



# Green Finance Framework

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# Contents

<b>Peab – the Nordic community builder</b>	<b>3</b>
Peab’s sustainability work	4
Environment & climate	4
Leader in social responsibility	6
Governance	8
Supporting standards, & frameworks - sustainability disclosures	9
<b>Green Finance Framework</b>	<b>10</b>
Rationale for Green Financing	10
Use of Proceeds	11
Process for Asset Evaluation and Selection	15
Management of Proceeds	16
Reporting	16
External Review	17

## Peab – the Nordic community builder

Peab AB (“Peab” or the “Company”) is the *Nordic community builder* with its business founded on four business areas: *construction, civil engineering, industry and project development*. Each business area is independent with its own customer base, but the core of the business model is collaboration on the local market between the business areas. This collaboration provides Peab with unique opportunities with strategic assets, own resources and good control over the entire value chain to meet customers’ needs and external expectations. This naturally entails Peab’s sustainable offer in the form of the Company’s ECO-products, recycling and reuse as well as local social responsibility in the communities the Company operates in. Peab’s four business areas:

- *Construction* includes everything from new production of housing, public and commercial premises to renovations, extensions and rebuilding as well as offering construction maintenance. Net sales 2023: SEK 27.8 billion
- *Civil Engineering* builds and maintains infrastructure such as roads, highways, street networks, tend parks, outdoor property, railroads, bridges, ports as well as pedestrian and bicycle paths. Net sales 2023: SEK 15.2 billion
- *Industry* delivers products and services for a more sustainable and cost-efficient production of construction and civil engineering projects. Its offer includes industrial construction, strategically placed quarries, asphalt and concrete, recycling of surplus from the construction and civil engineering industry, prefabricated concrete elements as well as rental of construction equipment and cranes. Net sales 2023: SEK 20.0 billion
- *Project Development* is responsible for the acquisition, development, management and divestment of housing, commercial property,

community buildings and entire city boroughs. Net sales 2023: SEK 5.7 billion

At the end of 31 December 2023, Peab had ~14,000 employees in Sweden, Norway, Finland and Denmark. Total net sales amounted to SEK ~59 billion. The Company headquarters is located southern Sweden and the Peab share is listed on Nasdaq Stockholm.



### Peab’s sustainability work

For Peab sustainability entails running a business that takes responsibility for both its *own impact and the impact of the entire value chain* upstream and downstream, as well as working for the good community. Working sustainably is a strategic matter for the Company, integrated into the business model and operations.

Peab wants to take responsibility, for example by contributing to a more *climate-adapted use of material, healthy competition or safe and inclusive*

*workplaces*. The Company reports the performance of its business by monitoring external and internal targets which are categorized under four strategic target areas; *most satisfied customers, best workplace, most profitable company and leader in social responsibility*. All targets are measured compared to the construction and civil engineering industry.

## Environment & climate

### Environmental targets

Peab's most long-term target is to be *climate neutral no later than 2045*, which is aligned with the 1.5 degree target in the Paris Agreement. Targets up to 2030 are to reduce GHG intensity by at least 60% in own operations – Scope 1 and 2 – (base year 2015), and by at least 50% in Scope 3 – (base year 2015).

Second target is to be *completely resource efficient by 2040* by optimizing material use, reducing waste and promoting biodiversity.

Third target is to *phase out environmentally and health hazardous products no later than 2030* to protect people and the environment from toxic exposure in both production and usage.

### Climate neutrality - focus on reducing emissions

Peab's operations primarily cause GHG emissions by using production *materials* like concrete, steel and asphalt. Two other large sources of GHG emissions in operations are *energy use* and *transportation*. Therefore, emission reduction activities are centred on these areas.

Emissions related to *materials* is the largest source of GHG emissions in Peab's operations. Thus, focus is on the design and choice of material along with recycling and reuse. Peab's *ECO-products* are essential to this endeavour. For example, Peab produces *Merit*, a binder based on slag which is a by-product from the steel industry. Merit can replace parts of the cement in concrete and thereby lower GHG emissions by up to 50%

compared to conventional concrete as well as reduce virgin limestone excavation.

To reduce *energy use*, Peab focuses on energy efficiency improvements. The work with *ECO-Asphalt* is an example of how Peab can save energy and use renewable energy sources in own production. ECO-Asphalt is produced with carbon neutral biofuel which halves climate impact without affecting the end product's properties.

When it comes to *transportation*, Peab has continued to work on replacing fossil fuels with *renewable energy* for its vehicles and machines. The Company also strives to use the right kind of transportation for the right place, optimize logistics and handle excavation soil efficiently.

### Resource efficiency & promoting biodiversity

Peab works to reduce the climate impact of waste based on *waste hierarchy*. This means that the Company, first and foremost, strives to minimize the amount of waste generated and secondly steer the waste created to reuse or material recycling. The focus is on achieving *circular flows*. For example, *ECO-Ballast* (ECO-Mineral aggregates) is a concept that Peab offers which is made of recycled raw material that can stem from construction or civil engineering projects or by-products from industrial processes. Another example are so-called *Construction & Demolition (C&D) Recycling Wash Plants* where Peab contributes to circular material flows by upgrading surplus excavation soil into new products. This reduces the amount of surplus excavation soil that becomes landfill by up to 80%.

Further, Peab fosters *biodiversity* by developing *green and blue infrastructure* like fish passes and fauna passageways. Normally before Peab opens a quarry, a *natural value assessment* is conducted to determine, with the help of experts, if the location is suitable and identify any possible protection measures. In some cases, *biodiversity plans* are

presented in connection with new quarry permits in order to identify the best way to protect and even benefit various species.

### **Phasing out environmental & health hazardous products**

To phase out environmentally and health hazardous products Peab uses *environmental assessment systems* such as Byggvarubedömningen and Basta to help choose products. Peab develops methods and systems to steer purchasing towards better product selection by, for instance, integrating information on environmental assessments and ecolabelling into the purchasing processes. In addition, the Company has implemented a *substitution staircase* and defined the criteria which inform the phasing out process, the so-called *Peab criteria*.

### **Selected environmental-related highlights**

- Peab built the world's first building containing *fossil free produced steel* from SSAB. It is a more than 6,000 m<sup>2</sup> industrial building in Lund where sections of the facade panels are made from fossil free steel
- First company in Sweden to only use *electric machines* to pave asphalt with in a project
- On eight different stretches in the Nordic area, Peab has test paved *asphalt with the natural binder in wood lignin*, made from residual products from the forest industry
- Peab has been active in developing an industry standard for *measuring waste*, including definitions and calculations of key ratios, which was launched in 2023
- Peab participated in an industry-wide project initiated by Ecogain aimed at producing a practical tool to evaluate the effects of measures taken to *support biodiversity* – the tool has been launched



## Leader in social responsibility

### Safe work environment

A safe work environment is crucial to Peab's business to advance towards a *zero accidents vision*. Peab's efforts related to the work environment is systematic and several parts of the operations are certified according to *ISO 45001*. In order to prevent accidents and incidents at workplaces Peab develops quality ensured and systematized working methods as well as continuously educates employees and partners. The Company holds scheduled *safety inspections* at its construction sites and implements remedies for identified shortcomings. Peab also *monitors the number of workplace accidents* with more than four days of absence.

### Ethics, diversity & respect for human rights

Peab upholds a *zero tolerance* policy against all forms of corruption. Peab actively engages in systematic anti-corruption efforts, particularly through educating employees about ethics, anti-corruption and competition law. Peab has an *Ethical Council* that ensures reports of mistreatment and discrimination are investigated by independent experts. This council includes a whistleblower mechanism as part of its ethical oversight.

The Company's approach to *human rights* and the right to organize underlines Peab's commitment to a work environment that is both safe and healthy, as well as inclusive and fair. By supporting these work environment principles and integrating them into processes and culture Peab contributes to strengthening human rights and labor laws.

As one of the largest Nordic community builders Peab wants to be a frontrunner in the industry in *increasing equality, diversity and inclusion*. One of the Company's nine external targets concerns equal opportunity recruitment and Peab has a *Diversity & Inclusion Manager* whose mission is to work strategically for greater equality, diversity and inclusion.



### Sustainable supply chain

Peab manages some 40,000 external suppliers annually. Thus, striving for a sustainable supply chain where business ethics, human rights and the environment are protected and respected is a cornerstone of the business. Peab's executive management is responsible for purchasing governance. An important part are the fundamental requirements set out in Peab's written agreements, such as a signing and complying with the *Suppliers Code of Conduct*. Peab's purchasing function is responsible for monitoring, screening and developing supplier partnerships. For example, the supplier base is controlled on a daily basis, primarily on financial parameters, and regular controls are made related to the *Code of Conduct*. Peab has identified a number of risk categories with a heightened risk for shortcomings regarding human rights, working conditions, environment and business ethics. Peab is dedicated to further quality-assuring the work on the supply chain, in particular *traceability*. Thus, Peab is developing work processes, measurement methods, dialogues with, and controls of, suppliers. Naturally this also includes issues related to human rights and the environment.

### Selected social highlights

- Peab is involved in the Swedish Construction Federation's member association *Maintain Zero* and is part of a team that works with *traffic safety*. Peab is also represented in Sweden's Trade Association for *Safer Roadwork Sites*
- Peab is engaged in the industry's work on a more secure ID06, the National Board of Housing, Building and Planning's initiative for a *safe project culture and healthy competition*
- In Sweden Peab is a partner in the *Joint Initiative Against Bribes and Corruption* which works to counteract bribes and corruption in the publicly funded construction and real estate sector
- Peab runs its own *vocational high schools* and currently there is a Peab School in Malmö, Gothenburg and Solna. Peab is the only major

construction and civil engineering company that runs its own schools completely focused on a vocational education aimed at the Company's core operations

- Peab started "The Construction Year" which is a *trainee program for young women* who want to try working for Peab in construction and civil engineering production



## Governance

### Governance structure

Peab's Board has given *the group management* the overriding responsibility to govern and monitor the sustainability work in the operations. The group management e.g., monitors sustainability work at every group management meeting and reviews special events. Peab's four *business area managers*, who all report to the CEO, are responsible together with the *COO, CSO and CCO* for ensuring that sustainability is an integrated part of business. They have *sustainability specialists* on group level and in the business areas as well as a *Sustainability Council* to aid them. The *Sustainability Council* acts to further supplement existing governance, promote target steering and is led by the CSO and COO.

### Governing documents

Peab's fundamental, internal governing document, the *Code of Conduct*, is based on the *UN Global Compact* principles including, *UN's human rights* and *ILO's core conventions*. Peab also follows *UN's Guiding Principles on Business and Human Rights (UNGP)* and *OECD's Guidelines for Multinational Enterprises*.

The Code of Conduct is complemented by four overriding policies; the *Environmental Policy, Quality Policy, Information Security Policy and Work Environment Policy*. These are then supplemented by a number of guidelines and supportive documents such as *Guidelines Regarding whistleblowing, Sanctions, Corruption and Competition Law*.

Further, Peab's *Suppliers Code of Conduct* explicitly defines the expectations of its partners and onsite audits are continuously conducted at prioritized suppliers.

## Selected governing documents

- Code of Conduct
- Environmental Policy
- Information Security Policy
- Quality Policy
- Suppliers Code of Conduct
- Work Environment Policy
- Whistle-blower function





# Supporting standards & frameworks - sustainability disclosures

- Global Reporting Initiative (GRI) – Peab’s sustainability report is prepared in accordance with the GRI Standards
- OECD’s Guidelines for Multinational Enterprises – Peab follows the guidelines
- Task Force on Climate-Related Financial Disclosures (TCFD) – Peab has started to implement the TCFD’s recommendations
- The EU Taxonomy – Peab reports according to the EU Taxonomy
- UN Global Compact – Peab is a signatory of UN Global Compact
- UN’s Guiding Principles on Business and Human Rights (UNGPR) – Peab follows the principles
- UN Sustainable Development Goals (SDGs) – Peab has identified nine prioritized UN SDGs:



## Green Finance Framework

### Rationale for Green Financing

Peab published its inaugural Green Finance Framework in July 2021. Since then, the Green bond market and sustainability related regulation have evolved and Peab aims to incorporate these market developments into its updated *Green Finance Framework* (“The Framework”). Thus, this Framework replaces the previous Framework published in 2021. With this updated Framework, which follows most recent market practice, Peab wants to continue to have a strong link between funding and its sustainability work. Thus, the green finance instruments arranged under this Framework aim to contribute to achieving Peab’s environmental targets.

The Framework has been developed in alignment with the *ICMA Green Bond Principles from 2021 (“GBP”<sup>1</sup>)* and the *LMA/LSTA/APLMA Green Loan Principles from 2023 (“GLP”<sup>2</sup>)*. The Framework follows the four core components of the principles including key recommendations of *external review*:

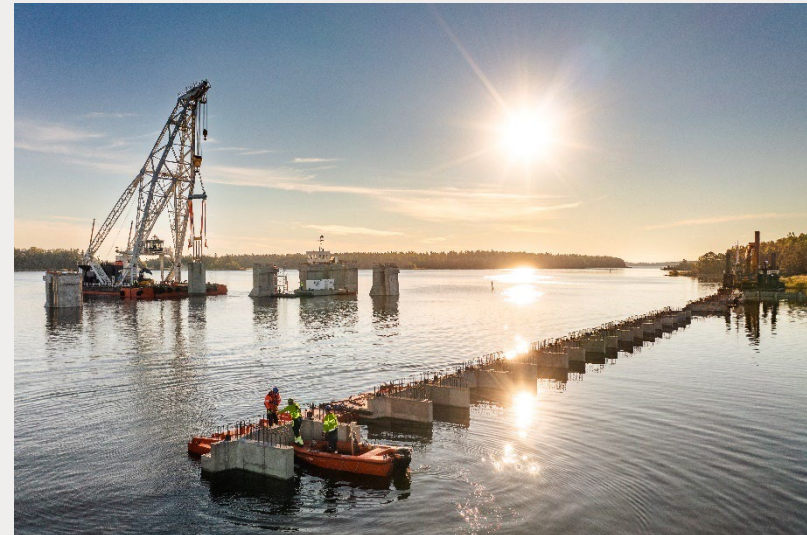
- Use of Proceeds
- Process for Asset Evaluation and Selection
- Management of Proceeds
- Reporting

The Framework is applicable for arrangement of green instruments such as *bonds, loans, revolving credit facilities and commercial papers* (collectively referred to as “Green Finance Instruments”). The terms and conditions of the underlying documentation for each Green Finance

Instrument arranged by Peab shall provide a reference to this Framework. This Framework may over time be updated. However, new versions shall have no implications for the Green Finance Instruments that have been arranged under this Framework.

Further, this Framework is applicable to the parent company and its subsidiaries. In case green eligible assets are owned by joint ventures or associated companies, the value of green eligible assets is to be adjusted for the share of capital owned by Peab.

Swedbank has acted as advisor to Peab in the establishment of this Framework.



<sup>1</sup> The Green Bond Principles (GBP) 2021 (with June 2022 Appendix 1)

<sup>2</sup> The Green Loan Principles (GLP) Feb 2023

## Use of Proceeds

### Allocation of net proceeds

An amount equivalent to the net proceeds from Peab's Green Finance Instruments shall be used to finance or re-finance, in whole or in part, a portfolio of assets ("Green Eligible Assets") in Peab's operating markets. Green Eligible Assets aim to contribute to sustainable community development and the ongoing climate transition, as well as comply with criteria detailed in the table on the following page.

Green Eligible Assets are both capital expenditures ("CapEx") (could either be reported directly in the income statement or capitalised on the balance sheet) and/or operational expenditures ("OpEx"). CapEx does not have any requirement for look-back period, while OpEx has a requirement of maximum three year look-back period from the time of issuance. Refinancing refers to Green Eligible Assets that have been financed prior the reporting year. New financing refers to Green Eligible Assets that have been financed during the reporting year.



## EU Taxonomy

Peab has taken into consideration the EU Taxonomy and thereby mapped applicable categories to the environmental objectives and to examples of economic activities under the EU Taxonomy. Where possible, applicable Eligibility Criteria have been designed to comply with the technical screening criteria set out in the EU Taxonomy Delegated Act as at the time of this Framework publication.

### Exclusions

The net proceeds of Peab's Green Finance Instruments will not be used to finance *fossil energy production, nuclear energy generation, weapons and defence industries, gambling, or tobacco.*



Green Eligible Asset categories under ICMA GBP UN SDGs	Eligibility Criteria under ICMA GBP	Relevant examples for Peab	EU Taxonomy: environmental objectives and examples of economic activities
<p><b>Green buildings</b></p>  	<p><u>New buildings (built after 31 December 2020)</u></p> <ul style="list-style-type: none"> <li>• Primary Energy Demand (PED) at least 20% lower than the threshold set for Nearly Zero-Energy Building (NZEB) according to national building regulations, and</li> <li>• Minimum environmental certification of Nordic Swan Ecolabel, Miljöbyggnad Silver, LEED Gold or BREEAM Excellent</li> <li>• Additional criteria for buildings larger than 5,000m<sup>2</sup>: <ul style="list-style-type: none"> <li>• The building undergoes testing for air-tightness and thermal integrity, upon completion; and</li> <li>• The life-cycle Global Warming Potential (GWP)<sup>3</sup> of the building resulting from the construction has been calculated for selected building parts and stages in the life cycle</li> </ul> </li> </ul> <p><u>Existing buildings (built before 31 December 2020)</u></p> <p>Buildings that either have or will receive:</p> <ul style="list-style-type: none"> <li>• Energy Performance Certificate (EPC) A or within top 15% of the national building stock expressed as operational PED and demonstrated by adequate evidence<sup>4</sup>, and</li> <li>• Minimum environmental certification of Nordic Swan Ecolabel or Miljöbyggnad Silver, LEED Gold or BREEAM Excellent</li> </ul> <p><u>Major renovations</u></p> <ul style="list-style-type: none"> <li>• Primary energy savings of at least 30% within maximum of three years and validated through an EPC upon completion of the renovation</li> </ul>	<ul style="list-style-type: none"> <li>• Project Villa Strå in Karlskoga is a new, modern nursing home with 80 apartments. The building will be certified according to Miljöbyggnad Silver and the Primary Energy Demand is to be 20% lower than NZEB.</li> <li>• Brf Origo is a tenant-owner association (Sw. “Bostadsrättsförening”) in Helsingborg, with 79 apartments. It will be built according to the Nordic Swan Ecolabel criteria and the Primary energy Demand is to be 20% lower than NZEB. The area has good public transportation alternatives, with walking distance to the train. There will be bicycle parking and a bicycle service station. Electric charging stations will be installed to facilitate the use of electrical cars. The buildings are supplied with eco-labeled electricity from renewable sources.</li> </ul>	<p>Climate change mitigation</p> <p>7.1. Construction of new buildings</p> <p>7.2. Renovation of existing buildings</p> <p>7.7. Acquisition and ownership of buildings</p>

<sup>3</sup> Subject to implementation by national authorities in Peab’s operating markets.

<sup>4</sup> Top 15% PED applicable under this Framework will be updated continuously. Peab will reference an external benchmark when determining the top 15% such as guidance by national governments or a specialist study.

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



Expenditures related to eco-efficient production processes or to the development, production and use of ECO-products with significant reduced environmental impact compared to standard production processes/products. Below ECO-Products are included:

- ECO-Asfalt (i.e. at least 60% lower CO2 emissions vs. benchmark for asphalt industry.<sup>5</sup>)
- ECO-Betong (i.e. meet the requirements for climate-improved concrete acc. to the Swedish Concrete Association's (Svensk Betong)'s standard<sup>6</sup> - at least 10% lower CO2 emissions vs. traditional concrete)
- ECO-Prefab (i.e. climate-improved concrete is a component in producing ECO-Prefab which generates a lower climate impact than prefab products produced with standard concrete)
- ECO-Stomme (i.e. climate-improved concrete is a component in producing ECO-Stomme which generates a lower climate impact than prefab products produced with standard concrete)
- ECO-Ballast (i.e. 100% recycled material)
- Merit (i.e. slag-based binder used to replace cement in concrete and has a lower climate impact than traditional cement. The manufacture of one ton Merit generates the climate impact equal to 3-6% of that generated in the manufacture of one ton of cement)

- The use of biofuel for drying and heating the gravel material in the manufacturing of Peab's ECO-Asfalt, which is the process that requires the most energy, reduces carbon dioxide emissions significantly compared to traditionally produced asphalt
- In ECO-Betong part of the cement is replaced with slag, a by-product in steel manufacturing. This reduces both carbon dioxide emissions from manufacturing and saves the extraction of virgin limestone. Peab has invested in a factory for producing our own binder Merit, which is made from slag from SSAB

Climate change mitigation  
 3.6. Manufacture of other low-carbon technologies  
 3.7. Manufacture of cement

**Clean transportation**



Expenditures related to zero-emission or low-emission transport solutions including:

- Zero-emission vehicles<sup>7</sup> (e.g. electric)
- Supportive infrastructure e.g. electric charging stations

- Exchange of passenger vehicles and light commercial vehicles into zero emission alternatives
- Installation of electric charging stations, which supports the use of electrical vehicles
- Making non-fossil fuel available to more construction sites by providing mobile tanks

Climate change mitigation  
 6.5. Transport by motorbikes, passenger cars and light commercial vehicles  
 6.15. Infrastructure enabling low-carbon road transport and public transport

<sup>5</sup> In line with the Swedish Transport Administration's calculation model

<sup>6</sup> Swedish Concrete Association, "Vägledning Klimatförbättrad betong", (2022) at <https://www.svenskbetong.se/component/edocman/?task=document.viewdoc&id=60&Itemid=>

<sup>7</sup> Vehicles including but not limited to passenger cars, light commercial vehicles, heavy commercial vehicles and construction equipment

## Pollution prevention & control



Expenditures related to construction, upgrade, and operation of facilities for the sorting or recovery of non-hazardous waste streams into high quality secondary raw materials using a mechanical transformation process, covering the following main technical components:

- Origin of feedstock material
- Material recovery
- Proper management of waste
- Quality of secondary raw materials

- Our C&D Recycling Wash Plants contribute to circular material flows by efficiently recycling surplus excavated soil from excavations and infrastructure projects. The amount of surplus excavated soil that becomes landfill, can be reduced by 80%

Transition to a circular economy  
2.7. Sorting and material recovery of non-hazardous waste

## Sustainable water and wastewater management



Expenditures related to reduced water use and reduced emission of polluted wastewater, including:

- Wastewater treatment facilities
- Machinery and equipment related to reduced water use or wastewater treatment
- Research and development

- Installation of solution for cleaning water from concrete trucks, which makes it possible to reuse the water in concrete production
- Cleaning solution for purification of drainage water from construction sites

Sustainable use and protection of water and marine resources



## Process for Asset Evaluation and Selection

### Selection of Green Eligible Assets

The evaluation and selection process is key to ensure that an amount equivalent to the net proceeds from Green Finance Instruments are allocated to Green Eligible Assets which meet the Eligibility Criteria as set out in the Framework.

### The Green Finance Committee

Peab's *Green Finance Committee ("GFC")* is responsible for the evaluation and selection of Green Eligible Assets. Members of the GFC consist of CFO, Head of Finance, and Head of Environment. The GFC will convene at least annually.

The evaluation and selection process has the following steps:

- As starting point, Peab follows its normal risk management process to ensure compliance to Peab's internal governing documents and to identify and manage any perceived environmental and social risks associated with the Green Eligible Assets. Peab's annual process includes reviewing risk registers and monitoring implementation of risk reducing measures. At the end of every year Peab's largest risks and the measures taken to eliminate or limit them are compiled into a report that is the basis for group management's risk analysis which is presented to the Board. Thus, Green Eligible Assets under this Framework is covered by Peab's overarching risk management process
- As next step, a working group, including environmental as well as financial competencies, will review the pool of Green Eligible Assets, as a base for decision in the GFC
- Approved Green Eligible Assets will be included in Peab's internal tracking spreadsheet

Additional responsibilities of the GFC includes:

- Reviewing the eligibility of underlying assets and expenditures on a regular basis (at least annually) to ensure there is sufficient volume of Green Eligible Assets in the internal tracking spreadsheet
- Reviewing the Framework and updating it to reflect changes in business strategy, market, or regulatory developments on a best-effort basis
- Overseeing, approving and publishing the Investor Report. Peab may rely on external consultants and their data sources, in addition to its own assessments
- Updating external documents such as the Second Party Opinion (SPO) and related documents from external consultants and accountants in connection with material updates to this Framework



## Management of proceeds

### Tracking of net proceeds

Equivalent to the net proceeds from Peab's Green Finance Instruments will be tracked by using an internal tracking spreadsheet where all arranged amounts of Green Finance Instruments will be inserted. The information available in the spreadsheet will in turn serve as basis for regular reporting (see section "Reporting") and will be verified by an independent third party (see section "External review").

All Green Finance Instruments arranged by Peab will be managed on a *portfolio level*. This means that a Green Finance Instrument will not be linked directly to one (or more) pre-determined Green Eligible Assets.

The internal tracking spreadsheet of Green Eligible Assets will be monitored at least annually by the Finance Department to ensure there are sufficient volume of Green Eligible Assets in the portfolio. The spreadsheet can be updated as needed by adding Green Eligible Assets or removing Green Eligible Assets that are divested or ceases to comply with the requirements set out in the Framework.

### Allocation period

Peab will commit to, on a best-effort basis, allocating the net proceeds from the Green Finance Instruments to Green Eligible Assets within 12 months from the arrangement date of each Green Finance Instrument.

### Temporary holdings

Any unallocated proceeds will be temporary held by Peab and placed on the Company's ordinary bank account.

## Reporting

To be fully transparent towards investors and other stakeholders, Peab will publish an *Investor Report*. The report will include an allocation report and an impact report and will be published on an annual basis until full allocation and in the event of any material developments, as long as there are Green Finance Instruments outstanding. The Investor Report will be made available on Peab's website at [peab.se](http://peab.se) together with this Framework.

### Allocation reporting

- Total amount of Green Finance Instruments outstanding
- Breakdown by Green Finance Instrument category and Green Eligible Asset category
- Share of proceeds used for new financing/refinancing
- Share of unallocated proceeds (if any)
- List of underlying Green Eligible Assets if not of confidential nature
- On a best effort basis, information on EU Taxonomy alignment (%) of the underlying Green Eligible Assets

### Impact reporting

Peab aims to report on the environmental impact of Green Eligible Assets financed by Green Finance Instruments. The information may be provided on an aggregated portfolio basis because of confidentiality agreements, or numerous Green Eligible Assets limiting the amount of detail that can be made available. The impact assessment is provided with the reservation that not all related data can be covered and that calculations therefore will be on a best effort basis. Examples of impact indicators include:



Green Eligible Asset categories under ICMA GBP	Example of impact indicator
<b>Green buildings</b>	<p><u>Primary indicators</u></p> <ul style="list-style-type: none"> <li>• Energy avoided below national building standards (kWh/m<sup>2</sup>, or %) (new buildings)</li> <li>• Estimated avoided/reduced annual GHG emissions (tCO<sub>2</sub>e)</li> </ul> <p><u>Secondary indicators</u></p> <ul style="list-style-type: none"> <li>• Environmental certification level</li> <li>• Energy use/Primary Energy Use (kWh/m<sup>2</sup>/year)</li> </ul>
<b>Eco-efficient and/or circular economy adapted products, production technologies and processes</b>	<ul style="list-style-type: none"> <li>• Estimated avoided/reduced annual GHG emissions (tCO<sub>2</sub>e)</li> <li>• Share of ECO products of total production (%)</li> <li>• Energy savings attributable to the investments (MWh or GWh)</li> </ul>
<b>Clean transportation</b>	<ul style="list-style-type: none"> <li>• Estimated annual GHG emissions reduced/avoided (tCO<sub>2</sub>e)</li> <li>• Number of electric charging points installed</li> </ul>
<b>Pollution prevention &amp; control</b>	<ul style="list-style-type: none"> <li>• Number of tons processed in the facilities</li> <li>• Circular product rate (%)</li> </ul>
<b>Water &amp; wastewater management</b>	<ul style="list-style-type: none"> <li>• Annual volume of wastewater treated or avoided (m<sup>3</sup>)</li> </ul>

## External review

### Second Party Opinion

This Framework has been reviewed by Morningstar Sustainalytics who was asked to confirm the alignment with the ICMA GBP and LMA/LSTA/APLMA GLP. The independent Second Party Opinion will be available on Peab's website at [peab.com](http://peab.com) together with this Framework.

### Verification

The allocation reporting will be externally verified, by an auditor or another independent third party, to verify whether an amount equal to the net proceeds from Peab's Green Finance instruments have been allocated to Green Eligible Assets. This verification will take place annually until full allocation and in the event of any material developments. The verification report will be published on Peab's website at [peab.com](http://peab.com) together with the Investor Report.

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