4384	Solna	100.0 %
K-System AB	559308-9286	Malmö	100.0 %	Peab BU Holding 18 AB	559342-4459	Solna	100.0 %
Kvarnbacken Barkarö Fastighet AB	559316-6662	Stockholm	100.0 %	Peab BU Holding 19 AB	559342-4467	Solna	100.0 %
Kyrkbacken i Taveljö AB	559350-5927	Solna	100.0 %	Peab BU Holding 2 AB	559036-7396	Solna	100.0 %
Lambertsson Kran AB	556543-5293	Båstad	100.0 %	Peab BU Holding 20 AB	559404-8968	Solna	100.0 %
Lambertsson Oy	0937993-4	Helsinki	100.0 %	Peab BU Holding 21 AB	559404-8950	Solna	100.0 %
Lambertsson Sverige AB	556190-1637	Båstad	100.0 %	Peab BU Holding 22 AB	559404-8943	Solna	100.0 %
Lommen 6 i Norrköping AB	559307-9386	Solna	100.0 %	Peab BU Holding 23 AB	559404-8935	Solna	100.0 %
Loviselunds Fastighets AB	559254-2418	Solna	100.0 %	Peab BU Holding 24 AB	559404-8976	Solna	100.0 %
NOD01 Mobility AB	559422-9162	Solna	100.0 %	Peab BU Holding 3 AB	559076-5466	Solna	100.0 %
NOD01 Retail AB	559422-9196	Solna	100.0 %	Peab BU Holding 4 AB	559118-0871	Solna	100.0 %
NORDBOHUS SKIEN AS	934 541 715	Skien	100.0 %	Peab BU Holding 5 AB	559091-5160	Solna	100.0 %
Nordbyen Eiendom AS	995 300 400	Tromsø	100.0 %	Peab BU Holding 6 AB	559076-5524	Solna	100.0 %
Packhusallén Fastighets AB	559388-6491	Solna	100.0 %	Peab BU Holding 7 AB	559065-1427	Solna	100.0 %
Partille 11 Bostad BR 1 AB	556960-0330	Gothenburg	100.0 %	Peab BU Holding 8 AB	559265-7901	Solna	100.0 %
Partille 11 Bostad Holding AB	556958-4146	Gothenburg	100.0 %	Peab BU Holding 9 AB	559265-7893	Solna	100.0 %
Partille Port Holding AB	556960-0264	Gothenburg	100.0 %	Peab Bygg AS	943 672 520	Tromsø	100.0 %
Peab Anlegg AS	913 502 566	Bærum	100.0 %	Peab Byggservice AB	556066-3675	Båstad	100.0 %
Peab Asfalt A/S	18 298 503	Silkeborg	100.0 %	Peab Byggsystem AB	559428-8283	Båstad	100.0 %
Peab Asfalt AB	556098-8122	Båstad	100.0 %	Peab Drivaarena AB	556741-8578	Solna	100.0 %
Peab Asfalt Norge AS	994 628 577	Tromsø	100.0 %	Peab Eiendomsutvikling AS	987 099 011	Oslo	100.0 %
Peab Bemanning AB	556737-7683	Solna	100.0 %	Peab Eskilstorp AB	559210-7444	Malmö	100.0 %
Peab Bemanning AS	991687971	Bærum	100.0 %	Peab Fastighetsutveckling AB	556824-8453	Båstad	100.0 %
Peab Bildrift Norden AB	556707-8380	Helsingborg	100.0 %	Peab FU Almnäs AB	556594-9160	Solna	100.0 %
Peab Bildrift Norge AS	892 890 692	Bærum	100.0 %	Peab FU Finland AB	559246-2831	Solna	100.0 %
Peab Bildrift Sverige AB	556313-9608	Helsingborg	100.0 %	Peab FU Gardens AB	559351-2501	Solna	100.0 %
Peab Bivacken i Växjö AB	559043-4774	Solna	100.0 %	Peab FU Holding 1 AB	556855-6954	Solna	100.0 %

Company	Corp. ID. nr	Registered office	Share of equity <sup>1)2)</sup>	Company	Corp. ID. nr	Registered office	Share of equity <sup>1)2)</sup>
Peab FU Holding 10 AB	559328-6932	Solna	100.0 %	Peab Primus 4 AB	559345-4167	Solna	100.0 %
Peab FU Holding 11 AB	559332-9955	Solna	100.0 %	Peab Primus 5 AB	559342-4483	Solna	100.0 %
Peab FU Holding 12 AB	559342-4475	Solna	100.0 %	Peab Primus 6 AB	559342-4418	Solna	100.0 %
Peab FU Holding 13 AB	559388-6459	Solna	100.0 %	Peab Primus 7 AB	559342-4426	Solna	100.0 %
Peab FU Holding 2 AB	556864-4156	Solna	100.0 %	Peab Primus Garage AB	559515-3940	Solna	100.0 %
Peab FU Holding 3 AB	556866-8635	Solna	100.0 %	Peab Projektutveckling Holding AB	559557-9144	Solna	100.0 %
Peab FU Holding 4 AB	556946-9058	Solna	100.0 %	Peab Projektutveckling Väst AB	556092-9852	Gothenburg	100.0 %
Peab FU Holding 5 AB	556979-7698	Solna	100.0 %	Peab Property Gardener II Oy	3136812-3	Helsinki	100.0 %
Peab FU Holding 6 AB	556649-9116	Båstad	100.0 %	Peab Ranagård AB	559284-2156	Malmö	100.0 %
Peab FU Holding 7 AB	559030-7301	Solna	100.0 %	Peab Råsunda Holding AB	559030-7723	Solna	100.0 %
Peab FU Holding 8 AB	559230-5469	Solna	100.0 %	Peab Sannegården AB	559065-9792	Solna	100.0 %
Peab FU Holding 9 AB	559265-7885	Solna	100.0 %	Peab Sp.z.o.o	5260040111	Warszawa	100.0 %
Peab FU Husbacka AB	556946-9108	Solna	100.0 %	Peab Södra Änggården Kvarter 14 AB	559115-9057	Gothenburg	100.0 %
Peab FU Jupiter 4 AB	556126-0745	Solna	100.0 %	Peab Södra Änggården Kvarter 9 AB	559115-9065	Gothenburg	100.0 %
Peab FU Rebbelberga 147 AB	556470-0176	Solna	100.0 %	PEAB T113 AS	994 535 250	Bærum	100.0 %
Peab FU Vintrie 5 AB	559241-1697	Solna	100.0 %	Peab Trading Nord AB	556715-4827	Solna	100.0 %
Peab FU Visby AB	556679-4862	Solna	100.0 %	Peab Trading Solna AB	556793-1554	Solna	100.0 %
Peab FU Visby Exploatering AB	556800-9335	Solna	100.0 %	Peab Trading Väst AB	556594-9590	Gothenburg	100.0 %
Peab FU Ängen AB	559448-8214	Solna	100.0 %	Peab Trading Öst AB	556778-8749	Stockholm	100.0 %
Peab Grundläggning AB	556154-7364	Båstad	100.0 %	Peab Transport & Maskin AB	556097-9493	Örkeljunga	100.0 %
Peab Hermelinen AB	556872-5633	Stockholm	100.0 %	Peab Tvärbanan AB	559241-1465	Solna	100.0 %
Peab Holding AB	556594-9533	Båstad	100.0 %	Peab Utbygging AS	915 464 254	Tromsø	100.0 %
Peab Högsbo 34:6 AB	556898-8553	Stockholm	100.0 %	Peab Utveckling AB	559283-3726	Båstad	100.0 %
Peab Industri Danmark A/S	40 964 460	Copenhagen	100.0 %	Peab Vagnpark AB	556234-0371	Båstad	100.0 %
Peab Industri Finland AB	556687-9226	Helsingborg	100.0 %	Peab Vallmovalen AB	559369-7237	Solna	100.0 %
Peab Industri Holding OY	3102070-9	Helsinki	100.0 %	Peab Varvsstaden Holding AB	559116-2556	Gothenburg	100.0 %
Peab Industri OY	2977551-2	Helsinki	100.0 %	Peab Veddesta AB	559276-9805	Solna	100.0 %
Peab Industribyggnad i Norr AB	556851-7121	Båstad	100.0 %	Peab Åkerbäret AB	559311-5180	Solna	100.0 %
Peab Infra Oy	2303725-2	Helsinki	100.0 %	Peab Åkermyntan 10 AB	556910-9290	Solna	100.0 %
Peab Kiinteistökehitys Oy	3136811-5	Helsinki	100.0 %	Peab Älvringen i Jönköping AB	559069-2058	Solna	100.0 %
Peab Landskampen AB	559164-5907	Solna	100.0 %	Peab Österplan 2 i Örebro AB	559081-4611	Solna	100.0 %
Peab Lokal AB	559025-6607	Solna	100.0 %	Peab Österplan 4 i Örebro AB	559081-4637	Solna	100.0 %
Peab Markutveckling AB	556949-4437	Solna	100.0 %	Peabskolan AB	556442-7432	Båstad	100.0 %
Peab Messingen Kv4 AB	559181-9494	Solna	100.0 %	Projektfastigheter Götaland AB	556259-3540	Båstad	100.0 %
Peab Norr 16:2 AB	556984-9713	Solna	100.0 %	Rankhus Tomtutveckling AB	559175-9187	Solna	100.0 %
Peab Origo AB	559428-8291	Solna	100.0 %	Riksten Friluftstad AB	556547-8764	Stockholm	100.0 %
Peab Origo Fastighets AB	559428-8226	Solna	100.0 %	Rådasand AB	556042-8699	Lidköping	100.0 %
Peab PGS AB	556428-5905	Båstad	100.0 %	Röda Hallonet AB	559418-5612	Solna	100.0 %
Peab Primus 1 AB	559345-4134	Solna	100.0 %	Sicklaön Bygg Invest AB	556911-5479	Solna	100.0 %
Peab Primus 2 AB	559345-4142	Solna	100.0 %	Skandinaviska Byggelement AB	556034-2148	Helsingborg	100.0 %
Peab Primus 3 AB	559345-4159	Solna	100.0 %	Skeppshytten 201 AB	559073-2433	Gothenburg	100.0 %

Company	Corp. ID. nr	Registered office	Share of equity <sup>1)2)</sup>
Skånehus AB	556547-6958	Båstad	100.0 %
Solberg Maskin AS	999 327 869	Trondheim	100.0 %
Stockholms Kommersiella Fastighets AB	556105-6499	Vellinge	100.0 %
Stora Hammar Exploatering AB	556763-4216	Solna	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	Bærum	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	Verdal	100.0 %
Södra Änggården Kv 2 AB	559115-9040	Södertälje	100.0 %
Telge Peab AB	556790-5889	Solna	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 %
Ulriksdal Utveckling AB	556509-6392	Solna	100.0 %
Ultimes III Holding Oy	3136774-5	Helsinki	100.0 %
Ultimes III Ky	3139119-8	Helsinki	100.0 %
Ultimes III PG Oy	3136775-3	Helsinki	100.0 %
Ultimes IV Holding Oy	3136770-2	Helsinki	100.0 %
Ultimes IV Ky	3139117-1	Helsinki	100.0 %
Ultimes IV PG Oy	3136772-9	Helsinki	100.0 %
Ultimes V Ky	3139121-9	Helsinki	100.0 %
Varvsstaden AB	556975-7908	Gothenburg	100.0 %
Varvsstaden Gjuteriet 111 AB	559241-1457	Gothenburg	100.0 %
Varvsstaden Magasinet 211 AB	559220-9737	Gothenburg	100.0 %
Varvsstaden Projekt Holding AB	559116-2440	Gothenburg	100.0 %
Varvsstaden Projekt Holding Andra AB	559261-3276	Gothenburg	100.0 %
Varvsstaden Snickeriet 241 AB	559220-9703	Gothenburg	100.0 %
Varvsstaden Svets- & Pannverkstaden 259 AB	559241-1630	Gothenburg	100.0 %
Vejby Transport & Miljö AB	556240-2742	Ängelholm	100.0 %
Verkstaden 17 i Västerås AB	559114-5916	Solna	100.0 %
Visio Exploatering AB	556570-7030	Solna	100.0 %
Värby Fastighets AB	556703-4771	Båstad	100.0 %
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 2025 (see note 5), the share of capital in 2025 corresponds to the share of capital in 2024.

### Note A18 Untaxed reserves

MSEK	2025	2024
Tax allocation reserve	2,274	2,744
Accumulated additional depreciation, intangible assets	57	51
Accumulated additional depreciation, machinery and equipment	-17	3
<b>Total</b>	<b>2,314</b>	<b>2,798</b>

### Note A19 Cash flow statement

#### Paid interest and dividends received

MSEK	2025	2024
Dividends received	700	990
Interest received	151	185
Interest paid	-10	-4

#### Adjustments for items not included in cash flow

MSEK	2025	2024
Depreciation and write-downs	87	243
Disposal of fixed assets	0	7
Provisions	6	1
Share-based payments	9	4
<b>Total</b>	<b>102</b>	<b>255</b>

#### Business combination in 2024

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>

The Board of Directors 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 Board of Directors and CEO assure that the Annual Report has been prepared in accordance with the European Sustainability Reporting Standards, ESRS, and the specifications adopted under the EU Taxonomy Regulation.

Förslöv, March 30, 2026

**Anders Runevad**  
Chairman of the Board

**Kerstin Lindell**  
Member of the Board

**Fredrik Paulsson**  
Member of the Board

**Malin Persson**  
Member of the Board

**Lars Sköld**  
Member of the Board

**Liselott Kilaas**  
Member of the Board

**Magdalena Gerger**  
Member of the Board

**Patrik Svensson**  
Member of the Board

**Kim Thomsen**  
Member of the Board

**Maria Doberck**  
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 30, 2026. 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 April 29, 2026.

Our auditor's report regarding the annual accounts and the consolidated accounts was issued on March 30, 2026.  
Our limited assurance report regarding the statutory sustainability statement was issued on March 30, 2026.  
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 2025, except for the corporate governance report on pages 53-65 and the sustainability statement on pages 66-147. The annual accounts and consolidated accounts of the company are included on pages 32-214 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 December 31, 2025 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 December 31, 2025 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. Our opinions do not cover the corporate governance report or sustainability statement on pages 53-65 and 66-147, respectively. 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 recognizes ongoing construction projects over time, which means that revenue and expenses are recognized gradually in line with the contract progress. Revenue and profits are recognized 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 recognized 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 3 "Revenue".

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 1-31, 66-147 and 221-228. 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 2025 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 Board of Directors' 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**

*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 2025.

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.

*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.

*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.

*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 audit also encompasses an assessment of whether the group's statement of profit or loss, balance sheet, statement of changes in equity, cash flow statement, and the notes in the ESEF report have been tagged in iXBRL in accordance with the requirements set out in the ESEF regulation.

### **The auditor's examination of the Corporate Governance report**

It is the Board of Directors that is responsible for the corporate governance report for the year 2025 on pages 53-65 and that it has been prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance report. This means that our examination of the corporate governance report 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.

A corporate governance report 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.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of Peab AB by the general meeting of the shareholders on May 6, 2025 and has been the company's auditor since May 6, 2021.

Förlöv, March 30, 2026

Ernst & Young AB

**Jonas Svensson**

Authorized Public Accountant

## Auditor's limited assurance report on Peab AB's (publ) sustainability statement

To the General Meeting of the shareholders of Peab AB (publ) , corporate identity number 556061-4330

### Conclusion

We have conducted a limited assurance engagement of the sustainability statement prepared by Peab AB (publ) for the financial year 2025. The sustainability statement is included on pages 66-147 of this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects, prepared in accordance with the Swedish Annual Accounts Act, which includes:

- Whether the sustainability statement meets the requirements of ESRS;
- Whether the process carried out by the company to identify reported sustainability information has been conducted as described in the sustainability statement; and
- Compliance with the reporting requirements in Article 8 of the EU Taxonomy Regulation.

### Basis for Conclusion

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 – *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. Our responsibility under this recommendation is described in more detail in the section Auditor's responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Other information than the sustainability statement

This document also contains other information than the sustainability statement, found on pages 1-65, 148-214 and 221-228. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information, and we do not express any conclusion with assurance regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement 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.

### Other matter

The sustainability statement for the previous financial year 2024 has not been subject to a limited assurance engagement according to RevR 19 *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. Therefore, no limited assurance engagement of comparative figures in the sustainability statement for 2025 has been performed.

### Responsibilities of the Board of Directors and Managing Director

The Board of Directors, and the Managing Director, are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish

Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion whether the sustainability statement is prepared in accordance with Chapter 6, Sections 12–12 f of the Swedish Annual Accounts Act based on our limited assurance engagement. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement, and manage a quality management system including guidelines or procedures regarding compliance with ethical requirements, standards of professional practice, and applicable laws and regulations.

We are independent of Peab AB (publ) in accordance with professional ethics for accountants in Sweden and have

otherwise fulfilled our ethical responsibilities according to these requirements.

A limited assurance engagement involves performing procedures to obtain evidence to support the sustainability information. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

The review procedures primarily include:

Our review procedures regarding the sustainability statement included, but were not limited to the following:

- Through inquiries, obtaining a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement;
- Evaluating whether information identified as material through the process the company has undertaken to identify the content of the sustainability statement is also included;
- Evaluating whether the structure and presentation of the sustainability statement are consistent with the requirements of ESRS;
- Conducting inquiries with relevant personnel and analytical review procedures regarding selected disclosures in the sustainability statement; and

- Performing substantive review procedures of selected disclosures in the sustainability statements;
- Obtain, through inquiries and analytical review procedures, support for the methods used for preparing material estimates and forward-looking information and on how these methods were applied;

Our review procedures regarding the process the company have undertaken to identify sustainability information to report included, but were not limited to the following:

- Obtaining an understanding of the process by conducting inquiries to understand the sources of the information used by management (e.g., stakeholder dialogues, business plans, and strategy documents);
- Review the company's internal documents of its process; and
- Evaluate whether the information obtained from our review of the process implemented by the company is consistent with the description of the process of the sustainability report.

The review of the taxonomy disclosures included but was not limited to the following review procedures:

- Obtaining an understanding of the process for identifying economic activities that are covered by and are consistent with the EU Taxonomy and the corresponding disclosures in the sustainability statement;
- Conducting inquiries to relevant personnel and analytical review procedures on the taxonomy disclosures;
- Conducting inquiries to understand the sources of the information used in the taxonomy disclosures;
- Evaluating whether the presentation of the taxonomy disclosures is consistent with the requirements of the EU Taxonomy Regulation; and
- Performing substantive review procedures of selected disclosures in the sustainability statement regarding the EU Taxonomy.

### **Inherent limitations**

In reporting forward-looking information in accordance with ESRS, the Board and management of Peab AB (publ) must prepare forward-looking information based on specified assumptions about events that may occur in the future and possible future activities of Peab AB (publ). Actual outcomes are likely to differ as expected events often do not occur as anticipated.

Förslöv, March 30, 2026

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 2025 the total market capital of Peab was SEK 25.3 billion (23.4).

## Trading in the Peab share

On December 30, 2025 the last trading day of the year the closing price of the Peab B share was SEK 85.35 (79.20), which was a 8 percent increase during the year. The Swedish Stock Exchange, measured by the Affärsvärlden Index, increased in 2025 by 8 percent. In 2025, the Peab B share was quoted at a maximum of SEK 85.85 (87.70) and a minimum of SEK 64.95 (45.12). During 2025 about 74 million B shares (95) were traded, which was equivalent to 299,000 B shares per trading day (378,000) and a turnover rate of 26 percent (35).

## Total return

The total return on the Peab share in 2025 amounted to 11.24 percent, to be compared to the SIX Return index of 12.67 percent. In the five-year period January 1, 2021 to December 31, 2025 the total return on Peab's B share amounted to 20.79 percent, to be compared to the SIX Return Index of 56.87 percent during the same period.

## Shares and share capital

The total number of shares at the beginning of 2025 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 2025 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

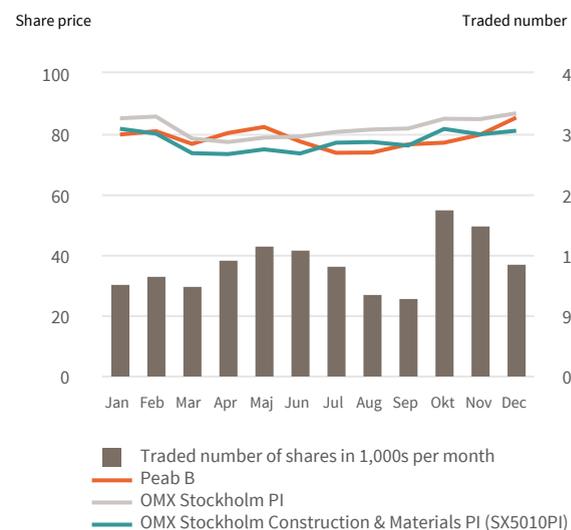
At the beginning of 2025 Peab's own B shareholding was 8,597,984 which corresponds to 2.9 percent of the total number of shares. During 2025, Peab has repurchased 5,520,000 of its own shares through the existing repurchasing program.

## Dividend

For 2025 a dividend of SEK 3.30 per share (2.75) is proposed. The record date of the first payment of SEK 1.80 per share will be May 4, 2026. The record date of the second payment of SEK 1.50 per share will be October 30, 2026. If the proposal is adopted by the AGM, the dividends will be sent from Euroclear Sweden on May 7, 2026 and November 4, 2026, respectively. Excluding the 14,117,984 shares held by Peab AB as of December 31, 2025 which do not entitle to a dividend, the proposed dividend entails a total dividend amount of SEK 930 million (788). Calculated as a share of recognized Group profit after tax according to segment reporting the proposed dividend amounts to 70 percent (38).

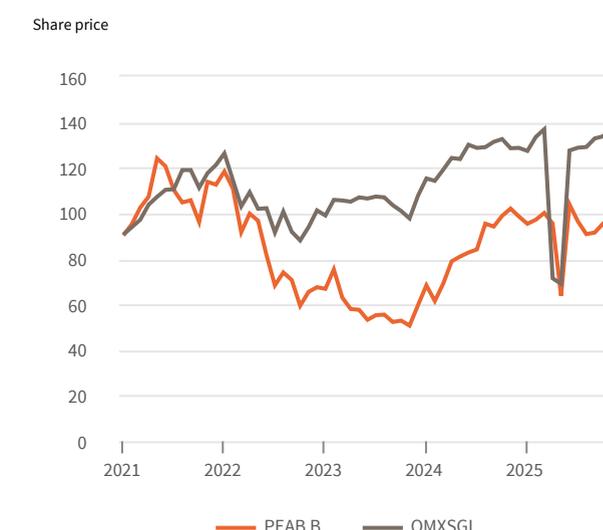
## Price trend of the Peab share

January 1 – December 31, 2025



## Total return

January 1, 2021 – December 31, 2025



## Key ratios per share

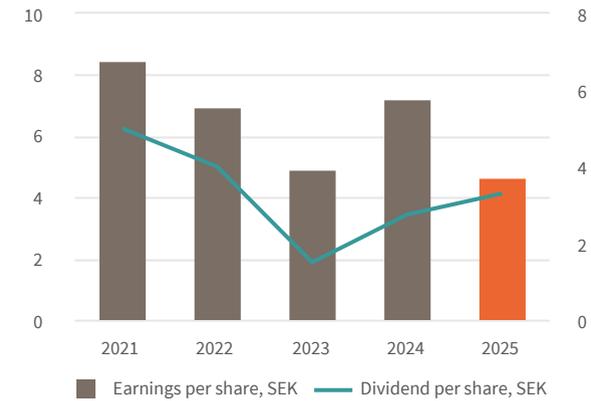
	2025	2024
<b>Segment reporting</b>		
Earnings, SEK	4.66	7.25
Equity, SEK	59.18	58.23
Cash flow before financing, SEK	14.38	9.05
<b>Reporting according to IFRS</b>		
Earnings, SEK	4.74	8.32
Equity, SEK	58.34	57.34
Cash flow before financing, SEK	17.09	23.46
Share price at year-end, SEK	85.35	79.20
Share price/equity, %	146	138
Dividend, SEK <sup>1)</sup>	3.30	2.75
Direct return, % <sup>2)</sup>	3.9	3.5
P/E-ratio <sup>2)</sup>	18	10

<sup>1)</sup> For 2025, Board of Directors' proposal to the AGM.

<sup>2)</sup> Based on closing price at year-end.

## Earnings and dividend per share, SEK

### Segment reporting

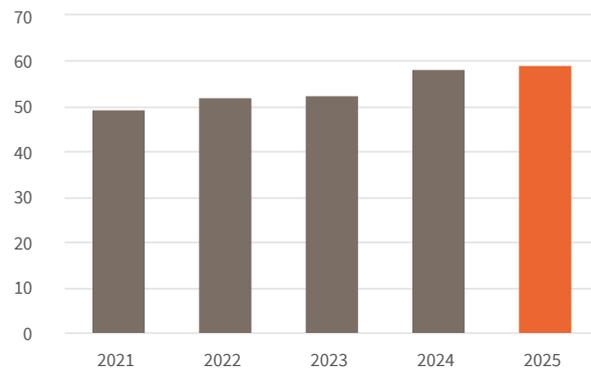


## Dividend and direct return



## Equity per share, SEK

### Segment reporting



### List of shareholders per 2025-12-31

	A shares	B shares	Total number of shares	Proportion of capital	Proportion of votes
Ekhaga Utveckling AB	24,781,033	39,962,790	64,743,823	23.0 %	48.7 %
Mats & Fredrik Paulsson with families	5,680,429	10,250,425	15,930,854	5.7 %	11.3 %
Peab's Profit-Sharing Foundation		14,267,300	14,267,300	5.1 %	2.4 %
AB Axel Granlund		12,800,000	12,800,000	4.5 %	2.2 %
Vanguard		6,676,053	6,676,053	2.4 %	1.1 %
Mats Paulsson Foundations	3,555,731	2,677,500	6,233,231	2.2 %	6.5 %
Dimensional Fund Advisors		5,933,375	5,933,375	2.1 %	1.0 %
American Century Investment Management		5,601,845	5,601,845	2.0 %	0.9 %
Cicero Fonder		4,199,937	4,199,937	1.5 %	0.7 %
Futur Pension		3,602,957	3,602,957	1.3 %	0.6 %
Norges Bank Investment Management		3,343,359	3,343,359	1.2 %	0.6 %
Handelsbanken Fonder		3,298,337	3,298,337	1.2 %	0.6 %
BlackRock		3,169,110	3,169,110	1.1 %	0.5 %
Avanza Pension		3,082,833	3,082,833	1.1 %	0.5 %
Nordea Funds		2,888,565	2,888,565	1.0 %	0.5 %
Other shareholders	302,764	125,857,403	126,160,167	44.6 %	21.9 %
<b>Number of outstanding shares</b>	<b>34,319,957</b>	<b>247,611,789</b>	<b>281,931,746</b>	<b>100.0 %</b>	<b>100.0 %</b>
Peab AB		14,117,984	14,117,984		
<b>Number of registered shares</b>	<b>34,319,957</b>	<b>261,729,773</b>	<b>296,049,730</b>		

### Allocation of shareholdings per 2025-12-31

Number of shares	Number of shareholders	Proportion of capital, %	Proportion of votes, %
1-500	40,448	2.0	1.0
501- 1 000	7,007	2.0	0.9
1 001- 5 000	8,448	6.9	3.3
5 000- 10 000	1,373	3.6	1.7
10 001- 20 000	642	3.3	1.6
20 001- 50 000	342	3.8	1.8
50 001-	219	78.4	89.7
	<b>58,479</b>	<b>100.0</b>	<b>100.0</b>

### Shares and votes per share class 2025-12-31

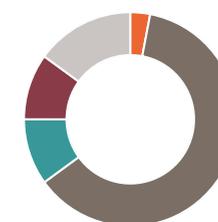
Share class	Number	Number of votes	Proportion of capital, %	Proportion of votes, %
A	34,319,957	10	11.6	56.7
B	261,729,773	1	88.4	43.3
<b>Total</b>	<b>296,049,730</b>		<b>100.0</b>	<b>100.0</b>

Proportion of capital per 2025-12-31



- Financial companies and funds, 6 %
- Other Swedish legal entities, 38 %
- Interest organizations, 9 %
- Foreign shareholders, 21 %
- Swedish private persons, 26 %

Proportion of votes per 2025-12-31



- Financial companies and funds, 3 %
- Other Swedish legal entities, 62 %
- Interest organizations, 10 %
- Foreign shareholders, 10 %
- Swedish private persons, 15 %

# Five-year overview

Group, MSEK	2025	2024	2023	2022	2021
<b>Income statement items, segment reporting</b>					
Net sales	58,589	58,697	58,821	63,135	60,026
Operating profit	2,626	2,763	1,853	2,741	3,098
Pre-tax profit	1,674	2,425	1,895	2,670	3,076
Profit for the year	1,342	2,080	1,414	2,037	2,507
<b>Income statement items, IFRS</b>					
Net sales	58,581	61,283	61,600	61,933	58,923
Operating profit	2,693	3,163	2,586	2,557	2,975
Pre-tax profit	1,695	2,780	2,586	2,440	2,902
Profit for the year	1,363	2,388	1,988	1,831	2,377
<b>Balance sheet items, segment reporting</b>					
Fixed assets, not interest-bearing	11,452	13,159	13,789	13,611	12,620
Fixed assets, interest-bearing	503	516	1,293	1,233	1,208
Current assets, not interest-bearing	27,352	28,946	26,625	26,486	23,209
Current assets, interest-bearing	3,165	2,605	2,588	1,890	3,293
<b>Total assets</b>	<b>42,472</b>	<b>45,226</b>	<b>44,295</b>	<b>43,220</b>	<b>40,330</b>
Equity	16,716	16,760	15,082	14,978	14,656
Long-term liabilities, not interest-bearing	2,146	2,288	2,688	2,038	1,950
Long-term liabilities, interest-bearing	4,801	4,962	6,082	6,236	3,865
Current liabilities, not interest-bearing	13,542	13,939	13,968	16,182	16,819
Current liabilities, interest-bearing	5,267	7,277	6,475	3,786	3,040
<b>Total equity and liabilities</b>	<b>42,472</b>	<b>45,226</b>	<b>44,295</b>	<b>43,220</b>	<b>40,330</b>
<b>Balance sheet items, IFRS</b>					
Fixed assets, not interest-bearing	12,567	14,376	15,137	15,122	14,163
Fixed assets, interest-bearing	503	516	1,293	1,233	1,208
Current assets, not interest-bearing	28,308	30,271	30,158	32,766	28,506
Current assets, interest-bearing	3,165	2,605	2,588	1,890	3,293
<b>Total assets</b>	<b>44,543</b>	<b>47,768</b>	<b>49,176</b>	<b>51,011</b>	<b>47,170</b>
Equity	16,479	16,504	14,470	13,786	13,682
Long-term liabilities, not interest-bearing	2,054	2,201	2,628	1,990	1,906
Long-term liabilities, interest-bearing	5,858	6,147	7,239	8,105	5,627
Current liabilities, not interest-bearing	14,373	14,689	13,660	15,431	16,566
Current liabilities, interest-bearing	5,779	8,227	11,179	11,699	9,389
<b>Total equity and liabilities</b>	<b>44,543</b>	<b>47,768</b>	<b>49,176</b>	<b>51,011</b>	<b>47,170</b>

Group, MSEK	2025	2024	2023	2022	2021
<b>Key ratios, segment reporting</b>					
Operating margin, percent	4.5	4.7	3.2	4.3	5.2
Equity, average during the year	16,217	15,595	14,945	14,532	13,569
Equity attributable to shareholders in parent company, average during the year	16,192	15,570	14,927	14,524	13,568
Return on equity, percent	8.3	13.3	9.5	14.0	18.5
Capital employed, at year-end	26,784	28,999	27,639	25,000	21,561
Capital employed, average during the year	27,063	28,244	28,007	23,373	20,445
Return on capital employed, percent	10.2	10.7	8.7	12.2	15.6
Equity/assets ratio, percent	39.4	37.1	34.0	34.7	36.3
Net debt	6,400	9,118	8,676	6,899	2,404
Net debt/equity ratio, multiple	0.4	0.5	0.6	0.5	0.2
Interest coverage ratio, multiple	4.5	4.7	4.1	14.1	24.3
<b>Key ratios, IFRS</b>					
Operating margin, percent	4.6	5.2	4.2	4.1	5.0
Equity, average during the year	15,947	15,242	14,077	13,391	12,598
Equity attributable to shareholders in parent company, average during the year	15,922	15,217	14,060	13,384	12,597
Return on equity, percent	8.5	15.7	14.1	13.7	18.9
Capital employed, at year-end 5	28,116	30,878	32,888	33,590	28,698
Capital employed, average during the year	28,756	31,596	34,742	31,704	26,602
Return on capital employed, percent	9.9	10.8	9.1	8.4	11.5
Equity/assets ratio, percent	37.0	34.6	29.4	27.0	29.0
Net debt	7,969	11,253	14,537	16,681	10,515
Net debt/equity ratio, multiple	0.5	0.7	1.0	1.2	0.8
Interest coverage ratio, multiple	3.7	3.8	3.5	6.7	11.9
<b>Capital expenditures, IFRS</b>					
Goodwill	-91	48	-22	198	64
Other intangible assets	-5	11	54	97	131
Investment property	—	-2	5	2	-74
Buildings and land	232	324	500	451	291
Machinery and equipment	1,097	667	1,165	1,781	1,353
Shares and participations	-1,445	-418	185	10	297
Project and development properties , segment reporting	-483	2,471	1,608	2,268	1,067
Project and development properties, IFRS	-829	320	-1,096	2,945	2,202

Group, MSEK	2025	2024	2023	2022	2021
<b>Orders<sup>1)</sup></b>					
Orders received	54,927	56,510	45,108	53,259	55,848
Order backlog	48,544	44,906	39,060	44,389	45,318
<b>Personnel</b>					
Number of employees, at year-end	12,962	13,383	14,107	15,040	14,895
Average number of employees	12,377	12,899	13,808	14,211	14,907 <sup>2)</sup>
<b>Data per share, segment reporting</b>					
Earnings before and after dilution, SEK	4.66	7.25	4.92	6.98	8.50
Cash flow, SEK	14.38	9.05	-4.58	-6.69	10.31
Equity, SEK	59.18	58.23	52.41	52.05	49.68
<b>Data per share, IFRS</b>					
Earnings before and after dilution, SEK	4.74	8.32	6.92	6.27	8.06
Cash flow, SEK	17.09	23.46	9.24	-10.81	3.57
Equity, SEK	58.34	57.34	50.28	47.90	46.38
Share price at year-end, SEK	85.35	79.20	57.10	59.10	114.20
Dividend, SEK <sup>3)</sup>	3.30	2.75	1.50	4.00	5.00
Number of shares at year-end, millions	282.1	287.5	287.5	287.5	295.0
Average number of outstanding shares, millions	286.4	287.5	287.5	292.2	295.0

<sup>1)</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>2)</sup> Not recalculated taking into account the new definition for calculating averages. For more information, see Alternative performance measures and definitions.

<sup>3)</sup> For 2025, 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-key-ratios](http://www.peab.com/alternative-key-ratios).

## 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 cash flow before financing 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 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 2019 unsold part of ongoing own housing development projects is included in net debt. Shows financial position per 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 profit as a percentage of net sales. Shows profitability in the business.

### 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 as these items are 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 of 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 likely are you to recommend your employer to others?"

### Fixed price

Contract work carried out for a fixed price that the contractor cannot alter, unless the client asks for changes in the scope of the contract or makes supplementary orders.

### LTI1 and LTIF1

LT11 refers to the number of workplace accidents resulting in more than one day absence of an employee, excluding the day of injury, and LTIF1 refers to the frequency per one million hours worked according to the same definition. LTI stands for Lost Time Injury.

### LTI4 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.

### Scope 1

Direct greenhouse gas emissions from sources that Peab controls itself, for example the combustion of fuel in its own vehicles and machinery.

### Scope 2

Indirect emissions from the production of the energy Peab purchases, such as electricity, district heating or district cooling.

### Scope 3

All remaining indirect emissions in the value chain, both upstream and downstream, such as emissions from purchased materials, transportation, waste, business travel and employee commuting.

### 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 2026 will be held on Wednesday, April 29, 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 Tuesday, April 21, 2026, and
- submit their registration no later than Thursday, April 23, 2026

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 Tuesday, April 21, 2026, and submit their postal vote no later than Thursday, April 23, 2026, 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), Annual General Meeting, 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://www.euroclear.com/sweden/generalmeetings/>, using Swedish BankID for verification. Postal votes must be received by Euroclear Sweden no later than Thursday, April 23, 2026.

## 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, March 26, 2026, and in the Post- och Inrikes Tidningar on Friday, March 27, 2026.

# 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, Margretetorp svägen 84, SE-269 73 Förslöv or Tel +46 431-890 00.

## Follow Peab quarter by quarter

When Peab publishes our interim 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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## Annual calendar 2026

Interim report January - March 2026	April 29, 2026
Annual General Meeting	April 29, 2026
Interim report January - June 2026	July 14, 2026
Interim report January - September 2026	October 28, 2026
Year-end report January - December 2026	February 3, 2027
Annual and Sustainability Report 2026	April 2027

## Analysts who follow Peab

Company	Name	Email
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