

**Veidekke**

# Sustainability-Linked Financing Framework

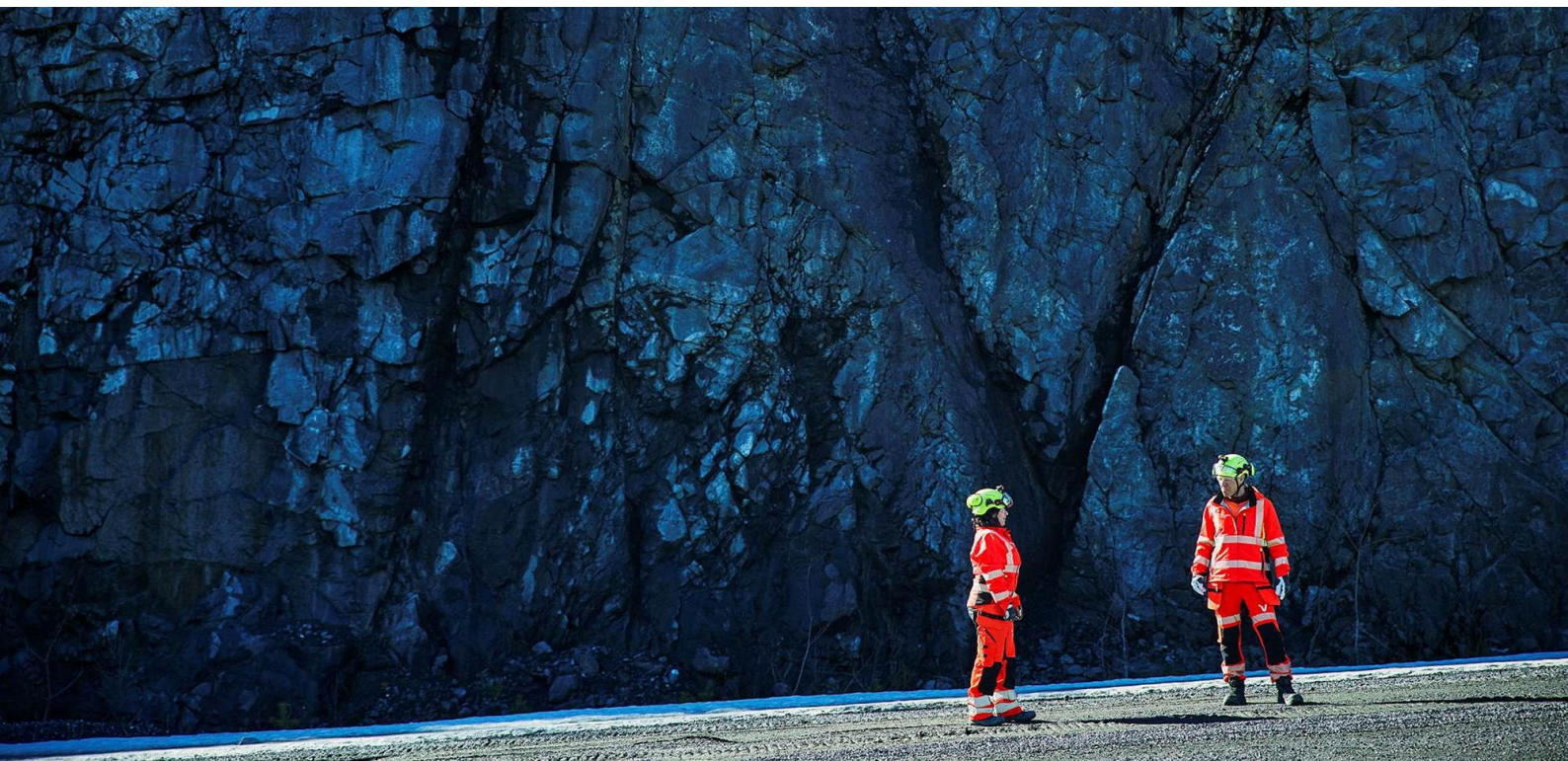
May 2025





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# Part 1: Introduction to Veidekke

## 1.1 About Veidekke

Veidekke is one of Scandinavia’s leading construction groups, with a solid market share across the region with a strong financial position, providing services related to construction, civil engineering, road maintenance and asphalt and aggregates. An organization into five business areas is intended to ensure proximity to the customer, good solutions and efficient project execution.

At Veidekke, value creation is driven by its people. Constructing schools, bridges, and tunnels is a collaborative effort, and the most effective teams are those that empower employees at all levels to take ownership of both planning and execution. With a workforce of nearly 8,000 employees—over half of whom are skilled workers—Veidekke operates across all major growth regions in Norway, Sweden, and Denmark. Headquartered in Oslo, Norway, the company is publicly listed on the Oslo Stock Exchange since 1986 and is committed to delivering competitive returns to its shareholders, with a target of distributing a minimum 70% of annual profits as dividends.

Veidekke undertakes numerous large-scale, multi-year projects where accurate cost estimation, effective management and risk mitigation are essential for commercial success. The company aims to engage with clients early in the planning phase, fostering close collaboration throughout the project lifecycle. This proactive approach enables Veidekke to deliver innovative, forward-thinking, and sustainable solutions that maximize long term values for both clients, end users and shareholders.

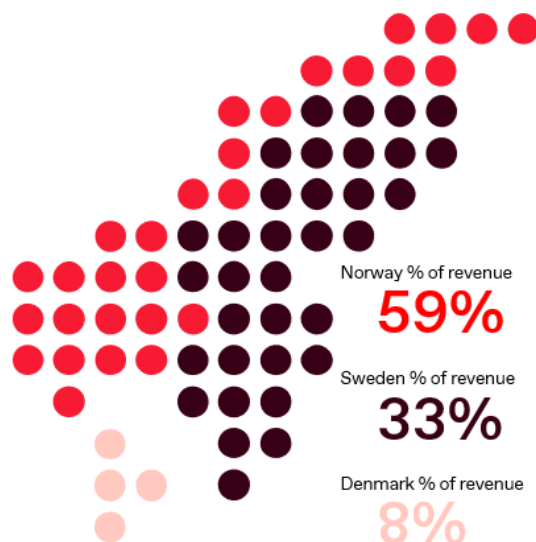
More information about the company is available at [About Veidekke](#).

## This is Veidekke

Norway’s largest and Scandinavia’s fourth-largest contractor

Employees  
**7 980**  
in three countries

Annual revenue  
**41**  
NOK billion



## 1.2 Sustainability at Veidekke

Veidekke is a driving force for the green shift by reducing the negative impact on the environment from our own business, and by helping our customers achieve their sustainability goals. We strive to reduce greenhouse gas (GHG) emissions from our own operations and from the entire construction value chain. In this goal, Veidekke and customers share common interests, and the group sees new market opportunities in being able to help customers achieve their climate goals. Through innovation, collaboration and selective investments, Veidekke supports climate and nature friendly solutions and develops cutting-edge expertise which is put to use in practical solutions that help customers cut their emissions.

Veidekke's commitment to sustainability goes beyond environmental issues to focus on the social impact of our operations. Most notably through a strong health and safety policy and securing workers' rights. Veidekke promotes compliance and reputability in the construction industry. All Veidekke staff and contractors should enjoy proper working conditions and a positive working environment in which individuals feel safe and respected.

### 1.2.1 Sustainability Strategy

Veidekke's sustainability strategy is anchored in its commitment to the Paris Agreement, with ambitious goals to achieve net-zero emissions by 2045 and significant interim targets for GHG emissions. To reach our goal of net-zero across the entire value chain by 2045, we have established an interim goal of 50.4% reduction in GHG emissions by 2030 for both direct operations (Scope 1 and 2) and value chain emissions (Scope 3) from a 2020 baseline. Veidekke also commits to reduce the FLAG<sup>1</sup> emissions with 30.3% by 2030 and 72% by 2045 from a 2020 baseline. These targets were validated by the Science Based Targets Initiative (SBTi) in 2025 and are a further strengthening of the targets validated in 2022. Our approach to reach our targets is outlined in part two of this Framework.

Recognized as a leader in sustainability among Oslo Stock Exchange-listed companies, Veidekke proactively addresses environmental challenges through innovative solutions and collaborative approaches. Notable efforts include incorporating low-carbon materials such as low-emission concrete and bio-based asphalt, and pioneering hydrogen-powered asphalt production.

Veidekke integrates circular economy principles into its operations, by focusing on inter alia material reuse and recycling in construction projects. Environmental certifications such as BREEAM and Nordic Ecolabel are embedded in our project execution to ensure compliance with high sustainability standards. Moreover, Veidekke actively addresses climate-related risks and biodiversity preservation, positioning ourselves as a forward-thinking and responsible player in the construction industry. By combining innovation, collaboration, and stringent environmental practices, we not only support the green transition, but also enhance long-term value creation for stakeholders.

### 1.2.2 Sustainable Development Goals and Double Materiality Analysis

Veidekke is committed to sustainability across key areas, aligning with crucial SDGs. The company promotes diversity and equality (SDG 5.5) by increasing women's representation in leadership and ensuring gender balance in recruitment. We prioritize workers' rights and safety (SDG 8.8) through risk assessments,


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<sup>1</sup> FLAG, which stands for Forest, Land and Agriculture, refers to emissions generated from land use change, agricultural practices and carbon removals within the land sector



compliance checks, and a strong safety culture. To address climate impact (SDG 13), Veidekke targets a 50.4% reduction in emissions by 2030 and net-zero by 2045, focusing on energy efficiency and sustainable materials. In biodiversity and habitats (SDG 15.2, 15.5), we enforce strict procurement policies to prevent deforestation and ecosystem degradation. Lastly, the Veidekke combats corruption (SDG 16.5) through risk assessments, training, and internal audits. Through these efforts, Veidekke drives responsible and sustainable business practices.

Veidekke has conducted a double materiality analysis in line with the Corporate Sustainability Reporting Directive (CSRD) to identify the most significant sustainability topics for the company and its stakeholders. This analysis assesses both Veidekke’s impact on sustainability issues and how sustainability issues affect the company financially. The assessment covers the entire value chain, including upstream suppliers and downstream operations. The findings highlight six key material themes. Veidekke’s materiality process followed a structured four-step methodology involving stakeholder engagement, risk and opportunity analysis, and financial impact assessments, ensuring alignment with the European Sustainability Reporting Standards (ESRS). The company commits to annually revising this analysis to reflect evolving sustainability challenges and business priorities.

<b>E</b> The environment and climate	<b>S</b> Social conditions	<b>G</b> Governance
<p><b>E1 Climate change</b></p> <ul style="list-style-type: none"> <li>Mitigating climate change</li> <li>Adaptation to climate change</li> <li>Energy</li> </ul> <p><b>E4 Biodiversity and ecosystems</b></p> <ul style="list-style-type: none"> <li>Direct drivers of biodiversity loss</li> <li>Impacts on ecosystems’ conditions and extent</li> <li>Impacts on and dependence on ecosystem services</li> </ul> <p><b>E5 Use of resources and circularity</b></p> <ul style="list-style-type: none"> <li>Resource provision and use of resources</li> <li>Resource contributions from products and services</li> <li>Waste</li> </ul>	<p><b>S1 Own employees</b></p> <ul style="list-style-type: none"> <li>Working conditions for own employees</li> <li>Equal treatment and equal opportunities for all own employees</li> </ul> <p><b>S2 Employees in the value chain</b></p> <ul style="list-style-type: none"> <li>Working conditions for employees in the value chain</li> <li>Other work-related rights in the value chain</li> </ul>	<p><b>G1 Business ethics</b></p> <ul style="list-style-type: none"> <li>Business culture</li> <li>Management of relationships with suppliers and payment practices</li> <li>Corruption and bribery</li> </ul>
<p>Important topics 2024 Materiality analysis in line with CSRD</p> 		



## PART 2: Sustainability-linked financing framework

By setting up this Framework, Veidekke intends to link its general corporate funding with key objectives that are material for our long-term sustainability performance. The objectives are based on our ambitious sustainability strategy and the sustainability targets verified by the SBTi.

Sustainability-Linked finance instruments issued under this Framework will follow the 2024 Sustainability-Linked Bond Principles<sup>2</sup> by the International Capital Markets Association (ICMA) and the 2023 Sustainability-Linked Loan Principles<sup>3</sup> published by the Loan Market Association (LMA) and their five core components:

- 1) Selection of Key Performance Indicators (KPIs)
- 2) Calibrations of sustainability Performance Targets (SPTs)
- 3) Financial characteristics
- 4) Reporting
- 5) Verification

### 2.1 Selection of Key Performance Indicators (KPIs)

#### 2.1.1 Rationale and relevance for selected KPIs

Veidekke performed the double materiality assessment in February 2024 and has based on this assessment, selected KPIs, which are core, relevant, and material to our business and all part of the corporate strategy. These KPIs contribute to the EU environmental objective of 'Climate Change Mitigation' as well as the UN SDG 13 'Climate Action' and SDG 8 'Decent work and Economic Growth'. The two KPIs related to climate change are in line with the SBTi validated targets to be consistent with reductions required to keep global warming to 1.5°C. The third KPI is aligned with Veidekke's occupational health and safety (OHS) targets and strategy of having zero serious injuries and a 20% annual reduction in total injuries.

#### 2.1.2 KPI 1: Reduction of absolute scope 1 and 2 GHG emissions in alignment with SBTi targets

**Definition:** means the percentual reduction of the aggregate direct and indirect Scope 1 and 2 GHG emissions (calculated as tCO<sub>2</sub>e) of Veidekke during a sustainability performance measurement period compared to the 2024 baseline.

**Calculation methodology:** GHG emissions are calculated in accordance with the Greenhouse Gas Protocol Corporate Standard. Scope 1 emissions produced directly within the organization, for instance through the combustion of fuels. Scope 2 includes indirect emissions generated through the consumption of purchased energy, e.g. through electricity use. For scope 2, location-based emissions factors are used.

**Scope:** All business areas in Veidekke as well as subsidiaries and jointly controlled companies with >50% ownership share.

The source of emission factors is DEFRA for Scope 1 and IEA for Scope 2 and includes CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O.

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<sup>2</sup> [ICMA Sustainability-Linked Bond Principles](#)

<sup>3</sup> [LMA Sustainability-Linked Loan Principles](#)

### 2.1.3 KPI 2: Reduction of absolute scope 3 GHG emissions in alignment with SBTi target

**Definition:** means the percentual reduction of Scope 3 GHG emissions (calculated as tCO<sub>2</sub>e) of the members of the Group during a sustainability performance measurement period compared to the 2024 baseline.

**Calculation methodology:** GHG emissions are calculated in accordance with the Greenhouse Gas Protocol Corporate Standard.

**Scope:** The KPI includes all 15 categories<sup>4</sup> defined in the GHG Protocol Corporate Standard and Technical Guidance for Calculating Scope 3 Emissions.

### 2.1.4 KPI 3: Reduce frequency of workplace accidents resulting in injury (the lost time injury frequency, LTI1)

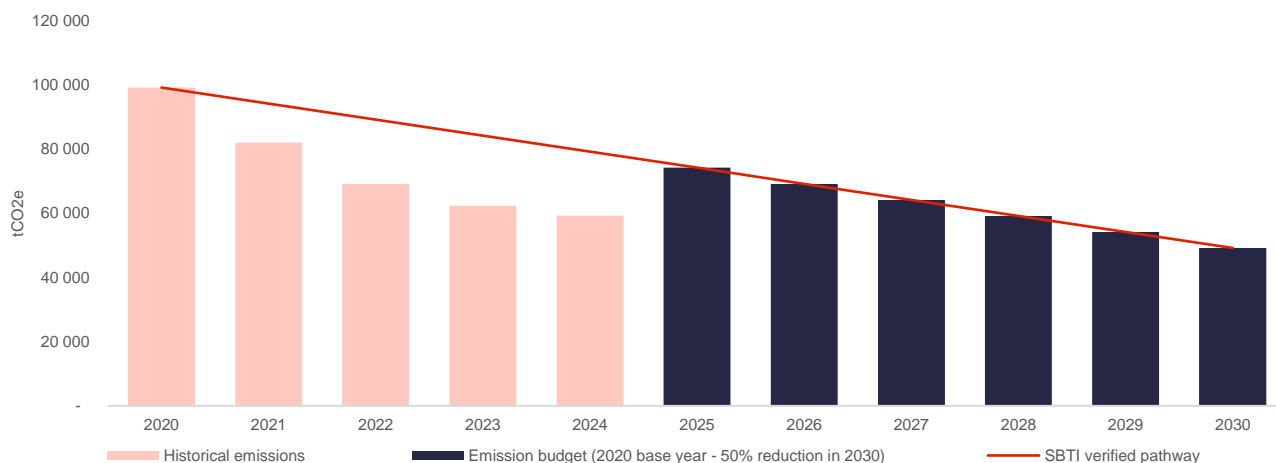
**Definition:** Means the percentage reduction of the average of the LTI1-value for the last three sustainability performance measurement period compared to the baseline that is the average of LTI1-value for the measuring period 2020-2024.

**Calculation methodology:** The LTI1-value is calculated as the number of workplace accidents resulting in injury with absence from work per million hours worked.

**Scope:** All staff employed by Veidekke.

## 2.2. Calibration of Sustainability Performance Targets (SPTs)

### 2.2.1 KPI 1: Reduction of absolute scope 1+2 GHG emissions in alignment with SBTi

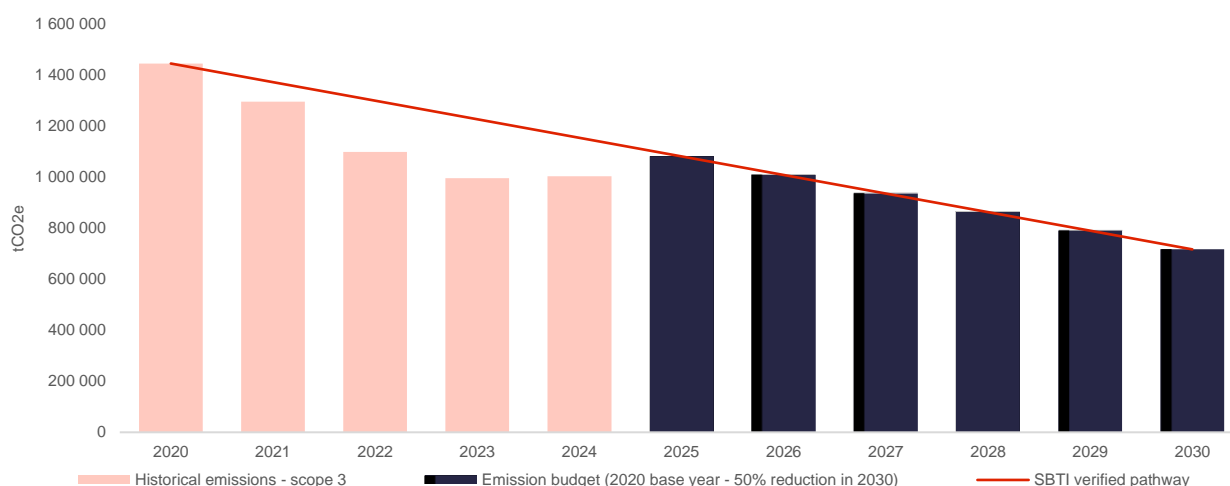


<sup>4</sup> Excluding category 10 and 14 as these are not relevant for Veidekke.

Year	2020 SBTi base year	2021	2022	2023	2024
Actual scope 1+2 emissions (tCO <sub>2</sub> e)	99,085	81,939	69,068	62,344	59,176
SBTi verified pathway	99,085	94,092	89,098	84,104	79,110

Year	2025	2026	2027	2028	2029	2030
SBTi verified pathway (tCO <sub>2</sub> e)	74,116	69,122	64,128	59,134	54,140	49,146
Reduction from SBTi base year	-25.20%	-30.24%	-35.28%	40.32%	-45.36%	-50.40%

## 2.2.2 KPI 2: Reduction of absolute scope 3 GHG emissions in alignment with SBTi



Year	2020 (SBTi base year)	2021	2022	2023	2024
Actual scope 3 emissions (tCO <sub>2</sub> e)	1,445,657	1,295,583	1,098,973	996,582	1,003,199
SBTi verified pathway	1,445,657	1,372,795	1,299,934	1,227,073	1,154,212

Year	2025	2026	2027	2028	2029	2030
SBTi verified pathway (tCO <sub>2</sub> e)	1,081,351	1,008,490	935,629	862,768	798,907	717,046
Reduction from SBTi base year	-25.20%	-30.24%	-35.28%	40.32%	-45.36%	-50.40%

SPTs related to KPI 1 and 2 are aligned with Veidekke's 2045 net-zero aligned targets and SBTi verified short- and long-term targets for Scope 1, 2 and 3 emissions.



### 2.2.3 KPI 3: Reduction of injury frequency (LTI1-value)

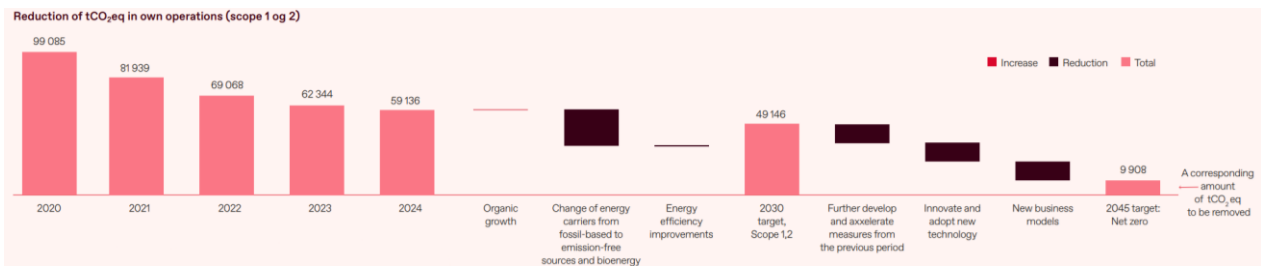
Year	Baseline	2025	2026	2027	2028	2029
Injuries – LT1- value	4.24	4.05	3.80	3.55	3.35	3.10
Reduction from baseline		-4.4%	-10.3%	-16.2%	-20.9%	-26.82%

SPTs related to KPI 3 is aligned with our OHS target and strategy. The baseline is the average LT1-value for the last five years and the SPTs are calculated using the average LT1-value of the last 3 years.

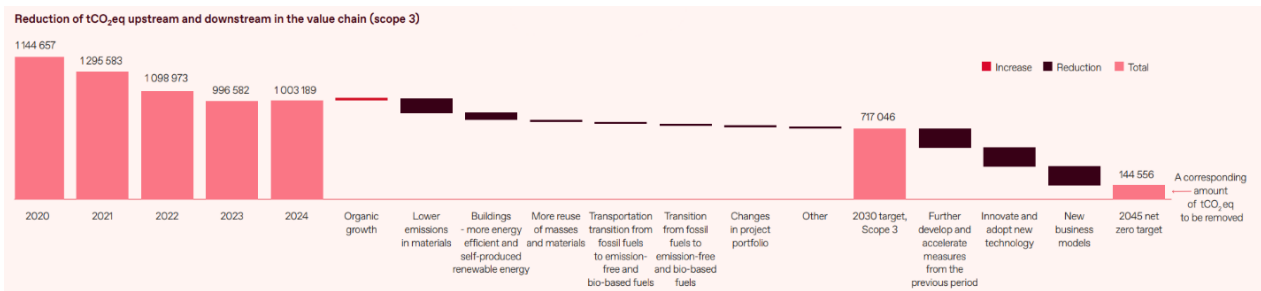
## 2.3 Strategy to achieve targets and external risk factors

Veidekke has developed a climate transition plan to deliver on our targets and the figures below illustrate measures identified to contribute to the achievement these targets. The targets and transition plans have been established in accordance with the disclosure requirements of the CSRD<sup>5</sup>.

### Reduction of scope 1+2 GHG emissions in own operations (tCO<sub>2</sub>e)



### Reduction of scope 3 GHG emissions in the upstream- and downstream value chain (tCO<sub>2</sub>e)



To achieve our OHS target Veidekke has adopted three program areas with dedicated measures:

- **Learning** includes processes and tools to ensure learning throughout the organisation after undesirable incidents.
- **Risk** management aims to ensure that all activities are planned with the lowest possible risk, through better processes, new tools, and clearer requirements.

<sup>5</sup> [ESRS E1 Climate Change](#)

- **Culture** aims to build a safety culture in which all employees take responsibility for each other, are committed to each other's safety, and thus help each other to make good choices. The aim is to prevent human error, which causes dangerous situations and very often contributes to accidents.

The main external risk factors for succeeding with our emission targets are the availability and cost of sustainable materials, too slow introduction of stricter sustainability requirements from the regulators and dependency on technological development in our upstream value chain.

## 2.4 Financial characteristics

The financial characteristics of Sustainability-Linked Finance instruments issued under this Framework will be based on the achievement of the SPTs. Veidekke may include one or more KPI(s) and respective SPTs for each instrument, with each instrument having one or more Target Observation Date(s).

The financial characteristics, such as coupon step-up, margin adjustment, or increase in redemption price, will be detailed in the final terms of each instrument. These terms will also specify the size of the change in financial characteristics that will follow the occurrence of a Trigger Event unless otherwise agreed:

A "Trigger Event" is any of the following:

- 1) Veidekke has not achieved the applicable SPT for the KPI on the relevant Target Observation Date, or;
  - 2) Veidekke reporting does not meet the requirements set out in the reporting section of this Framework in all material aspects, or;
  - 3) The verification of the SPT(s) has not been provided and made publicly available by the Reporting End Date
- The "Target Observation Date" is when the SPT is measured against the relevant KPI, being the last day of the calendar year, December 31.
  - The "Reporting End Date" is 150 days after December 31 each year.

### Fallback mechanisms

The KPIs and SPTs in this Framework will apply throughout the tenor of any instrument issued under it, even if Veidekke's sustainability strategy or targets are updated. This includes changes in benchmarks or industry standards. Any updates to this Framework will not affect the securities issued under it.

Veidekke may recalculate the baseline<sup>6</sup> to reflect any significant change in:

- The calculation methodology of the KPIs, or;
- The underlying input variables for KPIs, or;
- The Group structure due to e.g., acquisition, demerger or merger

Any recalculations must be detailed in the Sustainable Finance Report and verified by an independent, qualified external reviewer in line with the reporting and verification sections.

## 2.5 Reporting

Veidekke will by the Reporting End Date provide annual reporting to keep investors and other stakeholders updated on our sustainability strategy, KPI progress, and SPT achievements. This information will be made

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<sup>6</sup> The SPTs, measured in percentage for all KPIs, will remain the same even if the baseline changes

publicly available in Veidekke's annual report, until the maturity of any outstanding Sustainability-Linked finance instrument.

The annual report will include:

- Veidekke's performance relative to the SPTs for each KPI for each reporting period and in relation to any Target Observation Date(s)
- Calculation methodology, baseline information and any baseline recalculations
- Verification of performance relative to the SPTs for each KPI and its impact on the financial characteristics
- Updates to Veidekke's sustainability strategy or governance affecting the KPIs and SPTs

Where feasible and possible, the reporting will also include

- Explanations of the main factors behind the KPI performance
- Updates on new or proposed regulations relevant to the KPIs and SPTs

For Sustainability-Linked Finance instruments that are not bonds, Veidekke may report, directly and non-publicly, to the lenders or counterparties.

## 2.6 Verification

### 2.6.1 Annual Reporting

The annual reporting will be verified by an external reviewer chosen by Veidekke, following ICMA's 2022 Guidelines for External Reviews<sup>7</sup> ("Verification"). This verification will be made publicly available in Veidekke's annual report.

### 2.6.2 Second-party opinion

To ensure transparency and alignment with ICMA's Sustainability-Linked Bond Principles and LMA's Sustainability-Linked Loan Principles, Veidekke has engaged Moody's Investors Service to issue an independent opinion of the Framework ("Second Party Opinion"). Both the Second Party Opinion and this Framework are available on Veidekke's website. <https://www.veidekke.com/>



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<sup>7</sup> [Guidelines for External Reviews](#)

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**Veidekke**