20240702108337

Årsredovisning

för

Arcona AB

556066-3196

Räkenskapsåret

2023

Fastställelseintyg

Undertecknad verkställande direktör i Arcona AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 12 juni 2024. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm den 1 juli 2024

Peter Kvist

20240702210838

Styrelsen och verkställande direktören för Arcona AB avger följande årsredovisning för räkenskapsåret 2023.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Arcona AB, med säte i Stockholm, är från och med den 31 december 2013 helägt dotterföretag till Veidekke Entreprenad AB. Veidekke Entreprenad AB, org.nr 556508-6583, med säte i Stockholm, är ett helägt dotterbolag till Veidekke Sverige AB, org.nr 556275-3763, vilket i sin tur är helägt av Veidekke ASA, org.nr 00917103801, Norge. Veidekke ASA är noterat vid börsen i Oslo.

Verksamheten bedrivs dels i moderbolaget, dels i de hel- eller delägda bolagen Arcona X AB, BSK Arkiteker AB och Exengo Installationskonsult AB.

Arcona AB genomför byggprojekt genom Arcona Lean Construction. Lean Construction är Arcona AB:s koncept vid genomförande av byggprojekt. Konceptet bygger på nära samverkan med kunden och leverantörer redan i program- och projekteringsskedet. Genomförandet präglas sedan av noggrann planering, kort produktionstid och nära samverkan med leverantörerna för att uppnå rätt kvalitet till lägsta möjliga kostnad och felfri leverans vid avtalad tid.

BSK Arkitekter AB, där ägarandelen under året utökades till 100 procent via BSK Holding AB, erbjuder arkitekttjänster genom byggprocessens alla skeden inom stadsbyggnad, husbyggnad och inredning.

Exengo Installationskonsult AB ägs till 51 procent av Arcona AB och resterande del av medarbetarna via Exengo Holding AB. Bolaget erbjuder konsulttjänster till bygg- och fastighetsmarknaden, i idé- och utvecklingsskedet, byggskedet samt under förvaltningsskedet.

Väsentliga händelser under räkenskapsåret

2023 präglades av en mycket ansträngd bygg- och fastighetsmarknad med höga byggpriser, fortsatt hög inflation och stigande räntor även om det mot slutet av året stabiliserades något. Arcona AB har trots en vikande marknad haft god sysselsättning och orderingång under året, både åt offentliga och privata kunder vilket gjort att vi kunna bibehålla vår volym. Resultatet har varit svagare än normal beroende på projekt som genomförts under pandemin och i effekterna av kriget i Ukraina. Resultatet belastas även av nedskrivningar i dotterbolag. Bolaget har stärkt sin ställning genom erhållet aktieägartillskott.

Under slutet av 2022 genomförde vi en strukturell förändring av vår organisation för att möta den vikande marknad som vi såg komma 2023 och nu står vi väl rustade inför 2024 då vi har fortsatt hög sysselsättning och bra projekt i orderboken.

Våra nära samarbeten med många av våra kunder och den kompetens våra medarbetare besitter ger oss goda förutsättningar att fortsätta utvecklas som bolag och driva lönsamma och lyckade projekt tillsammans med våra kunder.

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BSK Arkitekter

Under 2023 försämrades marknaden markant för arkitektkontoren i Sverige på grund av höga räntor och hög inflation vilket påverkade BSK Arkitekter AB negativt med minskad orderingång och ökad prispress.

Bolaget har stärkt sin finansiella ställning genom erhållet aktieägartillskott. I samband med det förändrades ägarfördelningen mellan Arcona AB och BSK Intressenter AB, org.nr 556972-0138, som tillsammans äger BSK Holding AB.

Till följd av marknadsläget genomfördes en organisationsförändring under våren och efter sommaren flyttade företaget till en egen avdelning inom Arcona AB:s lokaler i Vasastan.

Den nya lokaliseringen har varit mycket gynnsam för BSK Arkitekter AB under 2023.
Den trimmade organisationen med tydligt fokus på valda affärsområden har varit framgångsrik under hösten och i december 2023 såg orderingången betydligt bättre ut än den svaga starten på året.

Exengo Installationskonsult

Exengo Installationskonsult AB:s tjänsteutbud grundar sig på hög servicegrad och ett stort kunnande inom elteknik, kommunikation och säkerhet, VVS teknik, automation, energi och miljö, ljusdesign samt teknisk projektledning. Exengo Installationskonsult AB hade vid årsskiftet 57 medarbetare varav 9 är kvinnor. Medelantalet anställda för året har varit 56.

Konjunkturen i Sverige har under 2023 försämrats med lägre grad av påbörjade projekt på grund av högre bygg- och finansieringskostnader. Företaget har under 2023 lyckats teckna ett antal ramavtal mot offentliga beställare där aktiviteten varit god avseende ombyggnation och utveckling av befintliga fastigheter inom främst bostäder, skolor och idrottsanläggningar.

Pågående projekt är bland andra nybyggnation av skola och idrottshall i Botkyrka, mediaförsörjningsprojekt på Arlanda flygplats, ombyggnation av kontor på Södermalm och i Vasastaden, ombyggnation av vårdboende i Älvsjö, ombyggnation av simanläggning på Södermalm samt ombyggnation av bibliotek i Vasastan.

Viktiga kunder under året har varit Arcona, SISAB, Fastighetskontoret, Solna Stad, Hemsö, Tenet, Ersta Diakoni, Swedavia, Mengus, AMF, Rhodin & Eklund, Alecta Fastigheter, Vasakronan, Trafikverket, Link Arkitektur och Humlegården.

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Hållbarhetsredovisning

Moderföretaget Veidekke ASA, med säte i Oslo, upprättar hållbarhetsrapport för koncernen i vilken Arcona AB ingår.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

Byggbranschen har haft prisökningar på material men vi har lyckats att hantera detta i pågående projekt så det påverkat oss endast i begränsad omfattning totalt sett men vissa av våra projekt har drabbats relativt hårt.
Viss osäkerhet råder kring utvecklingen och konsekvenserna av kriget i Ukraina och hur det kommer att påverka verksamheten.

Det råder fortsatt osäkerhet hur finansmarknaden kommer utvecklas och då framförallt hur våra kunders finansiering och investeringsmöjligheter kommer att påverkas men det är mycket som pekar på att räntorna kommer att börja komma ner något under det andra halvåret vilket sannolikt påverkar oss och våra kunder positivt.

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Förändringar i eget kapital (Tkr)

	Aktie-kapital	Reserv-fond	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets ingång	5 000	1 000	91 030	-18 988	**78 042**
Disposition enligt beslut av årets årsstämma			-18 988	18 988	**0**
Erhållna aktieägartillskott			42 000		**42 000**
Årets resultat				-43 497	**-43 497**
Belopp vid årets utgång	**5 000**	**1 000**	**114 042**	**-43 497**	**76 545**

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	114 042 206
årets förlust	-43 497 421
	70 544 785
disponeras så att	
i ny räkning överföres	70 544 785
	70 544 785

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

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Resultaträkning
Tkr

	Not	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Nettoomsättning		1 504 348	1 761 242
		1 504 348	**1 761 242**
Rörelsens kostnader			
Råvaror och förnödenheter		-1 348 928	-1 561 707
Övriga externa kostnader	2, 3	-60 020	-64 540
Personalkostnader	4	-123 148	-124 729
Av- och nedskrivningar av materiella anläggningstillgångar		-483	-591
		-1 532 579	**-1 751 567**
Rörelseresultat		**-28 231**	**9 675**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	5	-13 835	-21 700
Övriga ränteintäkter och liknande resultatposter	6	1 138	725
Räntekostnader och liknande resultatposter	7	-1 736	-2 183
		-14 433	**-23 158**
Resultat efter finansiella poster		**-42 664**	**-13 483**
Bokslutsdispositioner	8	-751	-4 341
Resultat före skatt		**-43 415**	**-17 824**
Skatt på årets resultat	9	-82	-1 164
Årets resultat		**-43 497**	**-18 988**

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Balansräkning

Tkr

	Not	2023-12-31	2022-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	10	1 114	365
		1 114	**365**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	11	1 331	2 939
Fordringar hos koncernföretag	13	0	4 030
Andelar i intresseföretag	12	1 300	1 300
		2 631	**8 269**
Summa anläggningstillgångar		**3 745**	**8 634**
Omsättningstillgångar			
Kortfristiga fordringar			
Kundfordringar		312 658	416 003
Fordringar hos koncernföretag		117 609	63 136
Fordringar hos koncernföretag, koncernkonto		5 189	61
Aktuella skattefordringar		5 365	4 039
Övriga kortfristiga fordringar		11	5
Upparbetad ej fakturerad intäkt	14	69 911	80 853
Förutbetalda kostnader och upplupna intäkter	15	5 626	6 124
		516 369	**570 221**
Summa omsättningstillgångar		**516 369**	**570 221**
SUMMA TILLGÅNGAR		**520 114**	**578 855**

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Balansräkning

Tkr

	Not	2023-12-31	2022-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital	16	5 000	5 000
Reservfond		1 000	1 000
		6 000	**6 000**
Fritt eget kapital	17		
Balanserad vinst eller förlust		114 042	91 030
Årets resultat		-43 497	-18 988
		70 545	**72 042**
Summa eget kapital		**76 545**	**78 042**
Obeskattade reserver	18	2 638	2 411
Avsättningar	19		
Övriga avsättningar		18 376	18 792
Summa avsättningar		**18 376**	**18 792**
Kortfristiga skulder			
Fakturerad ej upparbetad intäkt	14	92 361	153 426
Leverantörsskulder		251 338	243 764
Skulder till koncernföretag		9 785	9 209
Övriga kortfristiga skulder		47 454	50 728
Upplupna kostnader och förutbetalda intäkter	20	21 617	22 483
Summa kortfristiga skulder		**422 555**	**479 610**
SUMMA EGET KAPITAL OCH SKULDER		**520 114**	**578 855**

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Kassaflödesanalys

Tkr

	Not	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Den löpande verksamheten			
Resultat efter finansiella poster		-42 664	-13 483
Justeringar för poster som inte ingår i kassaflödet		483	591
Övriga ej likviditetspåverkande poster		15 974	21 960
Betald skatt		-1 408	-467
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**-27 615**	**8 601**
Kassaflöde från förändring av rörelsekapitalet			
Förändring av kundfordringar		103 345	-91 765
Förändring av kortfristiga fordringar		-43 039	73 759
Förändring av leverantörsskulder		7 574	34 067
Förändring av kortfristiga skulder		-66 798	-40 158
Kassaflöde från den löpande verksamheten		**-26 533**	**-15 496**
Investeringsverksamheten			
Investeringar i materiella anläggningstillgångar		-1 231	0
Investeringar i finansiella anläggningstillgångar		-5 376	-3 000
Amortering av fordran hos intresseföretag		-5 376	-647
Kassaflöde från investeringsverksamheten		**-11 983**	**-3 647**
Finansieringsverksamheten			
Erhållna/Utbetalda koncernbidrag		1 644	19 204
Erhållna aktieägartillskott		42 000	0
Kassaflöde från finansieringsverksamheten		**43 644**	**19 204**
Årets kassaflöde		**5 128**	**61**
Likvida medel vid årets början			
Likvida medel vid årets början		61	0
Likvida medel vid årets slut		**5 189**	**61**

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Noter

Tkr

Not 1 Redovisnings- och värderingsprinciper

Från och med räkenskapsåret 2014 upprättas årsredovisningen med tillämpning av årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Koncerntillhörighet
Arcona AB, med säte i Stockholm, är från och med den 31 december 2013 helägt dotterföretag till Veidekke Entreprenad AB. Veidekke Entreprenad AB, org.nr 556508-6583, med säte i Stockholm, är ett helägt dotterbolag till Veidekke Sverige AB, org.nr 556275-3763, vilket i sin tur är helägt av Veidekke ASA, org.nr 00917103801, Norge. Veidekke ASA är noterat vid börsen i Oslo. Veidekke ASA med säte i Oslo, Norge upprättar koncernredovisning för hela koncernen varför Arcona AB, i enlighet med undantaget i ÅRL 7:2, inte upprättar någon koncernredovisning, se www.veidekke.no.

Viktiga uppskattningar och bedömningar för redovisningsändamål
Uppskattningar och bedömningar utvärderas löpande och baseras på historisk erfarenhet och andra faktorer, inklusive förväntningar på framtida händelser som anses rimliga under rådande förhållanden. Prognos för slutligt projektresultat är en kritisk bedömning som är avgörande för resultatredovisningen under projektets gång. Det kan finnas en risk att det slutliga resultatet för projektet kan avvika från det som redovisats successivt.

Utländska valutor
Tillgångar och skulder i utländsk valuta värderas till balansdagens kurs. Transaktioner i utländsk valuta omräknas enligt transaktionsdagens avistakurs.

Pågående entreprenaduppdrag/intäkter
För utförda tjänsteuppdrag respektive entreprenaduppdrag redovisas inkomsten och de utgifter som är hänförliga till uppdraget som intäkt respektive kostnad i förhållande till uppdragets färdigställandegrad på balansdagen (successiv vinstavräkning). Ett uppdrags färdigställandegrad bestäms genom att nedlagda utgifter på balansdagen jämförs med beräknade totala utgifter. I de fall utfallet av ett tjänsteuppdrag eller entreprenaduppdrag inte kan beräknas på ett tillförlitligt sätt, redovisas intäkter endast i den utsträckning som motsvaras av de uppkomna uppdragsutgifter som sannolikt kommer att ersättas av beställaren. En befarad förlust på ett uppdrag redovisas omgående som kostnad.

Inkomstskatter
Redovisade inkomstskatter innefattar skatt som skall betalas eller erhållas avseende aktuellt år, justeringar avseende tidigare års aktuella skatt samt förändringar i uppskjuten skatt.
Värdering av samtliga skatteskulder/-fordringar sker till nominella belopp och görs enligt de skatteregler och skattesatser som är beslutade eller som är aviserade och med stor säkerhet kommer att fastställas.
För poster som redovisas i resultaträkningen, redovisas även därmed sammanhängande skatteeffekter i resultaträkningen. Skatteeffekter av poster som redovisas direkt mot eget kapital, redovisas mot eget kapital.

Uppskjuten skatt beräknas enligt balansräkningsmetoden på alla temporära skillnader som uppkommer mellan redovisade och skattemässiga värden på tillgångar och skulder.
I bolaget redovisas - på grund av sambandet mellan redovisning och beskattning - den uppskjutna skatteskulden på obeskattade reserver, som en del av de obeskattade reserverna.

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Materiella anläggningstillgångar
Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med avskrivningar. Utgifter för förbättringar av tillgångars prestanda, utöver ursprunglig nivå, ökar tillgångens redovisade värde. Utgifter för reparation och underhåll redovisas som kostnader.

Linjär avskrivningsmetod används för samtliga typer av materiella tillgångar. Följande avskrivningstider tillämpas:

Inventarier, verktyg och installationer	3 år

Leasingavtal
Operationella leasingavtal redovisas som hyresavtal (operationella leasingavtal). I moderbolaget redovisas samtliga leasingavtal, oavsett om de är finansiella eller operationella som operationella leasingavtal.

Finansiella anläggningstillgångar
Finansiella tillgångar som är avsedda för långsiktigt innehav redovisas till anskaffningsvärde. Har en finansiell anläggningstillgång på balansdagen ett lägre värde än det bokförda värdet skrivs tillgången ner till detta lägre värde om det kan antas att värdenedgången är bestående.

Finansiella instrument
Finansiella instrument som redovisas i balansräkningen inkluderar värdepapper, andra finansiella fordringar, kundfordringar, leverantörsskulder och låneskulder.

Kundfordringar
Kundfordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra kundfordringar.

Låneskulder
Låneskulder redovisas initialt till erhållet belopp efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som skall återbetalas vid förfallotidpunkten periodiseras mellanskillnaden såsom räntekostnad eller ränteintäkt över lånets löptid. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som skall återbetalas.

Upphörande av redovisning av finansiella skulder sker först när skulderna har reglerats genom återbetalning eller att dessa efterskänkts.

Fordringar
Fordringar med förfallodag mer än 12 månader efter balansdagen redovisas som anläggningstillgångar, övriga som omsättningstillgångar. Fordringar upptas till det belopp som efter individuell prövning beräknas bli betalt.

Avsättningar
Avsättningar redovisas när bolaget har en legal eller informell förpliktelse till följd av inträffade händelser, det är mer sannolikt att ett utflöde av resurser krävs för att reglera åtagandet än att så inte sker, och beloppet har kunnat beräknas på ett tillförlitligt sätt.

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Ersättningar till anställda

Pensionsförpliktelser
I bolaget finns endast avgiftsbestämda pensionsplaner. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser att betala något ytterligare. Utgifter för avgiftsbestämda planer redovisas som en kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen.

Kassaflödesanalys
Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medför in- eller utbetalningar.

Nyckeltal
Soliditet definieras såsom eget kapital med tillägg för eget kapitaldelen av obeskattade reserver i förhållande till balansomslutningen.

Koncerninterna transaktioner

	2023	2022
Försäljning	0,1%	0,1%
Inköp	1,8%	2,2%

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Not 2 Operationella leasingavtal

Årets leasingkostnader avseende leasingavtal, uppgår till 13 904 tkr.

Framtida minimileaseavgifter, som ska erläggas avseende icke uppsägning förfaller till betalning enligt följande:

	2023	2022
Inom ett år	12 010	12 680
Senare än ett år men inom fem år	33 498	14 850
	45 508	**27 530**
Under perioden kostnadsförda leasingavgifter	13 904	15 315
	13 904	**15 315**

Leasingavtalen avser förmånsbilar och datorer.

Not 3 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

	2023	2022
Ernst & Young AB		
Revisionsuppdrag	480	486
	480	**486**

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Not 4 Anställda och personalkostnader

	2023	2022
Medelantalet anställda		
Kvinnor	38	35
Män	86	92
	124	**127**
Löner och andra ersättningar		
Styrelse och verkställande direktör	1 884	1 791
Tantiem och liknande ersättning till styrelse och verkställande direktör	200	0
Övriga anställda	77 576	79 397
	79 660	**81 188**
Sociala kostnader		
Pensionskostnader för styrelse och verkställande direktör	597	577
Pensionskostnader för övriga anställda	11 903	12 060
Övriga sociala avgifter enligt lag och avtal	30 988	30 904
	43 488	**43 541**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**123 148**	**124 729**
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	50 %	25 %
Andel män i styrelsen	50 %	75 %
Andel kvinnor bland övriga ledande befattningshavare	42 %	42 %
Andel män bland övriga ledande befattningshavare	58 %	58 %

Avtal om avgångsvederlag
Inga avtal om avgångsvederlag har tecknats med verkställande direktören eller andra ledande befattningshavare.

Not 5 Resultat från andelar i intresseföretag och koncernföretag

	2023	2022
Utdelning från intresseföretag	2 550	0
Nedskrivning av andelar koncernföretag	-16 385	-21 700
	-13 835	**-21 700**

I koncernföretaget BSK Holding AB har ägarandelen under året utökats till 100 procent.

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Not 6 Övriga ränteintäkter och liknande resultatposter

	2023	2022
Ränteintäkter	1 138	725
	1 138	**725**

Not 7 Räntekostnader och liknande resultatposter

	2023	2022
Räntekostnader koncernkonto	1 459	2 115
Övriga räntekostnader och liknande resultatposter	277	67
	1 736	**2 183**

Not 8 Bokslutsdispositioner

	2023	2022
Skillnad mellan bokförda avskrivningar och avskrivningar enligt plan	-111	0
Erhållet koncernbidrag	4 100	0
Lämnat koncernbidrag	-4 625	-2 457
Förändring av periodiseringsfond	-115	-1 884
	-751	**-4 341**

Not 9 Skatt på årets resultat

Avstämning av effektiv skatt

		2023		2022
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		-43 415		-17 824
Skatt enligt gällande skattesats	20,60	8 944	20,60	3 672
Skatteeffekt av ej avdragsgilla kostnader		-8 519		-4 836
Skatteeffekt av återförd periodiseringsfond		-497		
Skatteeffekt av schablonränta på periodiseringsfond		-10		-1
Skatteefftekt ej skattepliktiga intäkter		0		1
Redovisad effektiv skatt	**-0,19**	**-82**	**-6,53**	**-1 164**

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Not 10 Inventarier, verktyg och installationer

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	10 287	10 287
Inköp	1 231	0
Utrangeringar	-7 611	0
Utgående ackumulerade anskaffningsvärden	**3 907**	**10 287**
Ingående avskrivningar	-9 922	-9 331
Utrangeringar	7 611	0
Årets avskrivningar	-482	-591
Utgående ackumulerade avskrivningar	**-2 793**	**-9 922**
Utgående redovisat värde	**1 114**	**365**

Not 11 Andelar i koncernföretag

Bolagsnamn	Org.nr	Säte	Eget kapital	Årets resultat
Arcona X AB	556545-6935	Stockholm	4 773	-4 680
BSK Holding AB	556973-2414	Stockholm	392	-14 573

Eget kapital samt Årets resultat har angetts i sin helhet oavsett ägarandel.
I Eget kapital ingår 79,4 procent av obeskattade reserver. Med årets resultat avses resultat efter finansiella poster.

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	2 939	939
Omklassificeringar	-1 608	2 000
Utgående ackumulerade anskaffningsvärden	**1 331**	**2 939**
Utgående redovisat värde	**1 331**	**2 939**

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Not 12 Andelar i intresseföretag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
Exengo Installationskonsult AB	51%	50%	2 550	1 300
				1 300

	Org.nr	Säte	Eget kapital	Resultat
Exengo Installationskonsult AB	556862-9959	Stockholm	18 418	6 594

Gällande aktieägaravtal innebär att ingen delägare har bestämmande inflytande, varför de redovisas såsom intressebolag. I eget kapital ingår eget kapitaldelen av obeskattade reserver och har angetts i sin helhet oavsett ägarandel. Med resultat avses resultat efter finansiella poster.

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	1 300	3 300
Investeringar	0	3 000
Omklassificeringar	0	-2 000
Nedskrivningar	0	-3 000
Utgående ackumulerande anskaffningsvärden	1 300	1 300
Utgående redovisat värde	1 300	1 300

Not 13 Fordringar hos koncernföretag

	2023-12-31	**2022-12-31**
Ingående anskaffningsvärden	4 030	22 083
-Tillkommande fordringar	0	647
-Nedskrivning	-4 030	-18 700
	0	**4 030**

Den utökade andelen i BSK Holding AB har medfört att bolaget från den 1 april 2022 är ett koncernföretag. Ovanstående fordringar är gentemot samma motpart.

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Not 14 Fordringar och skulder avseende pågående uppdrag

	2023-12-31	2022-12-31
Upparbetat men ej fakturerad intäkt		
Upparbetad intäkt för ej avslutade entreprenader	2 943 981	1 643 983
Fakturerat	-2 874 070	-1 563 130
	69 911	**80 853**
Fakturerat men ej upparbetad intäkt		
Fakturerat	1 997 251	2 406 916
Upparbetad intäkt för ej avslutade entreprenader	-1 904 890	-2 253 490
	92 361	**153 426**

Not 15 Förutbetalda kostnader och upplupna intäkter

	2023-12-31	2022-12-31
Förutbetalda hyror	2 437	3 230
Övriga poster	3 189	2 894
	5 626	**6 124**

Not 16 Aktiekapital

Aktiekapitalet består av 5 000 st A-aktier.

Not 17 Förslag till disposition av resultatet

	2023-12-31	2022-12-31
Till årsstämmans förfogande står följande vinstmedel:		
Balanserade vinstmedel	114 042	91 030
Årets vinst	-43 497	-18 988
	70 545	**72 042**
Styrelsen föreslår att vinstmedlen disponeras så att		
i ny räkning överförs	70 545	72 042
	70 545	**72 042**

Not 18 Obeskattade reserver

	2023-12-31	2022-12-31
Periodiseringsfond, beskattningsår 2021	527	527
Periodiseringsfond, beskattningsår 2022	1 884	1 884
Periodiseringsfond, beskattningsår 2023	115	0
Ackumulerad skillnad mellan bokförda avskrivningar och avskrivningar enligt plan	112	0
	2 638	**2 411**

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Not 19 Avsättningar

	2023-12-31	2022-12-31
Avsättningar för garantiförpliktelser avseende entreprenaduppdrag		
Avsättning vid periodens ingång	18 792	18 532
Periodens avsättningar	7 606	8 031
Ianspråktaget under perioden	-8 022	-7 771
	18 376	**18 792**

Not 20 Upplupna kostnader och förutbetalda intäkter

	2023-12-31	2022-12-31
Upplupna löner och sociala avgifter	2 192	2 177
Upplupna semesterlöner	18 390	18 607
Övriga poster	1 035	1 699
	21 617	**22 483**

Not 21 Ställda säkerheter

	2023-12-31	2022-12-31
Företagsinteckning	0	0
	0	**0**

Not 22 Eventualförpliktelser

	2023-12-31	2022-12-31
Eventualförpliktelser	0	0
	0	**0**

Not 23 Hållbarhetsrapport

Företaget upprättar enligt 7 kap 31 a§ inte någon lagstadgad hållbarhetsrapport. Moderföretaget Veidekke ASA, org nr 009117103801, säte i Oslo, upprättar hållbarhetsrapport för koncernen där företaget ingår. Koncernens hållbarhetsrapport finns tillgänglig att läsa på www.veidekke.no.

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Not 24 Väsentliga händelser efter räkenskapsårets slut

Osäkerhet råder kring utvecklingen och konsekvenserna av kriget i Ukraina avseende kostnadsökningar och leveransproblem.

Utöver detta har det inte inträffat några andra händelser efter balansdagen som har väsentlig påverkan på den lämnade redovisningen.

Stockholm den dag som framgår av vår elektroniska signatur

Charlotta Nilsén
Ordförande

Magnus Carlström
Styrelseledamot

Anders Haugen
Styrelseledamot

Siv Hege Solheim
Styrelseledamot

Peter Kvist
Verkställande direktör

Vår revisionsberättelse har lämnats den dag som framgår av vår elektroniska signatur

Ernst & Young AB

Fredrik Enblom
Auktoriserad revisor

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Name	Date	Name	Date
CHARLOTTA NILSÉN	2024-04-25	MAGNUS CARLSTRÖM	2024-04-25

Identification

CHARLOTTA NILSÉN

Identification

MAGNUS CARLSTRÖM

Name	Date	Name	Date
Haugen, Anders	2024-04-25	Solheim, Siv Hege	2024-04-25

Identification

Haugen, Anders

Identification

Solheim, Siv Hege

Name	Date
Peter Kvist	2024-04-25

Identification

Peter Kvist

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Name	Date
FREDRIK ENBLOM	2024-04-26

Identification

FREDRIK ENBLOM

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MAGNUS CARLSTRÖM	BANKID	2024-04-25 14:22
Haugen, Anders	BANKID	2024-04-25 10:14
Solheim, Siv Hege	BANKID	2024-04-25 22:07
Peter Kvist	BANKID	2024-04-25 11:14

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Building a better working world

Revisionsberättelse

Till bolagsstämman i Arcona AB, org.nr 556066-3196

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Arcona AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Arcona ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Arcona AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i *maskopi, förfalskning, avsiktliga utelämnanden, felaktig* information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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Building a better working world

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av Arcona AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Arcona AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Stockholm den dag som framgår av vår elektroniska underskrift

Ernst & Young AB

Fredrik Enblom
Auktoriserad revisor

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FREDRIK ENBLOM
Auktoriserad revisor
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2022-2023

Annual and sustainability report

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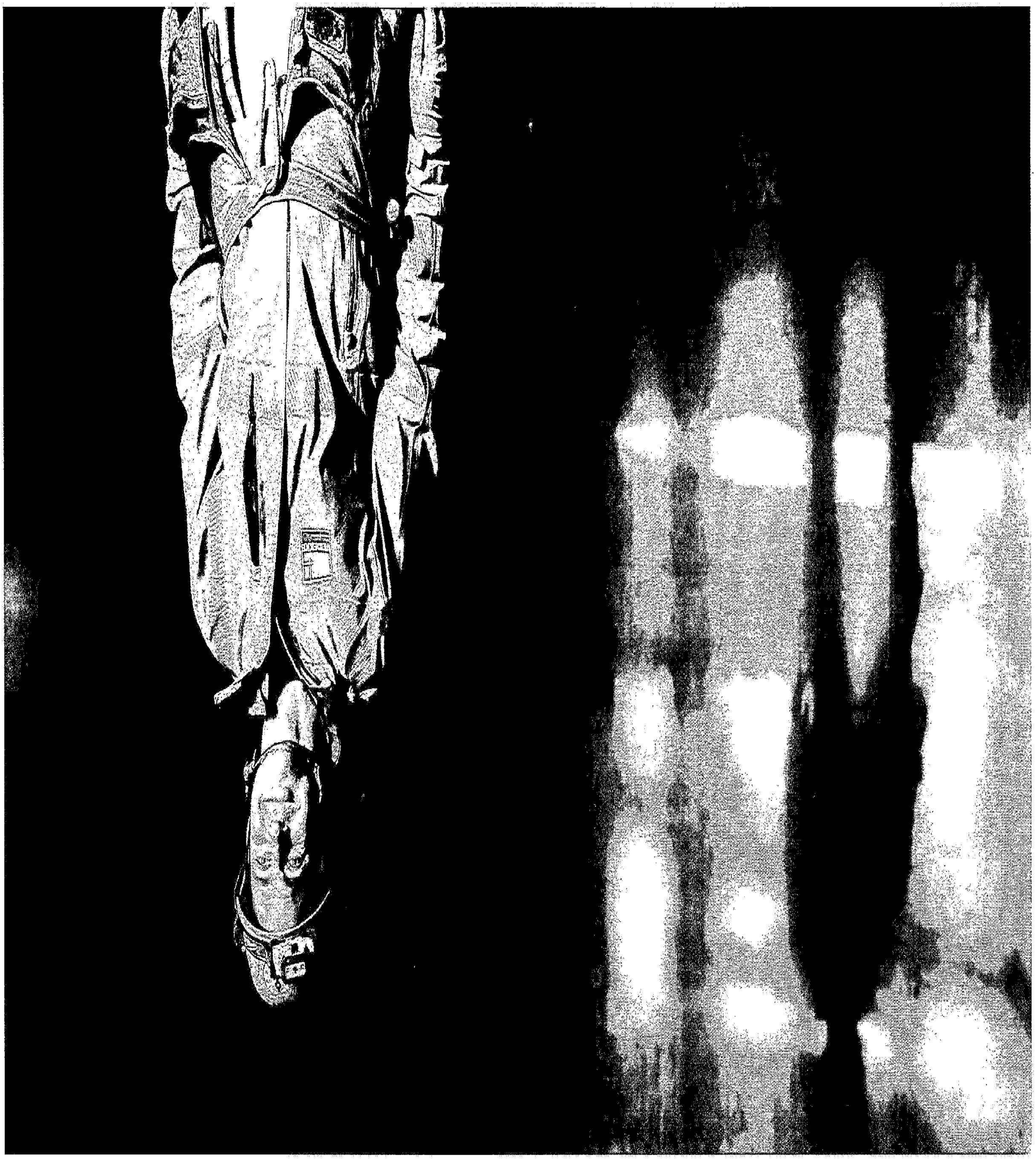

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Targets

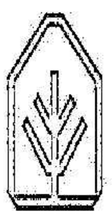
	STATUS 2023	TARGET 2025
PROFIT MARGIN	3.3%	>5.0%
DIVIDEND	100%	>70%
SERIOUS INJURIES	2	0

Participating proactively in the green shift

Putting people first

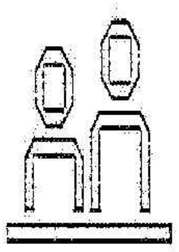
Passionate about customer projects

Sustainability



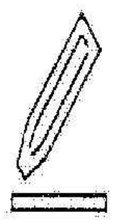
Environmental impact: Page 115

Protect the environment by cutting greenhouse gas emissions, preserving biodiversity, reducing resource consumption and promoting a circular economy



Social impact: Page 127

Ensure that everyone working in and for Veidekke has decent terms of employment and a good working environment, where everyone is safe and respected



Governance impact: Page 136

Comply with competition regulations and fight corruption and other economic crime in all forms

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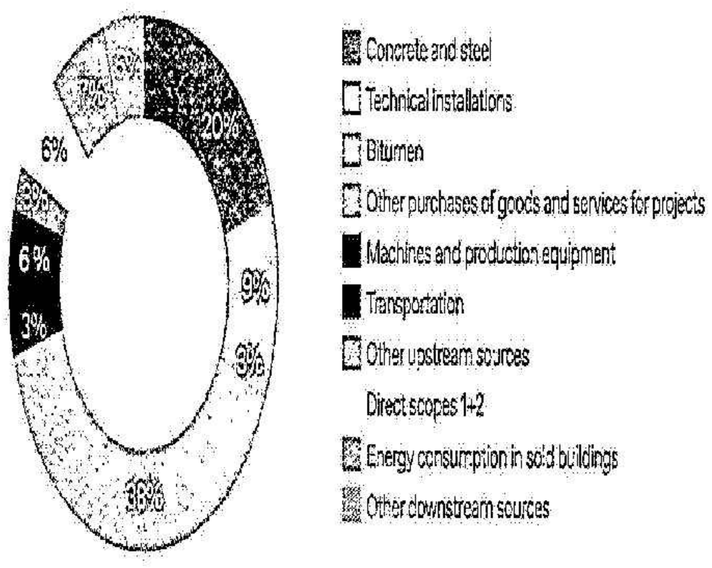
Veidekke's greenhouse gas emissions and targets

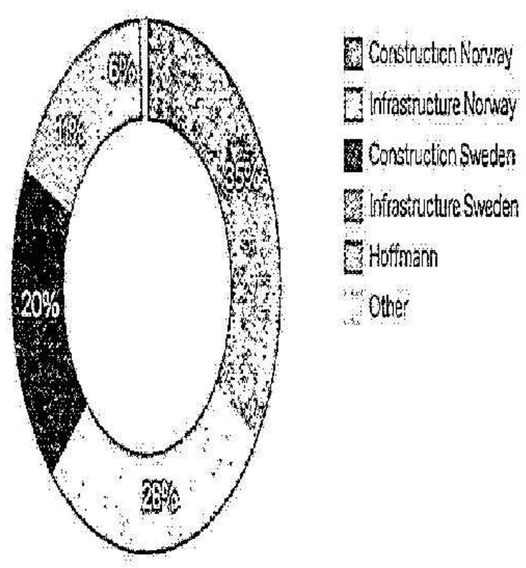
Greenhouse gas emissions (scopes 1-3) by emission category

Based on 2023 emissions



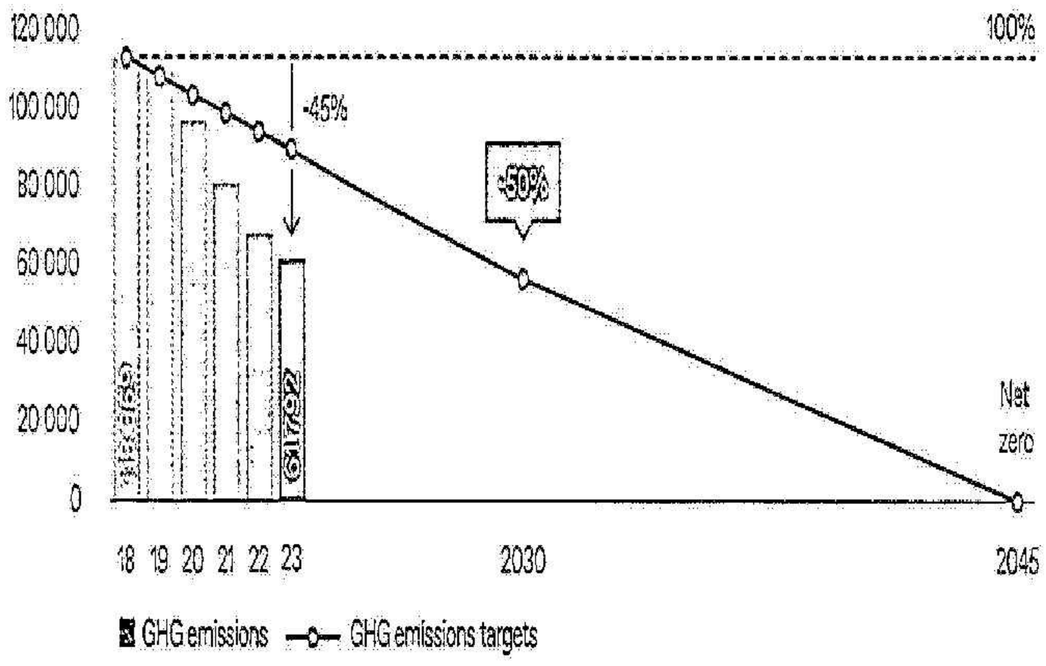
Greenhouse gas emissions (scopes 1-3) by business area

Based on 2023 emissions



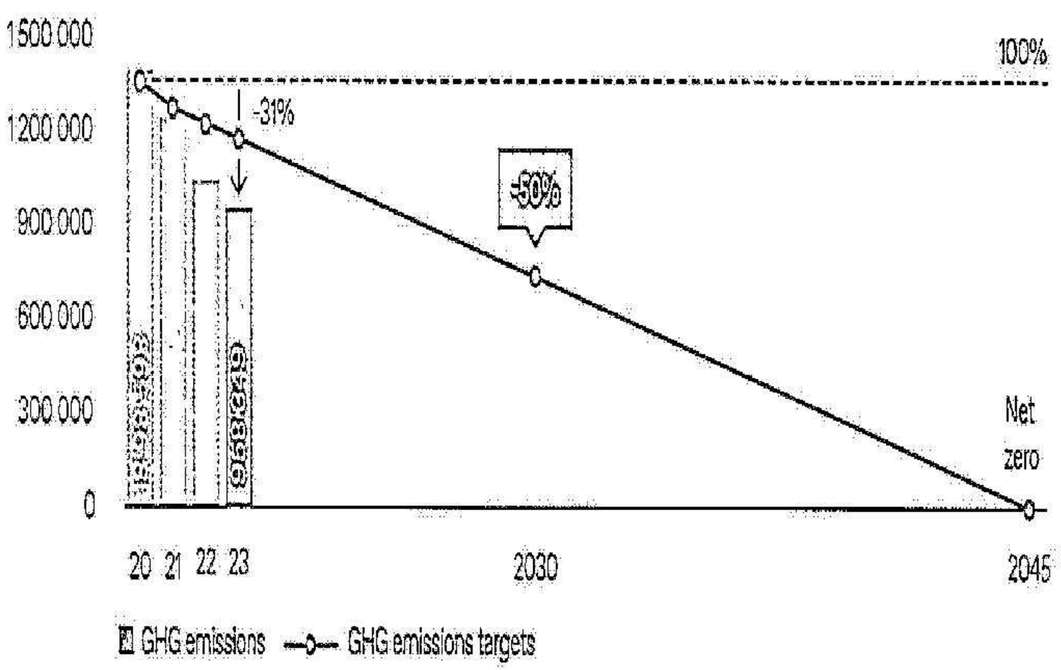
Scopes 1+2 | Greenhouse gas emissions and targets

Emissions from Veidekke's own operations



Scope 3 | Greenhouse gas emissions and targets

Emissions from Veidekke's value chain



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This is Veidekke

Veidekke is one of Scandinavia's largest construction groups, with nearly 8 000 employees, just over half of whom are skilled workers. The group is headquartered in Oslo and has operations in all major growth areas in Norway, Sweden and Denmark.

Veidekke provides services related to construction, civil engineering, road maintenance and asphalt and aggregates. An organisation into five business areas is intended to ensure proximity to the customer, good solutions and efficient project execution.

The group places emphasis on giving shareholders a competitive return and aims to pay out more than 70% of the annual profit in dividends. The Veidekke share is listed on the Oslo Stock Exchange.

Passion for clients' projects

Veidekke is a streamlined construction company with solid market shares in Scandinavia and a robust financial position. The group assists clients with their major construction and infrastructure projects, by developing, constructing, and maintaining buildings and infrastructure and producing asphalt and aggregates.

Veidekke seeks to get involved in the client's project from an early stage of planning. Through close collaboration throughout the project Veidekke is able to help clients arrive at the best, most forward-looking and sustainable solutions which add value for the client and the project's end users.

An active contributor to the green shift

Veidekke strives to reduce greenhouse gas emissions from its 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.

The group has set a target of reducing Veidekke's own greenhouse gas emissions in line with the Paris Agreement and to reach net zero emissions by 2045. Climate budgets have been set for each operational unit. Veidekke's short-term and long-term climate targets have been validated by the Science Based Target initiative (SBTi).

Veidekke has developed an understanding of climate and nature as a financial risk and has assessed probability, consequence and mitigating measures.

Risk assessment

When unforeseen events occur in construction projects, they often lead to delays and additional costs. It is in the interest of all parties to identify risk elements early, so that any uncertainty can be considered in the planning process. Risk management is therefore a key expertise at Veidekke.

Veidekke carries out many large projects that run over several years, and where a strong ability to calculate, manage and handle risk is a prerequisite to achieving commercial success. Risk management is a key factor in the process of deciding which projects best match Veidekke's expertise and resources, and for which the company wishes to initiate dialog with the customer in order to submit a tender.

A culture built on expertise, involvement and commitment

In Veidekke, the drivers of value creation are its people. Building schools, bridges and tunnels is teamwork, and the most effective teams are those that engage employees at all levels to take ownership of the planning and execution of their own tasks.

Construction and civil engineering projects are complex. A large variety of specialised expertise is involved in the planning and execution and must be secured the required resources, in order to ensure completion of an end product of optimum quality. Through dialog with the customer from an early planning stage, Veidekke can provide solutions that don't just take account of budgets, but also of users, surroundings, the environment, and the climate. By involving relevant specialist skills at any level at the right time, Veidekke ensures efficiency and good flow in the execution of the project.

Involvement and commitment are key to good commercial understanding. This applies to the company Veidekke and to every employees, who must be able to see how they can best contribute to solid, efficient and profitable projects. This is one of the reasons why Veidekke invites all employees to take part in the company's value creation as shareholders. Nearly half of all Veidekke employees are shareholders, owning a combined share of 12% of the company.

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Key figures

Figures in NOK million	2023	2022	2021
Revenue	43 146	38 658	37 592
Profit before tax	1 444	1 467	1 342
Construction Norway	710	530	507
Infrastructure Norway	222	496	462
Construction Sweden	106	140	166
Infrastructure Sweden	213	290	133
Denmark	300	213	200
Other	-107	-203	-127
Profit margin	3.3%	3.8%	3.6%
EBITDA[1]	2 454	2 446	2 262
Operating profit (EBIT)	1 409	1 508	1 364
Operating margin	3.3%	3.9%	3.6%
Shareholders' profit share	1 069	1 092	1 029
Profit per share	7.9	8.1	7.1
Net interest-bearing assets	2 776	2 840	3 709
Cash flow from operations	2 939	1 409	2 194
Cash flow from investing activities	-2 019	-701	-282
Return on equity past 12 months (IFRS)	41%	43%	38%
Total order book	40 374	41 334	38 084
LTI rate	4.7	3.0	4.6
Sickness absence	5.5%	5.5%	4.6%
CO_2 emissions scopes 1 and 2 (tonnes)	61 792	68 332	81 290
CO_2 emissions scope 3 (tonnes)	958 349	1 045 377	1 241 901

[1] For definitions of alternative performance measures, see note 36.

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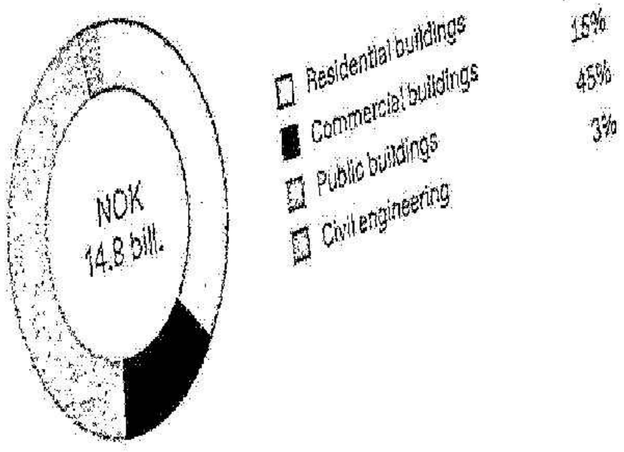
Construction Norway

Key figures NOK million	2023	2022	2021
Revenue	16 225	13 370	13 514
Profit before tax	710	530	507
Profit margin	4.4%	4.0%	3.8%
Order book	14 760	16 584	13 537
CO_2 emissions scopes 1 and 2 (tonnes)	7 671	9 082	10 234
CO_2 emissions scope 3 (tonnes)	346 122	343 294	432 734

Order book by market segment



Employees
Veidekke total 8 084

Veidekke's Norwegian construction operation is one of the country's largest contractors, with a 10% market share and an ambition to be the preferred contractor in the markets served by the company. Repeat customers account for a large part of the revenue.

The business unit has significant market positions in Oslo and central Eastern Norway as well as in the Agder, Rogaland, Bergen, Sunnmøre and Trøndelag regions. Expertise in the product categories residential, office, logistics, educational and healthcare buildings helps reduce risk in the projects and increase profitability.

By linking the group's standardised processes with the expertise required for the relevant building type, Construction Norway ensures project execution and solutions that add value for the client. During construction the company applies "involved planning", a LEAN approach that enables efficient and streamlined production. Customer surveys along the way contribute to continuous evaluation and adjustments to address customer needs.

Projects undertaken by Construction Norway should rely on sustainable production from start to finish and throughout its lifetime. The major greenhouse gas emissions in the value chain are related to materials, such as concrete, steel, windows and glass facades, and transport services. The construction operation is working to reduce its carbon footprint by using more massive wood and low-carbon concrete in construction and through rehabilitation and reuse of materials. Buildings are constructed in accordance with environmental certification standards such as BREEAM and Nordic Ecolabel (Svanen).

In 2022, Veidekke established Veidekke Sirkulær AS, a company which will handle circular projects and initiate new climate solutions in the construction and civil engineering industry. Among several successful projects, the company is supplying Veidekke's new head office, currently under construction at Ulven in Oslo, with crushed concrete from a demolition project to replace all virgin stone normally used in production of new concrete.

In early 2023, Construction Norway's competitiveness in eastern Norway was bolstered through the acquisition of Haugerud Vikeby AS in Mysen. The company has 36 employees, produced revenues of NOK 200 million in 2023, and has had a profit margin of around 4% over the past few years.

Veidekke trains skilled workers in core construction industry trades and offers apprenticeships around the country. The group's Norwegian construction and infrastructure operations share a joint new-employee programme and systems for role-based training, tailored to the various roles in the project organisation. The intention is to provide employees with relevant professional development and career opportunities, and ensure that Veidekke has Norway's best project managers and project teams.

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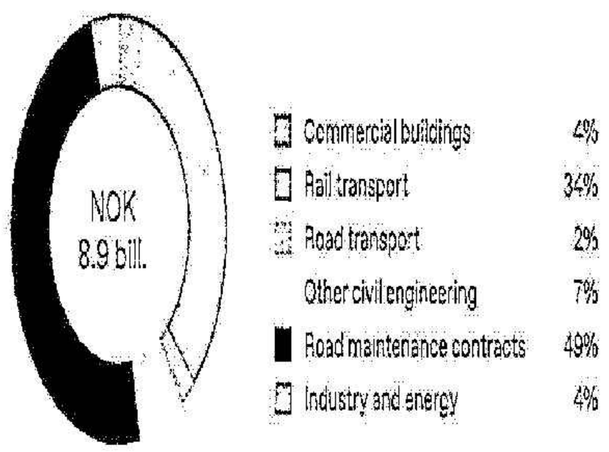
Infrastructure Norway

Key figures

NOK million	2023	2022	2021
Total revenue	9 325	9 583	9 147
Civil engineering	5 725	6 333	5 821
Asphalt, aggregates	3 599	3 251	3 327
Total profit before tax	222	496	462
Civil engineering	167	485	285
Asphalt, aggregates	56	11	177
Total profit margin	2.4%	5.2%	5.1%
Civil engineering	2.9%	7.7%	4.9%
Asphalt, aggregates	1.5%	0.3%	5.3%
Order book	8 912	8 242	7 477
CO_2 emissions scopes 1 and 2 (tonnes)	40 087	50 492	61 817
CO_2 emissions scope 3 (tonnes)	242 834	282 939	297 161

Order book by market segment



Employees

Veidekke total: 8 084

Veidekke is a nationwide Norwegian civil engineering contractor with expertise in the construction of roads, railways, power plants, industrial facilities, and airports. The company is also Norway's largest asphalt producer and contractor, the second largest aggregates producer, and a major player in the maintenance of public roads in Norway. The business area also comprises companies that specialise in foundations, rock drilling and smaller construction assignments.

Civil engineering and asphalt operations entail significant greenhouse gas emissions as well as dust and noise, and Veidekke has set ambitious goals to reduce negative consequences for the climate, the environment and the surroundings. The largest greenhouse gas emissions in the value chain are related to direct purchases of diesel and gas, materials such as concrete, steel and bitumen, and transport services. Infrastructure Norway is striving to reduce the carbon footprint by changing energy carriers at the asphalt factories, developing more environmentally friendly asphalt with a plant-based binding agent, using slimmer constructions and making conscious choices of materials, such as low-carbon concrete. Infrastructure Norway delivers civil engineering projects in accordance with certification standards such as BREEAM Infrastructure.

Infrastructure Norway is firmly committed to innovation and green growth. A separate business area, Green Incubator, will focus on finding green business opportunities. Infrastructure Norway has established offshore wind as a focus area, with ambitions to take part in the floating offshore wind value chain. Also, in autumn 2023, as the first asphalt company worldwide, Veidekke produced asphalt with no greenhouse gas emissions, by switching energy carriers to hydrogen at its factory in Kristiansund.

Veidekke trains skilled workers in core trades and recruits recent graduates and experienced engineers and other specialists. The group's Norwegian construction and infrastructure operations share a joint new-employee programme and systems for role-based training, tailored to the various roles in the project organisation. The intention is to provide employees with relevant professional development and career opportunities, and ensure that Veidekke has Norway's best project managers and project teams.

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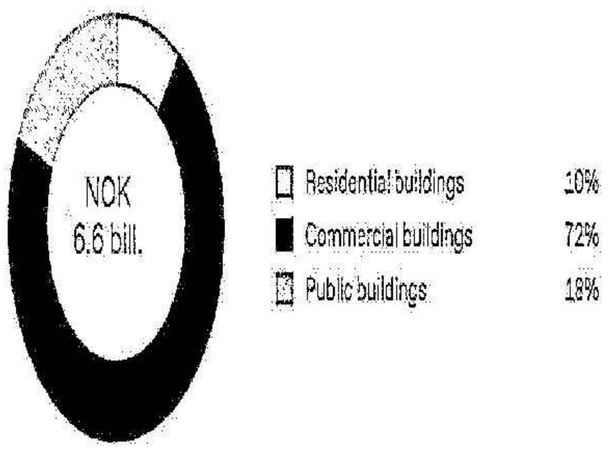
Construction Sweden

Key figures

NOK million	2023	2022	2021
Revenue	9 078	8 858	8 544
Profit before tax	106	140	166
Profit margin	1.2%	1.6%	1.9%
Order book	6 584	8 158	9 483
CO_2 emissions scopes 1 and 2 (tonnes)[1]	5 302	651	1 019
CO_2 emissions scope 3 (tonnes)	200 075	234 932	281 234

[1] Estimates for the subsidiary BRA are included from 2023.

Order book by market segment



Employees

Veidekke total 8 084

Veidekke is one of Sweden's largest construction contractors, accounting for 4% of the total Swedish market. The business is concentrated on the growth regions around Stockholm, Gothenburg and Malmö.

Veidekke has a broad portfolio of construction projects in Sweden, with an emphasis on residential buildings, offices, hotels, healthcare buildings and schools. Central to the operation are product expertise and the ability to compose teams with the right competence and relevant experience for the specific assignment.

Through the subsidiary BRA, the construction operation has a strong position in the Gothenburg private commercial buildings market. BRA specialises in office and logistics buildings and the majority of the projects are with repeat customers.

Construction Sweden is working to achieve its environmental goals by cutting consumption of energy and materials and limiting waste. The largest greenhouse gas emissions in the value chain are related to materials such as concrete, steel, windows and glass facades, and transport services. Construction Sweden has a special focus on rehabilitation, reuse and massive wood construction. Construction Sweden builds in accordance with certification standards such as BREEAM, Nordic Ecolabel (Svanen) and Miljöbyggnad.

Construction Sweden offers apprenticeships and trains skilled workers in core trades. The unit also offers trainee programs for recent graduates with relevant university degrees, primarily in engineering subjects.

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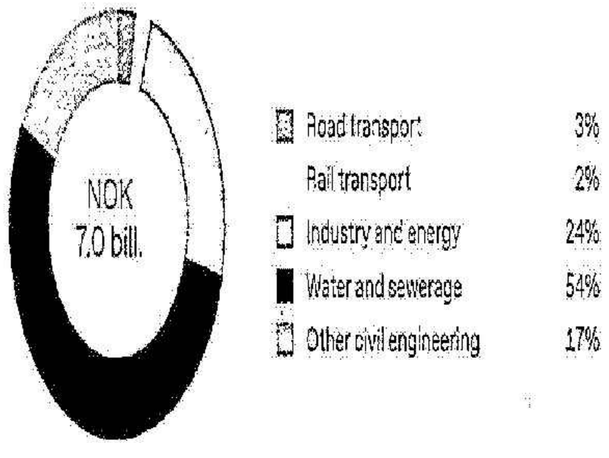
Infrastructure Sweden

Key figures

NOK million	2023	2022[1]	2021
Revenue	5 958	5 247	4 345
Profit before tax	213	290	133
Profit margin	3.6%	5.5%	3.1%
Order book	6 987	5 277	4 774
CO_2 emissions scopes 1 and 2 (tonnes)	7 247	6 516	6 240
CO_2 emissions scope 3 (tonnes)	101 267	123 632	137 729

1 The 2022 profit before tax includes the sale of an industrial plot formerly used as a mass handling site, resulting in a gain of NOK 130 million.

Order book by market segment



Employees

Veidekke total 8 084

Veidekke has solid positions in the Swedish markets for infrastructure, extraction, heavy industry, energy and recycling facilities/landfills and also produces and lays asphalt. Most of the business takes place in the metropolitan regions of Stockholm, Gothenburg and Malmö, and in addition, Veidekke is an established supplier to the mining industry further north in Sweden.

High professional expertise and a predilection for collaboration characterises Veidekke's Swedish infrastructure business. To arrive at the best and most sustainable solutions, Veidekke seeks collaboration with clients from an early stage of a project. Infrastructure Sweden often works in collaborative contracts, where cooperation with clients and suppliers is aimed at creating synergies that benefit the project and all parts of the project organisation.

The largest greenhouse gas emissions in the value chain of the infrastructure operation are related to direct purchases of diesel and gas, to materials such as concrete, steel and bitumen, and to transport services. To reduce the carbon footprint, Infrastructure Sweden is replacing energy carriers at the asphalt factories, using slimmer constructions, increasing reuse and making conscious choices of materials. Infrastructure Sweden delivers civil engineering projects in accordance with certification standards such as BREEAM Infrastructure.

Infrastructure Sweden trains its own skilled workers in the core trades and offers trainee programmes for recent graduates with relevant university degrees, primarily in engineering subjects.

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Denmark

Key figures

NOK million	2023	2022	2021
Revenue	3 002	2 420	2 362
Profit before tax	300	213	200
Profit margin	10.0%	8.8%	8.5%
Order book	3 130	3 074	2 813
CO_2 emissions scopes 1 and 2 (tonnes)	1 479	1 537	1 889
CO_2 emissions scope 3 (tonnes)	60 770	56 335	86 873

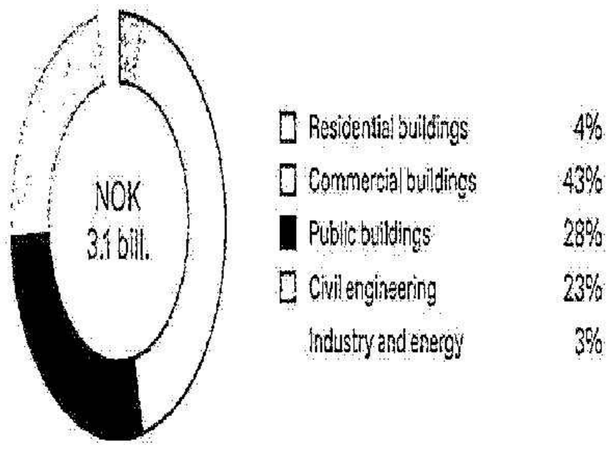
The construction company Hoffmann AS represents Veidekke in the Danish market. The company specialises in the development and construction of commercial building projects, primarily offices, hotels and shopping centres, in close collaboration with the client. Hoffmann places great emphasis on partnering to find optimum solutions, working with clients and consultants to improve the project and make it more profitable for the client. Projects in which Hoffmann collaborates closely with the client from an early stage, through planning and engineering, until the building is completed, make up 80% of the revenue.

In recent years, Hoffmann has expanded its portfolio of public sector projects, e.g. through a four-year strategic framework agreement entered into with the Danish Building and Property Agency. Hoffmann also operates separate business units specialising in technical installations and rehabilitation of commercial buildings.

Hoffmann's vision is to contribute to sustainable societal development and to build a better future where people thrive and enjoy life, and the corporate culture is built around succeeding together.

Hoffmann offers apprenticeships and trains skilled workers in its core trades. The company also offers a programme in which project managers, who are hired while they are recent graduates, receive systematic training and development.

Order book by market segment



Employees

Veidekke total: 8 084

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Letter to shareholders:

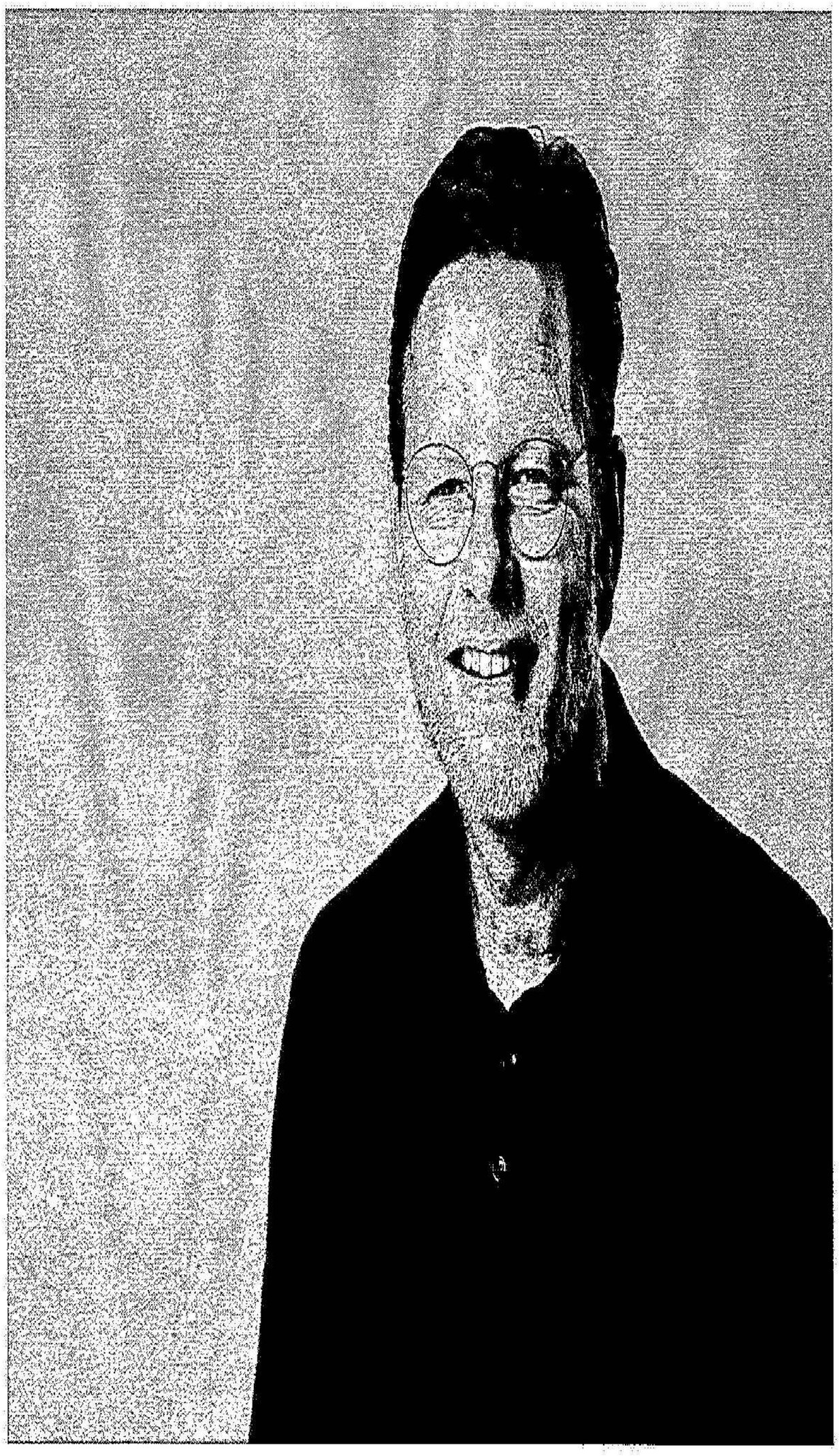
A strong position in a challenging market

Global turmoil and efforts to combat inflation characterised 2023. These developments presented the construction and civil engineering industry with a more demanding market, with clearly reduced demand in certain customer segments. Veidekke has extensive experience of dealing with all kinds of market conditions, including more demanding scenarios, and in the past year we again demonstrated our ability to adapt to changing circumstances and find solutions which enable us to fulfil our promises to both customers and shareholders, in the form of reliable delivery and increased profitability.

Despite our solid performance in 2023, we are well aware that we still have room for improvement, with Construction Sweden and parts of Infrastructure Norway in particular delivering below expectations. In other words, these operations offer the greatest scope for improvement. Our efforts in this regard have to be both thorough and robust: we have to select the right projects, price correctly, execute projects as planned or better, and ensure that cost structures reflect activity levels.

We are well-positioned at the start of 2024, with a strong, balanced portfolio of high-quality projects and controlled risks. The size of our order book and our flexible business model, strong financial position and robust balance sheet mean that we are ready to capitalise on market opportunities and deliver on an attractive dividend policy.

Veidekke seeks to be an active driver of society's transition to zero emissions. In 2015, we took the pioneering step of committing to operate our business in accordance with the Paris Agreement. This decision lies at the heart of our strategy, and mandates both that we work to reduce the negative impact of our operations on our surroundings and that we help ambitious customers achieve their sustainability goals.



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In 2023, PWC's climate index recognised Veidekke as one of nine companies on the Oslo Stock Exchange which had reduced its greenhouse gas emissions in line with the Paris Agreement – the only construction and civil engineering company to do so. Veidekke aims to report transparently and credibly on material sustainability factors. However, it is far more important that sustainability and corporate social responsibility are firmly enshrined in Veidekke's strategies, and clearly reflected in its projects. In collaboration with ambitious customers, suppliers and advisers, we are finding solutions for limiting our impact on nature and reducing greenhouse gas emissions.

Examples in this regard include the Hestnestunnel project on the Dovre railway line and our own new head office in Oslo. In the Hestnestunnel project, Veidekke, NGI and Sintef have jointly developed a water and frost protection solution which reduces greenhouse gas emissions during tunnel construction by up to 80%, at half the cost of the traditional solution involving a membrane and full casting. We are now using this solution in several other tunnel projects, including the Fornebu Line in Oslo.

At Veidekke's new head office at Ulven in Oslo, we have used concrete from demolished structures as aggregate in the concrete poured for the new building, thereby limiting further impacts on nature. The carbon levels of the new concrete mix are extremely low, entailing less than half the CO_2 emissions of traditional concrete. This innovative approach will also benefit customers in future construction projects.

Almost half of Veidekke's direct greenhouse gas emissions are linked to the group's asphalt operations, and as one of Norway's largest asphalt producers, we are working intensively to reduce these. Our largest greenhouse gas emissions relate to the binding agent bitumen, which is produced from crude oil, and to the energy consumed during the asphalt production process, which has traditionally been based primarily on diesel. A couple of years ago, Veidekke introduced asphalt which utilises a bio-based binding agent – a product developed in our own laboratories. Moreover, in 2023 our asphalt plant in Kristiansund was the first in the world to produce 3 000 tonnes of asphalt using only hydrogen as the energy source. Using hydrogen as an energy source has the potential to reduce total emissions from the asphalt industry by 40%.

We can only deliver on our ambitious strategy if we have expertise and commitment at all levels of our organisation. Our people and their contributions and commitment are the engine which drives all activities within Veidekke. We are focused on retaining our committed, motivated and inspired colleagues, and will need even more of them going forward, from skilled workers to engineers and economists. Veidekke has launched several initiatives to make the construction industry and Veidekke an attractive career choice – both for young people choosing their upper secondary education pathway and adults already in the industry.

We give high priority to providing a safe workplace and a safe working environment. At Veidekke, OHS goals carry the same weight as financial goals. Safe work is a prerequisite for executing projects on time and winning new contracts. Our OHS work focuses on our organisation and our people, and our operational planning provides for work to be carried out safely and efficiently, with the right equipment and on time. In 2023, we took new steps in this regard. Although we did not achieve our zero-incident target related to OHS, we are confident that we are moving in the right direction. Safety always comes first at Veidekke's facilities and construction and landfill sites, as well as in our factories, and our commitment to safety is set in stone.

Veidekke achieved good results in 2023, and is starting 2024 with momentum which provides predictability for customers, shareholders and – not least – employees. Our strong performance is due to our 8 000 highly motivated employees and their commitment, initiative and curiosity. Our workforce makes me very proud, and optimistic about Veidekke's future.

Jimmy Bengtsson
Group CEO

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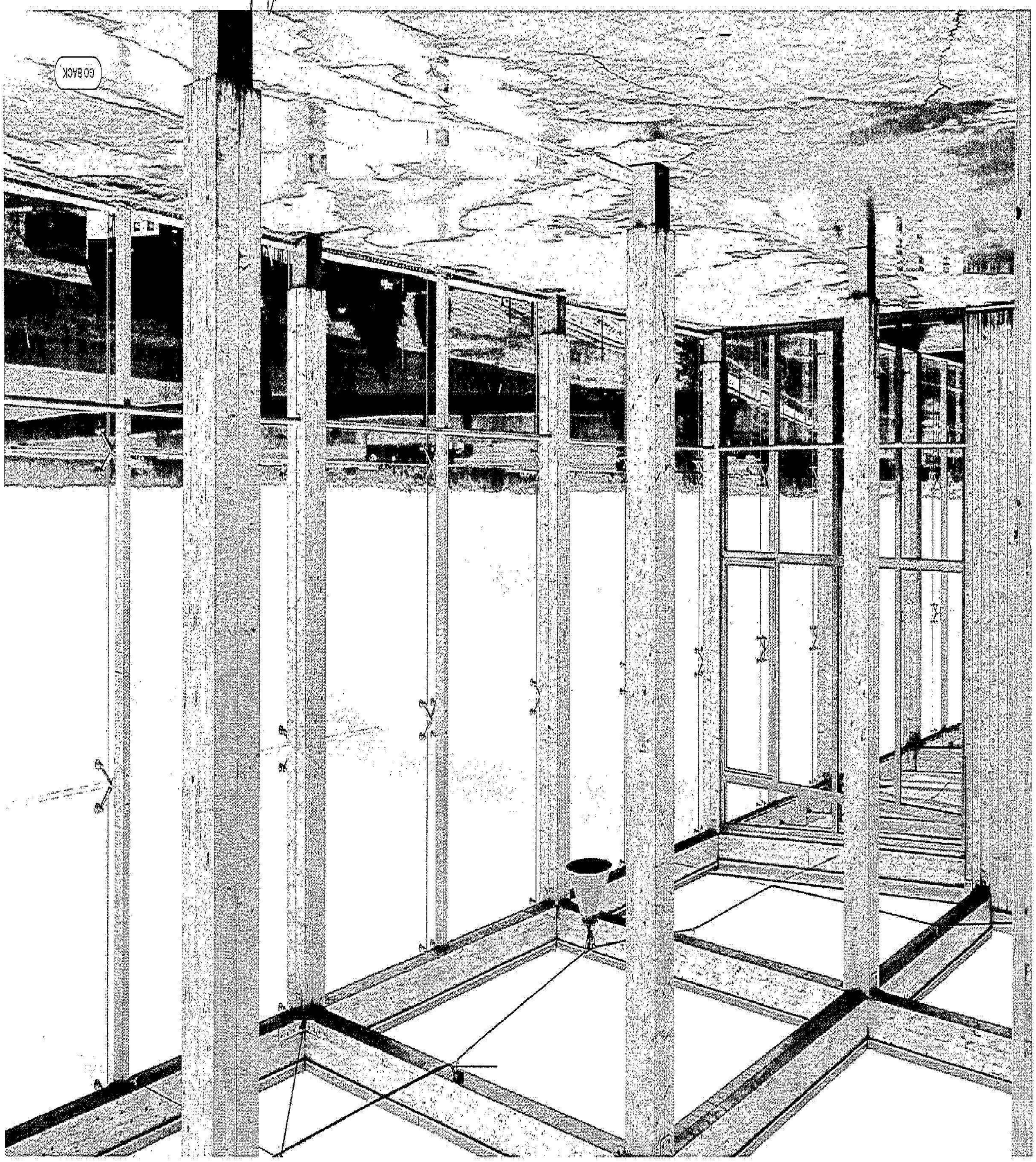
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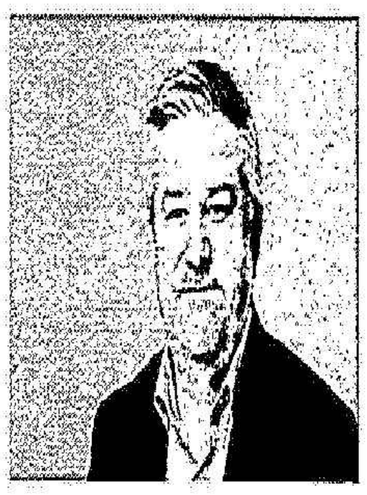
The board of directors

	Gro Bakstad	Hanne Rønneberg	Per-Ingemar Persson	Carola Lavén	Pål Eitrheim
					
Position (year elected)	Board member since 2010, board chair since 2022	Board member since 2020	Board member since 2020	Board member since 2021	Board member since 2022
Committees	Remuneration committee (chair)	Audit committee Project committee	Remuneration committee Project committee (chair)	Audit committee Remuneration committee	Project committee
Born	1966	1959	1956	1972	1971
Number of shares	15 500	2 700	55 740	0	0
Other board assignments	– DNB Bank ASA	– Multiconsult ASA – CICERO Center for Intl. Climate Research – Oslobygg KF	– Assemblin Group AB – Bonava AB	– Confederation of Swedish Enterprise – Besqab – Ersta Diakoni – FAM förvaltning (incl. Grand Group AB)	– Confederation of Norwegian Enterprise (NHO)
Education	– Graduate economist, NHH – HRS (advanced auditing programme), NHH	– Graduate engineer, NTH	– Graduate engineer, Lund University	– Graduate engineer, KTH Stockholm	– Master's degree Comparative Politics from the University of Bergen and University College Dublin
Experience	– CEO of Vy (2020–) – EVP Norway Post (2012–2020) – EVP/CFO Norway Post (2006–2012) – Various positions in finance (Arthur Andersen, Ocean Rig, Procorp)	– Extensive management experience from production of building materials, contracting and research – Currently works as a board member in the private and public sectors, and holds a part time engagement as a special adviser in SINTEF	– Self-employed – EVP Veidekke/CEO Veidekke Sweden AB – CEO Skanska Sweden AB – CEO NVS Installation AB	– CEO Besquab ab (2020–) – Deputy CEO/Investment Director, Castellum ab (2019–2020) – Head of business area, NCC Property Development Nordic (2013–2019) – Experience from Atrium Ljungberg, Drott and Skanska	– EVP renewable energy at Equinor ASA

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The board of directors cont.

	Nils Morten Bøhler	Inge Ramsdal	Odd Andre Olsen	Arve Fludal
Position (year elected)	Board member since 2023	Board member, elected by employees, since 2008	Board member, elected by employees, since 2011	Board member, elected by employees, since 2015
Committees	Audit committee Remuneration committee	Remuneration committee	Audit committee	Project committee
Born	1963	1962	1961	1970
Number of shares	0	9 020	5 930	4 250 shares; 3 000 options
Other board assignments	- Board chair at Aasegården, Fanteria, Youngstorget Eiendom - Several current and former property-related assignments	- Norwegian Union of General Workers (board member)	-	- Veidekke fellestjenester AS - Block Berge Bygg AS
Education	- Graduate economist, BI - AFF Solstrand programme	- Skilled worker	- Skilled worker	- Builder
Experience	- EVP commercial property at OBOS - Operational and administrative management positions in the OBOS group - Extensive property-related experience from OBOS - Enebakk municipality – member of municipal board and council, leader of party group, 1995–2003	- Employee representative in Veidekke - Former crane operator and concrete worker in Veidekke Entreprenør AS	- Chief employee representative in Veidekke; former formwork carpenter in Veidekke Entreprenør AS	- Employee representative in Veidekke - Site manager, Veidekke Construction Norway and Head of The Veidekke Employee Share Trust

NTH = Norwegian Institute of Technology, currently NTNU = Norwegian University of Science and Technology. NHH = Norwegian School of Economics. BI = BI Norwegian Business School

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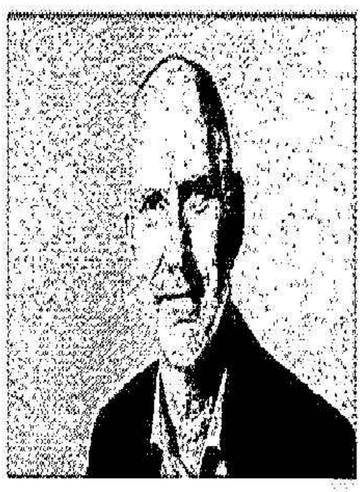
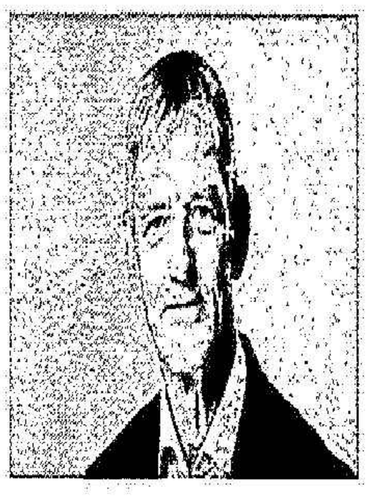
Corporate management

	Jimmy Bengtsson	Hans Olav Sørlie	Øivind Larsen	Charlotta Nilsén	Marcus C. Nilsson
					
Position (year appointed)	Group CEO (2019)	EVP (2018)	EVP (2018)	EVP (2021)	EVP (2021)
Areas of responsibility		Veidekke Construction Norway	Veidekke Infrastructure Norway	Veidekke Construction Sweden	Veidekke Infrastructure Sweden
Born	1966	1965	1963	1972	1971
Employed at Veidekke since	2015	2003	1988–2001, 2016	2014	2011
Number of shares	68 587	91 437	28 447	5 100	30 593
Share options	3 000	4 000	2 000 *	0	0
Education	– Graduate engineer, Royal Institute of Technology in Stockholm	– Graduate engineer, NTH	– Graduate engineer, NTH	– Graduate engineer, Lunds university, Faculty of engineering	– Four-year technical high school
Selected work experience	– EVP, Construction Sweden, corporate procurement, country manager Sweden – CEO, Arcona AB – Various positions with Skanska AB	– Director, Region East, Veidekke Entreprenør AS – District manager Oslo, Veidekke Entreprenør AS – Department manager, District Oslo, Veidekke Entreprenør AS	– Director, Civil engineering, Veidekke Entreprenør AS – Director, Business development, Veidekke Entreprenør AS – Bank manager, Hjartdal og Gransherad Sparebank	– Director of construction operation Veidekke (Bygg Bostäder) – Regional manager, Veidekke Bostad – Market area manager, Riksbyggen – Business manager, NCC	– Director of civil engineering operation, Veidekke Sweden – Regional manager, Veidekke Sweden – Positions in Svevia and YIT

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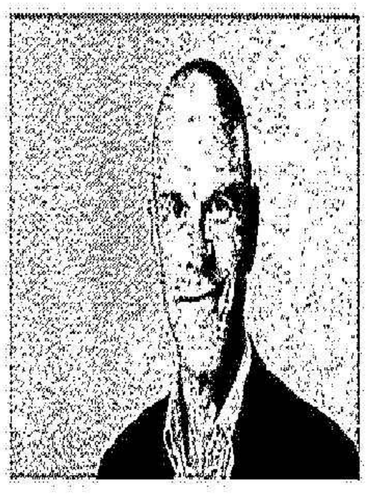
Corporate management cont.

	Jørgen Wiese Porsmyr	Terje Larsen	Lars Erik Lund	Anne Thorbjørnsen	Kristina Andreasson
					
Position (year appointed)	EVP (2006)	EVP (2013)	EVP (2016)	EVP (2019)	EVP (2020)
Areas of responsibility	CFO	Risk management and IT	Strategy and sustainability	HR and OHS	Communications and branding
Born	1972	1961	1969	1969	1978
Employed at Veidekke since	1995	2001	2016	1995	2013
Number of shares	124 657	116 473	18 157	40 502	17 177
Share options	2 000	3 000	0	2 000	2 000
Education	- Graduate economist, NHH	- MBA, University of Wisconsin - Graduate economist, BI	- Graduate economist, NHH	- Sociology, Vestfold University College - MBA, BI	- Bachelor of Honours, Marketing & Advertising, University of the Arts, London
Selected work experience	- EVP project development Scandinavia, Veidekke ASA (2013–2020) - EVP, Industry and Denmark/Hoffmann, Veidekke ASA (2013–2020) - EVP/CFO, Veidekke ASA (2006–2013)	- CFO, Veidekke ASA - Financial director, ABB Installasjon - CFO, Asea Brown Boveri Inc., Philippines	- Statoil, senior advisor communications - Crux Kommunikasjon, founder and partner - Burson-Marsteller, Director corporate communication	- HR director, Veidekke ASA - HR manager, Veidekke Entreprenør AS - Acting regional dir., Veidekke Entreprenør AS, Region South	- Head of communication and marketing, Veidekke Sweden - Head of communication, Veidekke Property Development Sweden - Head of Management & Strategy, Kaplan AM, part of Accenture Interactive

NTH = Norwegian Institute of Technology, currently NTNU = Norwegian University of Science and Technology. NHH = Norwegian School of Economics. BI = BI Norwegian Business School

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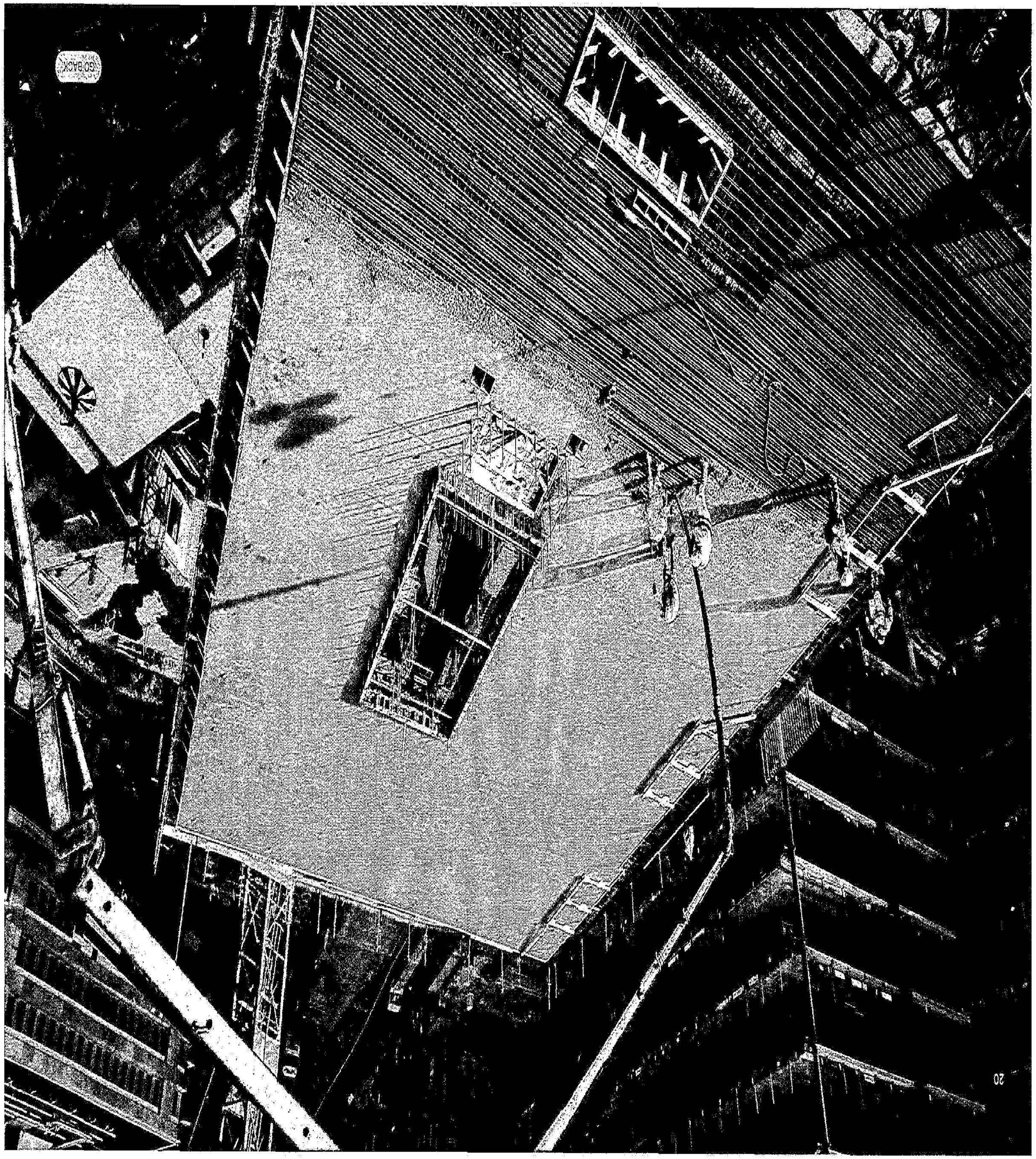
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The board of directors' report

With close to 8 000 employees, Veidekke is one of Scandinavia's largest contractors. In addition to undertaking all types of construction and civil engineering assignments, the group also maintains roads and produces asphalt and aggregates. In all of its business areas, Veidekke emphasises stakeholder involvement, local experience, and close cooperation with the client from an early project phase. Value-generating cooperation is a key component of the group's business philosophy, as is ensuring that construction and development projects have the smallest possible climate footprint. Veidekke is headquartered in Oslo, Norway, and has operations in major growth centres in Norway, Sweden and Denmark. Veidekke is listed on the Oslo Stock Exchange.

2023 highlights

Group revenue for 2023 totalled NOK 43.1 billion, up 7% on 2022 (adjusted for foreign exchange effects). Construction Norway, Infrastructure Sweden and Denmark increased revenue compared to 2022, while the performances of Infrastructure Norway and Construction Sweden were on a par with last year.

The profit before tax amounted to NOK 1 444 million, compared to NOK 1 467 million in 2022. Veidekke's profit margin fell from 3.8% in 2022 to 3.3% in 2023. Adjusted for non-recurring effects linked to the settlement of an older dispute involving Infrastructure Norway in 2023 and a gain on the sale of a construction site by Infrastructure Sweden in 2022, profits rose by 16% and the profit margin increased to 3.6%, from 3.5% in 2022. Construction Norway and Denmark improved their profitability year-on-year, due primarily to higher revenues but also to increased profitability of the project portfolio. Construction Sweden's performance was impacted by low profitability in parts of the business. Infrastructure Sweden improved its profit performance in 2023 (adjusted for the previously noted sale gain), while Infrastructure Norway delivered a weaker profit than in 2022. The drop is attributable partly to a NOK 110 million payment made to settle an older dispute and partly to extraordinarily large contributions in 2022 from projects approaching completion.

The 2023 order intake of NOK 37.7 billion brought the group's order book to NOK 40.4 billion at year-end, down 2% from the beginning of the year. During 2023, the order book grew in segments featuring public-sector clients, such as public buildings, railway infrastructure projects and maintenance contracts, but shrank in private-sector segments like residential construction and commercial buildings.

The group's net interest-bearing assets amounted to NOK 2.8 billion at the end of 2023, on a par with year-end 2022. The statement of financial position totalled NOK 18.2 billion as at 31 December 2023, compared to NOK 17.6 billion the previous year.

The profit per share is NOK 7.9 for 2023. Based on the group's strong financial position and robust order book, the board of directors is proposing to pay an ordinary dividend of NOK 7.90 per share for the financial year 2023. This corresponds to a distribution ratio of 100%.

The group's LTI rate (the number of absences due to injury per million hours worked by own staff) was 4.7 in 2023, compared to 3.0 in 2022. Two serious injuries were recorded in 2023. The sick leave rate for the year was 5.5%, on a par with the preceding year.

Greenhouse gas emissions were reduced more than the annual commitment towards net zero for both scopes 1 and 2 and scope 3.

Operations

Construction Norway

NOK million	2023	2022	2021
Revenue	16 225	13 370	13 514
Profit before tax	710	530	507
Profit margin %	4.4%	4.0%	3.8%
Order book	14 760	16 584	13 537
CO_2 emissions scopes 1 and 2	7 671	9 082	10 234
CO_2 emissions scope 3	346 122	343 294	432 734

Construction Norway generated revenues of NOK 16.2 billion in 2023, up 21% on 2022.

The profit before tax increased by 34%, to NOK 710 million, while the profit margin rose from 4.0% in 2022 to 4.4% in 2023. The improved profit performance is attributable not only to high activity levels and good capacity utilisation, but also to systematic improvement efforts. While most operations achieved strong profitability in 2023, this was particularly true of operations in eastern Norway.

At year-end 2023, the Construction Norway order book stood at NOK 14.8 billion, down 11% year-on-year. The order book showed a weak shift towards projects for public-sector clients in 2023. At year-end, the

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order book composition was 45% public buildings, 37% residential units, 15% commercial buildings, and 3% civil engineering-related projects.

Major contracts signed in 2023:

- Økern School. Construction of a new lower secondary school, multi-use hall and day-care facility for Oslobygg KF. Contract value NOK 1.3 billion.
- Oslo Atrium. Refurbishment of office building in Oslo for Watrium AS. Contract value NOK 740 million.
- Ulven B1 Bolig. Residential project at Ulven for OBOS. Contract value NOK 597 million.
- Vannkunsten Syd. Residential project in Oslo for Oslo S Utvikling AS. Contract value NOK 480 million.
- Sia Lund Torv. Student housing in Kristiansand for Studentsamskipnaden i Agder. Contract value NOK 461 million.

Infrastructure Norway

NOK million	2023	2022	2021
Total revenue	9 325	9 583	9 147
Civil engineering	5 725	6 333	5 821
Asphalt, aggregates	3 599	3 251	3 327
Total profit before tax	222	496	462
Civil engineering	167	485	285
Asphalt, aggregates	56	11	177
Total profit margin	2.4%	5.2%	5.1%
Civil engineering	2.9%	7.7%	4.9%
Asphalt, aggregates	1.5%	0.3%	5.3%
Order book	8 912	8 242	7 477
CO_2 emissions scopes 1 and 2	40 087	50 492	61 817
CO_2 emissions scope 3	242 834	282 939	297 161

Infrastructure Norway generated revenue of NOK 9.3 billion in 2023, down 3% on 2022. The profit before tax of NOK 222 million reflects a NOK 110 million payment made to settle an older dispute involving the civil engineering operation. Adjusted for the settlement, profits totalled NOK 332 million, while the profit margin was 3.6%, compared to NOK 496 million and a profit margin of 5.2% in 2022. The year-on-year drop is due to lower profits generated by the civil engineering operation, as the asphalt operation improved its profit performance.

The civil engineering operation achieved revenues of NOK 5.7 billion, down 10% on 2022. Adjusted for the settlement, the profit before tax was NOK 277 million, compared to NOK 485 million the previous year. The profit drop is attributable to reduced activity levels and the fact that the 2022 figures included large contributions from projects approaching completion. Adjusted for the settlement, the annual profit margin was 4.8%, compared to 7.7% in 2022.

The asphalt and aggregates operations achieved combined revenues of NOK 3.6 billion in 2023. The 11% year-on-year increase is linked to high prices achieved by the asphalt operation. The profit before tax was NOK 56 million, up from NOK 11 million in 2022. The profit margin for the year increased to 1.5%, from 0.3% the preceding year. The improvement is attributable to the increased profitability of the asphalt operation. The aggregates operation delivered a weaker result than in 2022. The drop in profits is due to lower construction-sector demand for both stone materials and the receipt of excavated materials. The profitability of the asphalt operation has been too low for a number of years, and several measures have been implemented to boost profitability over time.

The Infrastructure Norway order book grew by 8% in 2023, to NOK 8.9 billion at year-end. The order book was composed of maintenance contracts (49%), transport infrastructure contracts (34%) and other civil engineering projects (17%).

Major contracts signed in 2023:

- KIB Skøyen–Majorstuen. Tunnel project in Oslo linked to the Fornebu Line. Contract value NOK 1.4 billion.
- Vestfold og Telemark Øst. Maintenance contract for the Norwegian Public Roads Administration. Contract value NOK 807 million.
- Feios kraftanlegg. Hydropower plant at Feios in Vik municipality for Sognekraft Produksjon AS. Contract value NOK 500 million.
- Ringerike. Maintenance contract for the Norwegian Public Roads Administration. Contract value NOK 325 million.
- Indre Romsdal D&V. Maintenance contract for Møre og Romsdal county municipality. Contract value NOK 300 million.

Construction Sweden

NOK million	2023	2022	2021
Revenue	9 078	8 858	8 544
Profit before tax	106	140	166
Profit margin %	1.2%	1.6%	1.9%
Order book	6 584	8 158	9 483
CO_2 emissions scopes 1 and 2[1]	5 302	651	1 019
CO_2 emissions scope 3	200 075	234 932	281 234

[1] Estimates for the subsidiary BRA are included from 2023.

Construction Sweden recorded revenues of NOK 9.1 billion in 2023, amounting to a decrease of 2% on 2022 in the local currency. The subsidiary BRA in Gothenburg boosted its revenues, but earnings fell for many of the operation's other entities. The profit before tax was NOK 106 million, down from NOK 140 million in 2022. While BRA improved its profits and delivered robust profitability, the other parts of the operation reported low profitability or were loss-making. The profit margin was 1.2%, compared to 1.6% the previous year.

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Following several years of weak profitability for Construction Sweden, parts of the operation are currently being restructured. Measures have been implemented to improve profitability over time. Towards the end of the year, the workforce was reduced by 50 full-time equivalents.

At year-end 2023, Construction Sweden's order book totalled NOK 6.6 billion, down from NOK 8.2 billion the previous year. Measured in the local currency, this equates to a 25% decrease. The order book shrank for all segments. BRA in Gothenburg accounted for almost half of the order book at year-end. The order book comprised commercial buildings (72%), residential units (10%) and public buildings (18%).

Major contracts signed in 2023:

- Volvo STL AE. Offices and commercial premises in Gothenburg for Volvo Lastvagnar AB. Contract value NOK 1.5 billion.
- Eleonoraskolan. School for Botkyrka municipality outside Stockholm. Contract value NOK 550 million.
- Tellus Idrottshallar. Sports halls in Stockholm for Nystad Stockholm Idrott ock Skolfastigheter AB. Contract value NOK 217 million.

Infrastructure Sweden

NOK million	2023	2022	2021
Revenue	5 958	5 247	4 345
Profit before tax	213	290	133
Profit margin %	3.6%	5.5%	3.1%
Order book	6 987	5 277	4 774
CO_2 emissions scopes 1 and 2	7 247	6 516	6 240
CO_2 emissions scope 3	101 267	123 632	137 729

Infrastructure Sweden achieved revenues of NOK 6.0 billion in 2023, up 8% on 2022 in the local currency. The profit before tax was NOK 213 million, compared to NOK 290 million in 2022. The 2022 result included a gain of NOK 130 million on the sale of a site outside Stockholm. The profit margin for the year was 3.6%, up from 3.0% the previous year (net of the sale gain made in 2022).

At year-end 2023, Infrastructure Sweden's order book totalled NOK 7.0 billion, up from NOK 5.3 billion the preceding year. Measured in the local currency, this equates to a 24% increase. The order book comprised water supply and sewerage projects (54%), industrial and energy contracts (24%), other civil engineering projects (17%) and transport infrastructure contracts (5%).

Major contracts signed in 2023:

- Mässtunneln. Sewerage tunnel for Stockholm Vatten och Avfall. Contract value NOK 898 million.
- Volvo STL AE. Share of co-project with Construction Sweden relating to offices and commercial premises in Gothenburg for Volvo Lastvagnar AB. Contract value 630 million.
- Bellmansgaraget. Parking facility in Stockholm for Atrium Ljungberg. Contract value NOK 450 million.
- Horshaga Wind Farm in Uppvidinge municipality for SR Energy. Contract value NOK 193 million.

Denmark

NOK million	2023	2022	2021
Revenue	3 002	2 420	2 362
Profit before tax	300	213	200
Profit margin %	10%	8.8%	8.5%
Order book	3 130	3 074	2 813
CO_2 emissions scopes 1 and 2	1 479	1 537	1 889
CO_2 emissions scope 3	60 770	56 335	86 873

Veidekke's Danish operation generated revenues of NOK 3.0 billion in 2023, up from NOK 2.4 billion in 2022. Measured in the local currency, revenues increased by 10%.

The profit before tax amounted to NOK 300 million, up from NOK 213 million the previous year. The profit margin improved from 8.8% in 2022 to 10% in 2023. The year-on-year improvement is attributable to high activity levels, effective capacity utilisation and very high profitability in the project portfolio.

At year-end 2023, the order book totalled NOK 3.1 billion, in a par with year-end 2022. As at 31 December 2023, the order book comprised commercial buildings (43%), public buildings (28%), civil engineering projects (22.5%), residential units (3.5%) and industrial and energy contracts (3%).

Major contracts signed in 2023:

- Refurbishment of Roskilde University for the Danish Building and Property Agency. Contract value NOK 484 million.
- Framework agreement Gladsaxe 19. Development and optimisation of the municipal district heating grid in Gladsaxe municipality for Gentofte-Gladsaxe Fjernvarme. Contract value NOK 434 million.

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Other operations/Other

The category "Other operations/Other" comprises unallocated costs linked to administration of the group, the sale of administrative services to the group's Norwegian operations, the group's financial management activities, the group's ownership role in public-private partnerships (PPPs) and the elimination of intra-group profits. Other operations/other recorded a loss of NOK 107 million in 2023, compared to a loss of NOK 203 million in 2022. The profit improvement is due to increased financial income in the form of returns on financial investments.

Strategic objectives

Veidekke operates in all growth areas in Scandinavia and aims to be a leader in its local markets in terms of profitability and size. In its capital markets update in May 2021, the group presented its strategy and objectives for the period to 2025.

Veidekke's group strategy for the period to 2025 – Performance with Meaning

Performance with Meaning represents Veidekke's strategy for delivering outstanding financial results, and is founded on three key principles:

- We are participating proactively in the green shift.
- We put people first.
- We are passionate about customer projects.

We are participating proactively in the green shift

Climate change and biodiversity loss affect everyone. Veidekke is participating proactively in society's transition to zero greenhouse gas emissions and more efficient resource utilisation. As a major stakeholder in an industry that accounts for a large proportion of global energy consumption and associated greenhouse gas emissions and materials consumption, Veidekke is working to reduce the negative impact of its operations by selecting, developing, planning and executing projects in a way that generates financial value for customers, employees and shareholders while also supporting positive climate and environmental development.

We put people first

Veidekke's ability to generate value rests on the collective expertise of its workforce. The company is a specialist enterprise in the labour-intensive construction industry, and as an expert on complex construction and infrastructure projects Veidekke's most important resource is its staff and their skills. Skills development and the recruitment of recent graduates and experienced workers therefore has high priority. Employee participation is part of Veidekke's DNA, and mandates the involvement of staff, colleagues and partners in all decisions and choices with consequences for others.

We are passionate about customer projects

Veidekke's customer pledge is fulfilled in the development, planning and execution of customer projects. Value-generating cooperation with staff, customers, and suppliers – based on trust and participation – lies at the heart of the group's business philosophy. The projects Veidekke develops and executes should be of value to users, satisfy their requirements and have the least possible impact on climate and nature. Veidekke therefore provides wise climate options and welcomes the involvement of stakeholder groups. This approach has boosted value creation in the form of customer value, strong market positions and long-term, sustainable profitability.

Veidekke's success is dependent on the successful interplay of these three factors.

Veidekke's objectives for the strategy period

Veidekke will prioritise selective growth in profitable positions until 2025 and is targeting a profit margin of more than 5% in 2025. Adjusted for the settlement of an older dispute involving the civil engineering operation, Veidekke delivered a group profit margin of 3.6% in 2023. Veidekke has implemented several measures to increase profitability, central to which is the group's focus on uncertainty management, which started as a tool to boost profitability in 2018 and has since been gradually implemented throughout the group. This has helped increase the profit margin from 1.6% in 2019 to 3.6% in 2023. Going forward, emphasis will be on lifting weakly performing units, while maintaining the high profitability of the well-performing units.

Veidekke seeks to provide a safe workplace. In 2014, the group adopted two specific targets: zero serious occupational injuries and a 20% annual reduction in the total number of injuries. In total, 246 injuries were recorded in 2023 – 2% more than in 2022. Two of the injuries were classed as serious. See pages 127–130 of the sustainability report.

Veidekke has adopted the targets of halving greenhouse gas emissions from its operations by 2030 and achieving net zero emissions by 2045. The targets, which apply to both the group's own operations (scopes 1 and 2) and the rest of the value chain (scope 3), are in accordance with the Paris Agreement and the emissions pathway that limits global warming to 1.5°C. In 2022, Veidekke became the first construction company in Scandinavia to have both short- and long-term targets validated by the Science Based Target initiative. The group has adopted a climate plan for the transition to a zero-emission society. The plan identifies priority measures for achieving its climate targets successively, year by year. In 2023, Veidekke's scopes 1 and 2 emissions amounted to 62 000 tonnes, down 10% on 2022 and down 45% compared to the base year (2018).

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Similarly, scope 3 emissions in the year 2023 amounted to 958 000 tonnes of CO_2eq, down 8% on 2022 and down 31% compared to the base year (2020). Further details on Veidekke's greenhouse gas emissions can be found on pages 115–120 of the sustainability report.

Veidekke has a policy against deforestation and will draw up targets for biodiversity and resource use/circularity.

Veidekke aims to pay its shareholders a high and attractive dividend, defined in the group's dividend policy as more than 70% of the profit per share. Over the past five years, the dividend ratio has been 101% (excluding the extraordinary dividend occasioned by the sale of Veidekke's property development operation). The board of directors is proposing a dividend of NOK 7.90 per share for the financial year 2023, corresponding to a distribution ratio of 100% of the profit per share.

Organisation

At the end of 2023, Veidekke had 8 084 permanent employees. Turnover (resignations only) amounted to 6.7%, compared to 9.8% in 2022. The overall turnover rate for the group was 9.7% in 2023, compared to 12.5% in 2022.

Number of employees

	Skilled workers	Administrative staff	Total
Norway	3 126 (3 055)	2 310 (2 256)	5 436 (5 311)
Sweden	854 (830)	1 364 (1 354)	2 218 (2 184)
Denmark	235 (240)	195 (198)	430 (438)
Total	4 215 (4 125)	3 869 (3 808)	8 084 (7 933)

Last year's figures in brackets.

A significant share of the group's value creation takes place through sub-contractors with other expertise than Veidekke's own. In addition to the group's own employees, approximately 15 000 people work for Veidekke at any given time.

Skills-building and recruitment

Veidekke's projects are complex and demand high expertise and skills. Employees working on projects are exposed to new tasks and challenges and can develop their abilities with the strong support of management and more experienced colleagues. This makes projects one of the most important learning arenas for company staff. Project management teams are composed of individuals with complementary skills, who must work together to secure an optimal project outcome. To ensure high performance, teams must exploit both individual capabilities and collective expertise, and work well together.

Veidekke arranges role-specific training and networking groups to supplement the knowledge acquired through project involvement and new responsibilities. HR competence centres in Norway and Sweden organise and facilitate learning and development adapted to individual roles and responsibilities. This covers the company's core subjects, project management, climate and nature, processes, systems, and leadership development. The networking groups engage in more specialised skills development in key areas, such as calculation, residential construction and design work. To keep up with innovation and technology development, Veidekke also collaborates with leading academic groups at universities, university colleges and technical colleges. The Horizon programme for senior executives is run in collaboration with BI Norwegian Business School, and 100 Veidekke executives have completed or are enrolled in the programme.

The group has a long-term strategy of training and hiring its own skilled workers. In Norway, Veidekke is among the companies with the largest apprenticeship programmes, with 310 apprentices enrolled at the end of 2023. Passing the trade examination qualifies apprentices for a permanent position after completion of their apprenticeship. In 2023, the group continued its campaign to strengthen recruitment to vocational trades, including through bus visits to many lower and upper secondary schools, where Veidekke employees gave talks on the opportunities available in the construction and civil engineering industry.

Through its programme for recent graduates, Veidekke recruits primarily younger technical personnel. The programme combines practical project work with theoretical training. It is a strong recruitment base for future managers, and many of the participants subsequently take up management positions within the group. In 2023, the group recruited a total of 88 recent graduates from universities and university colleges.

Working environment and diversity

All Veidekke employees must be met with respect and be given the opportunity to use their skills in cooperation with others. The group practises zero tolerance for harassment and conduct which may be perceived as threatening or degrading. This year's efforts in the area of working environment and diversity focused on raising awareness of the importance of building an inclusive working environment free of harassment and bullying. The group's ethical guidelines encourage staff to report actions which may be contrary to laws, regulations and internal routines, and procedures have been developed for the reporting and addressing of censurable conditions. Reports may be made internally or externally via an online whistleblowing portal. Veidekke received and processed one report concerning bullying and harassment through the portal in 2023. The various operations also received and processed reports.

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Maintaining and improving the group's corporate culture is an ongoing task. Veidekke conducts regular employee surveys and occupational health surveys to identify important factors affecting the working environment. High reported levels of staff commitment and satisfaction indicate good framework conditions for productivity and personal development.

Veidekke is making active efforts to increase the low proportion of women in the construction industry, which represents a major industry challenge. At year-end 2023, 13.1% of all Veidekke employees were women, with women making up just under 24% of administrative staff and close to 3% of skilled workers. The group is working to increase the general diversity of its workforce, with a particular focus on improving the gender balance, and has adopted a strategy for achieving its target of increasing the proportion of women operational managers to more than 20%. In 2023, the proportion of women operational managers increased to 12.7%, from 10.1% the preceding year. A further objective is that all management teams above project level should include at least one woman, although Veidekke has not yet achieved this. Other targets include that women should account for 40% of new hires from universities and university colleges and 50% of students working summer jobs. The proportion of recruited women graduates has been stable around the target figure in recent years, and totalled 43% in 2023. The percentage of women among students in summer jobs was 22%. Among apprentices, the proportion of women increased to 13% in 2023, from 11% in 2022.

See pages 179–181 for the company's reporting on the activity duty and duty to issue a statement.

Management

In 2023, the group management team comprised the Group CEO, four EVPs for the operational areas (including one woman) and five EVPs for the staff functions (including two women). The group management team is presented on pages 18–19.

Occupational health and safety (OHS)

Veidekke's operations in Norway, Sweden and Denmark recorded two serious occupational injuries in 2023, meaning that the zero-serious-injuries target adopted in 2014 was not achieved in 2023. Veidekke has not suffered a fatal workplace accident since 2018, and the frequency of injuries has fallen considerably in recent years. Overall, the group registered 243 injuries in 2023. The total figure was up slightly on 2022 and meant that the target of a 20% annual reduction in injury numbers was not achieved. As a further consequence, the LTI rate rose from 3.0 in 2022 to 4.7 in 2023.

The group's sick leave rate was 5.5% in 2023, on a par with 2022. The short-term sick leave figure was somewhat higher than the long-term figure, and rose slightly towards the end of the year. The national sick leave rates were 5.9% (2022: 3.4%) in Norway, 4.7% (2022: 5.1%) in Sweden and 2.9% (2022: 4.1%) in Denmark.

Veidekke has been intensifying its injury-prevention efforts for a number of years, through a wide-ranging and ambitious programme to improve and standardise key group OHS processes. For further details of the group's OHS work, see pages 127–130 of the sustainability report.

External environment and climate impact

Veidekke is taking a proactive approach to the green shift, i.e. the transition to a net zero, nature-positive and circular society.

Veidekke is targeting net zero emissions by 2045, and will continue to prevent and limit pollution, preserve natural diversity, reduce resource consumption, and integrate circularity into processes and products. The group's management systems are designed to provide insight into Veidekke's climate and environmental impact and to facilitate improvements to processes and products in all supply chains and throughout product lifecycles, both upstream and downstream.

Environmental considerations are incorporated into all stages of production, from project selection to design, planning and execution, as well as into procurement.

Veidekke is helping to reduce consumption, extend useful life and promote reuse, including by developing new products and processes that generate fewer greenhouse gas emissions and have a smaller environmental footprint. Relevant measures include transitioning to renewable energy carriers, more use of extremely low-carbon concrete and recycled steel, fossil-free and zero-emission construction sites, electrification of machinery and vehicles, environmental certification of construction and civil engineering projects, and various forms of resource optimisation and circular solutions.

The 2023 CDP Climate Change investor survey awarded Veidekke an A-list rating. CDP evaluates almost 23 000 companies all over the world in terms of their overall understanding, awareness and management of environmental risk, as well as best practice in the area of environmental

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leadership and reduction of greenhouse gas emissions. The criteria for the top 'A' rating are constantly becoming stricter.

Natural diversity is under heavy pressure and in need of protection, meaning that commodities, products and packaging must be harvested and produced sustainably. Veidekke has developed a zero-deforestation policy containing obligations for the entire supply chain. The group reports transparently and regularly on matters relevant to natural diversity, including through CDP Forest.

Veidekke imposes environmental requirements on its partners. The group's contribution extends beyond its own operations, encompassing activities in trade organisations, educational initiatives, research and development, and cooperation with authorities. Such cooperation facilitates mutual learning and quicker development, and its positive effects have the potential to reach far beyond Veidekke's own operations and industry.

Veidekke's work related to the external environment is discussed further on pages 115-126 of this report.

Corporate governance

Good corporate governance is a board responsibility. Veidekke reports in accordance with the Norwegian Code of Practice for Corporate Governance dated 14 October 2021. A statement on the group's corporate governance work is provided on pages 94-100 of this report and will be considered at the ordinary general meeting on 7 May 2024.

Veidekke conducts due diligence assessments in accordance with the Transparency Act and gives high priority to workers' rights. The group's approach to these topics, and results achieved, are discussed on pages 131-132 and page 168 of the sustainability report. A formal statement is also published on the Veidekke website in accordance with official guidelines and deadlines.

Remuneration of senior executives

Veidekke's board issues a statement on executive remuneration and benefits in accordance with section 6-16a of the Public Limited Liability Companies Act. The statement was approved at the general meeting on 10 May 2023 and will also be presented to and considered at the ordinary general meeting on 7 May 2024.

The board of directors' remuneration committee prepares matters and proposals for all material aspects of the Group CEO's remuneration and benefits. The committee advises the Group CEO on the remuneration and benefit arrangements of other group executives.

Shareholder and stock exchange matters

In 2023, approximately 16.9 million Veidekke shares were traded on the Oslo Stock Exchange, equating to a turnover rate of 12.5%. Over the course of the year, the share price fluctuated between NOK 92.0 and NOK 122.8. The annual return including dividends was 14%. In contrast, the return achieved by the Oslo Stock Exchange Benchmark Index was 9.9%. All of Veidekke's shares are freely transferable; see section 5-8a of the Securities Trading Act.

At year-end, Veidekke had 13 085 shareholders, the largest of which were OBOS BBL (19.5%), Folketrygdfondet (10.6%) and IF Skadeförsäkring AB (3.7%). The proportion of foreign shareholders was 23.5%.

Veidekke encourages its employees to participate in the group's value creation through share ownership. The employee share programme gives all employees an annual opportunity to purchase Veidekke shares at a discount. At year-end 2023, approximately 12% of Veidekke was owned by employees.

The board of directors is proposing a dividend of NOK 7.90 per share in respect of the financial year 2023. The proposal is in line with Veidekke's dividend policy and the objective of giving shareholders a competitive return on their investment. The proposed dividend equates to a distribution ratio of 100%.

Further information on the programmes, share price developments and other matters relating to the Veidekke share can be found on pages 104-106 of this report.

Financial situation and capital structure

Veidekke seeks to maintain a strong financial position. This is dependent on stable operations, low financial risk exposure and proper management of financial risk parameters. Financial developments are an important factor in the group's strategy process, and Veidekke issues guidance on financial risk management in its finance policy.

The group's net interest-bearing assets totalled NOK 2.8 billion at the end of 2023, on a par with the beginning of the year. Cash flow from operational activities amounted to NOK 2.9 billion for the year, compared to NOK 1.4 billion in 2022. Net investment activity amounted to NOK 2.0 billion in 2023, compared to NOK 701 million the preceding year.

The group's total assets amounted to NOK 18.2 billion at year-end,

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compared to NOK 17.6 billion in 2022. Total equity stood at NOK 3.1 billion (2022: NOK 3.0 billion), corresponding to an equity ratio of 17% (2022: 17%).

Veidekke's borrowing facilities comprise a NOK 1.75 billion overdraft facility with a rolling 364-day maturity period, provided by DNB, and a NOK 0.75 billion credit facility that matures at the end of 2025, provided by SEB. As at 31 December 2023, Veidekke also had an unsecured bond loan with an outstanding volume of NOK 193 million and a maturity date of 19 March 2025.

Risks and uncertainties

Risk management is a key aspect of Veidekke's business, which primarily involves the execution of individual projects. Veidekke seeks to identify risks early on, so that risk-reduction measures can be implemented. Relevant categories include operational risk, climate risk, nature risk, reputational risk and financial risk. The board of directors and senior executives are covered by Veidekke's board liability insurance. This insurance cover is provided by an insurer with a robust rating.

Operational risk

Veidekke's operations primarily involve the execution of individual projects. Constant growth in project size and complexity means an increasing need for effective and systematic risk management in all parts of the business and during all project phases. Veidekke gives high priority to risk management, and has dedicated staff working on uncertainty management during both tender and execution phases. Projects where the earnings estimates have a large margin of error are reviewed by group management, and projects with a contract value exceeding NOK 800 million must be reviewed by the board's project committee. Having the necessary expertise to ensure optimal assignment execution, and putting together a reliable team, is key when deciding which projects to tender for. At the tender preparation stage, risks are identified and assessed, and plans are made for managing risk during the execution phase.

Certain forms of contract permit differing interpretations of contractual performance, giving room for disagreement between the contractor and client regarding final payment. Although Veidekke seeks to reach agreement with clients through negotiations, some disputes do end up in the court system. At year-end, Veidekke was not involved in any major disputes before the courts.

Climate risk

Climate change and climate policy are changing society and the economy in ways which may have a significant impact on the construction and civil engineering industry. Phenomena such as extreme weather, flooding and drought can cause physical damage to nature, infrastructure and buildings, and steps taken by society to counter climate change may impact market conditions, government policy, regulatory frameworks, technology and reputation.

Climate change entails strategic and financial risk for Veidekke, and climate change considerations have therefore been integrated into the group's strategy work and risk management activities. Veidekke supports the Task Force on Climate-related Financial Disclosures (TCFD), and seeks to address climate risk in accordance with TCFD recommendations. Veidekke has conducted a climate risk analysis containing recommended measures to alleviate risk and exploit opportunities linked to physical risk and transition risk. For more information about the company's financial climate risk, see note 30.

Reputational risk

Veidekke and its subsidiaries are well-known, well-established brands. Veidekke has a large customer base, works with numerous suppliers at any given time and hires many new employees every year. The group is therefore focused on long-term brand-building, professional customer service and reliable external communications as instruments for maintaining confidence in, and the attractiveness of, the group, its brands and its products. Key measures include adopting ethical guidelines, compliance with laws and the management of potential reputational risks. Ongoing quality assurance is also key to reducing reputational risk, and Veidekke has therefore adopted procedures and routines designed to ensure a high level of quality in all parts of the group. Read more in the corporate governance chapter on paces 94-100.

Financial risk

Veidekke is primarily exposed to financial risks related to trade receivables, liquidity, and interest-bearing debt. For a detailed statement on the company's financial risks, see note 29.

Credit risk

Credit risk is the risk of financial loss because a customer or counterpart under a financial instrument is unable to meet its contractual obligations. The group's credit risk primarily arises with regard to the settlement of outstanding accounts – the principal risk linked to the group's trade debtors. Credit risk related to trade debtors is linked to clients' payment capacity, i.e. not their willingness to pay, which influences project risk. Veidekke's high percentage of public-sector clients helps reduce its credit risk. Further, credit risk is managed through contractual drafting and strong credit management procedures.

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Liquidity risk

Liquidity risk is the risk that Veidekke may be unable to meet its payment obligations as they fall due. Strong liquidity is an important prerequisite for the group's profitability and its ability to invest and take on risk in capital-intensive business areas. Management of liquidity risk is an aspect of the group's financial flexibility objective, and has high priority. The management, measurement and control of liquidity starts at the project level and extends throughout all levels of the group.

Foreign exchange risk and commodity price risk

Veidekke has some exposure to foreign exchange risk through its purchasing of construction materials and bitumen for use in asphalt production. The group does not engage in much hedging linked to input factors for use in future production, and hedging only occurs after an order has been placed. Hedging contracts are normally entered into in connection with major asphalt delivery agreements with a long-time horizon (exceeding one year). Under contracts with the Norwegian Public Roads Administration – the asphalt operation's largest customer – the majority of bitumen price risk is carried by the Public Roads Administration. When material foreign exchange risk arises, it is hedged through forward contracts and other measures.

Interest rate risk

Veidekke's interest rate risk arises in relation to the group's debt portfolio, and is managed at group level. The different operations are exposed to interest rate risk, and some partly-owned subsidiaries use interest rate derivatives to reduce material long-term interest rate risk. Veidekke has issued a fixed-rate bond loan with an outstanding volume of NOK 193 million. The bond, which matures in 2025, carries a fixed coupon rate of 3.20%.

The group has substantial excess liquidity, with NOK 1.84 billion invested in short-term bond and money market funds. The return on the investment is sensitive to changes in market interest rates. Veidekke's investments in these asset classes comprise holdings in funds of investment-grade credit quality with short and medium durations. Accordingly, the portfolio has moderate price sensitivity to changes in market interest rates. For further information, see note 28.

For further information on the company's financial risks, see note 29.

The market

Production in the Scandinavian construction markets fell by approximately 9% in 2023 (measured in fixed prices), due to a reduced number of project starts as of the second half of 2022. The drop in demand was driven particularly by a marked increase in interest rate levels and high construction costs. Other fundamental factors like strong labour markets, robust central government finances and population growth continue to contribute positively.

Veidekke expects high interest rate levels to keep the number of building starts in the construction industry below the average for the past 5–10 years. A moderate increase in new project starts is nevertheless expected in the residential and commercial buildings segments compared to 2023, provided that general economic parameters, such as high wage growth and strong labour markets, develop in line with key forecasts. Activity levels in the infrastructure market are expected to remain high in all three countries, with continued growth in the water, sewerage, and energy segments.

The construction market is expected to be most resilient in Norway, where the economy is supported by high activity in the petroleum sector and expansive government spending. While construction-cost inflation has diminished, future developments remain uncertain due to the high level of geopolitical conflict and the risk of climate-related challenges.

Events after the balance sheet date

No events with a material effect on the issued accounts have occurred after the balance sheet date.

The parent company Veidekke ASA

The primary task of Veidekke ASA is to exercise ownership of the operational entities in the group. The company has 53 (2022: 50) employees, including 21 (2022: 20) women. Veidekke ASA issues its accounts in accordance with the Norwegian Generally Accepted Accounting Principles (NGAAP).

Veidekke ASA performs group functions on behalf of its subsidiaries, in the form of services in areas such as financial management, IT infrastructure, insurance, HR, OHS, communications and information. These services are invoiced to the relevant subsidiaries in full or in part.

Veidekke ASA generated revenues of NOK 127 million in 2023 (2022: NOK 120 million), and made an operating loss of NOK 166 million (2022: NOK -163 million). Dividends and group contributions from subsidiaries amounted to NOK 1 119 million (2022: NOK 1 357 million). The company accounts show an annual profit before tax of NOK 966 million (2022: NOK 1 120 million).

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Dividend

The board of directors is proposing an ordinary dividend of NOK 7.90 per share in respect of the 2023 financial year. This equates to a distribution ratio of 100% of the profit per share, in line with the minimum distribution target of 70% under the dividend policy. The parent company, Veidekke ASA, achieved an annual profit of NOK 934 million (2022: NOK 1 115 million). At the company's ordinary general meeting on 7 May 2024, the board will propose the following allocation of the annual profit:

	NOK millioner
Allocated to dividend	1 066
Transferred to other equity	-132
Profit for the year	934

A statement on corporate governance has been prepared in accordance with section 3-3b of the Norwegian Accounting Act and is included in this report. An account of Veidekke's social responsibility work has been prepared in accordance with section 3-3c of the Norwegian Accounting Act and is also included in this report.

Going concern

Pursuant to section 3-3a of the Norwegian Accounting Act, the board of directors confirms that the company is a going concern and that the annual accounts for 2023 have been prepared on this basis.

Oslo, 20 March 2024

The board of directors of Veidekke ASA

Sign.	*Sign.*	*Sign.*	*Sign.*	*Sign.*
Gro Bakstad Chair	Hanne Rønneberg	Per-Ingemar Persson	Carola Lavén	Pål Eitrheim
Sign.	*Sign.*	*Sign.*	*Sign.*	*Sign.*
Nils Morten Bøhler	Inge Ramsdal	Odd Andre Olsen	Arve Fludal	Jimmy Bengtsson Group CEO

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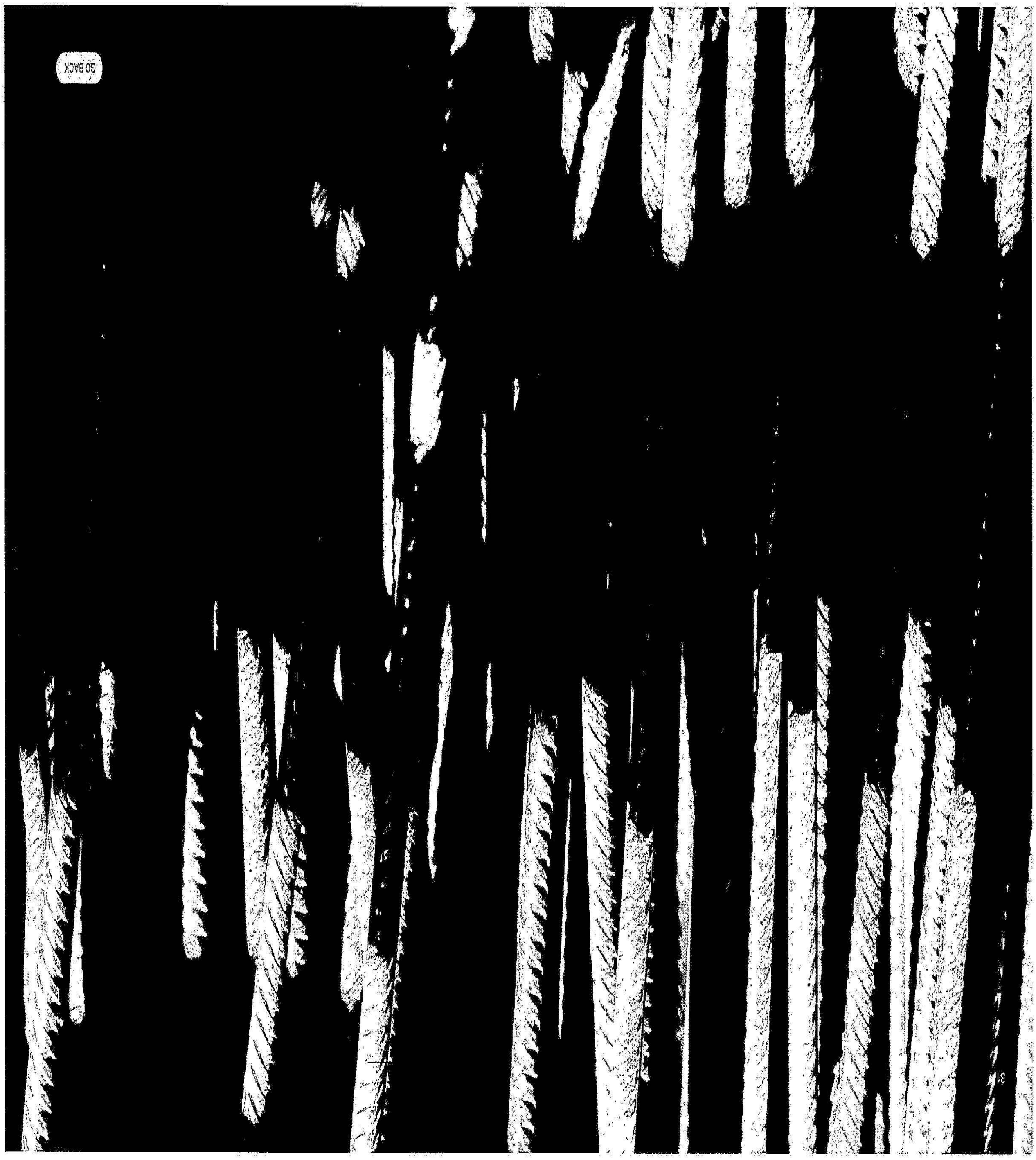
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Income statement Veidekke group

Figures in NOK million	Note	2023	2022
Revenue	3, 4, 5, 9, 33	43 146	38 858
Subcontractors		-21 270	-18 618
Cost of materials		-6 850	-5 814
Personnel expenses	5, 6, 22, 32	-7 911	-7 312
Other operating expenses		-4 685	-4 506
Depreciation	11, 12, 13	-1 045	-938
Operating expenses		-41 760	-37 188
Share of net income from joint ventures	16	23	37
Operating profit		1 409	1 508
Financial income	7, 31	144	45
Financial costs	7, 31	-109	-87
Profit before tax		1 444	1 467
Income tax expense	23	-293	-308
Profit for the year		1 151	1 159

Figures in NOK million	Note	2023	2022
Profit for the year			
Equity holders of Veidekke ASA		1 069	1 092
Non-controlling interests		81	67
Total		1 151	1 159
Profit per share (NOK) (ordinary/diluted)	9	7,9	8,1

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Consolidated statement of comprehensive income

Figures in NOK million	Note	2023	2022
Profit for the year		1 151	1 159
Value adjustment pension after tax	22, 23	-19	33
Net items that will not be reclassified subsequently to profit or loss		-19	33
Currency translation differences		68	4
Fair value adjustment of financial assets after tax	23, 31	8	91
Net items that will be reclassified subsequently to profit or loss		76	95
Total other income and expenses after tax		57	128
Comprehensive income		1 207	1 287
Comprehensive income attributable to			
Equity holders of Veidekke ASA		1 124	1 218
Non-controlling interests		83	68
Total		1 207	1 287

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Statement of financial position Veidekke group

Figures in NOK million	Note	31.12.2023	31.12.2022
ASSETS			
Non-current assets			
Goodwill	10, 14	2 088	2 016
Other intangible assets	11	200	137
Rights of use assets	13	1 030	857
Land and buildings	12	791	740
Plant and machinery	12	1 669	1 724
Asphalt and aggregates plants	12	630	626
Investments in joint ventures	15	319	278
Financial assets	17, 31	590	524
Total non-current assets		7 317	6 901
Current assets			
Inventories	18	740	639
Trade receivables	19, 31	3 264	3 852
Contract assets	19, 31	3 282	2 729
Other receivables		620	286
Financial investments	20, 31	925	523
Cash and cash equivalents	20	2 063	2 714
Total current assets		10 894	10 743
Total assets		18 212	17 644

Figures in NOK million	Note	31.12.2023	31.12.2022
EQUITY AND LIABILITIES			
Equity			
Share capital	9, 21	67	67
Other equity		2 985	2 906
Non-controlling interests		46	22
Total equity		3 099	2 995
Non-current liabilities			
Pension liabilities	22	629	565
Deferred tax liabilities	23	661	674
Bonds	24, 31	193	193
Debts to credit institutions	13, 24, 31	313	194
Other non-current liabilities	13, 24, 31	585	687
Total non-current liabilities		2 380	2 313
Current liabilities			
Debts to credit institutions	30	2	14
Trade payables	25, 31	6 853	6 093
Contract liabilities	19, 31	2 135	1 984
Public duties		1 026	941
Warranty provisions	26	999	989
Taxes payable	23	180	161
Other current liabilites	13, 25	1 539	2 153
Total current liabilities		12 733	12 336
Total equity and liabilities		18 212	17 644

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Statement of changes in equity Veidekke group

		Equity holders of Veidekke ASA							Minority	
Figures in NOK million	Note	Share capital	Other paid-in capital[1]	Re-evaluation of pensions	Currency translation differences	Other retained earnings	Fair value adjustments[2]	Total	Non-controlling interests	Total
Equity at 1 January 2022		67	419	-85	-25	2 581	-110	2 848	17	2 865
Profit for the year		-	-	-	-	1 092	-	1 092	67	1 159
Other comprehensive income		-	-	33	1	-	91	125	2	128
Share-based transactions employees	6	-	-	-	-	-31	-	-31	-	-31
Additions, acquisitions of operations, non-controlling interests		-	-	-	-	-	-	-	8	8
Transactions, non-controlling interests	24	-	-	-	-	-112	-	-112	-21	-133
Purchase of own shares	21	-	-	-	-	-5	-	-5	-	-5
Dividend	21	-	-	-	-	-945	-	-945	-50	-995
Equity at 31 December 2022		67	419	-52	-24	2 581	-19	2 973	22	2 995
Equity at 1 January 2023		67	419	-52	-24	2 581	-19	2 973	22	2 995
Profit for the year		-	-	-	-	1 069	-	1 069	81	1 151
Other comprehensive income		-	-	-19	66	5	3	55	2	57
Share-based transactions employees	6	-	-	-	-	-35	-	-35	-	-35
Transactions, non-controlling interests	24	-	-	-	-	32	-	32	3	35
Sale of own shares	21	-	-	-	-	5	-	5	-	5
Dividend	21	-	-	-	-	-1 046	-	-1 046	-62	-1 108
Equity at 31 December 2023		67	419	-71	43	2 610	-16	3 053	46	3 099

[1] Paid-in capital over and above nominal value of shares.

[2] Financial assets and derivatives defined as hedging instruments, which are both measured at fair value in other comprehensive income. See note 31 details.

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Statement of cash flows Veidekke group

Figures in NOK million	Note	2023	2022
Operating activities			
Profit before tax		1 444	1 467
Net interest items	7	-37	60
Tax paid	23	-308	-290
Depreciation and impairments operating assets	10, 11, 12	584	591
Depreciation rights of use assets	13	460	348
Net gains from sale of property, machinery etc.	12	-59	-247
Gains from sale of operations	7, 14	-	-1
Share-based transactions directly over equity	6	-35	-31
Profit and loss items without cash effect		-134	-57
Generated from this year's activities		1 915	1 839
Change in trade receivables	19	35	-790
Change in other current receivables		-120	51
Change in trade payables etc.	25	760	219
Change in other current liabilities	25	349	90
Net cash flow from operating activities (A)		2 939	1 409
Investing activities			
Acquisition of tangible, non-current assets	11, 12	-844	-785
Disposal of tangible, non-current assets	11, 12	175	356
Acquisition of subsidiaries	14	-797	-299
Sale of operations	14	55	3
Interest received	7	113	8
Investments in bond funds	20	-397	-7
Other investing activities		-325	24
Net cash flow from investing activities (B)		-2 019	-701

Figures in NOK million	Note	2023	2022
Financing activities			
New long-term debt	24	-	37
Repayment of non-current debt	24	-108	-448
New short term liabilities	25	-	1
Repayment of current liabilities	25	-13	-
Payment of principal IFRS16 leases	13	-464	-343
Payment of interest IFRS16 leases	13	-43	-29
Interest paid	7	-33	-26
Other financing activities		11	-
Purchase / sale of own shares	21	5	-5
Dividend paid to non-controlling interests		-62	-50
Dividend paid, group	21	-1 046	-945
Cash flow from financing activities (C)		-1 753	-1 808
Total net change in cash and cash equivalents (A+B+C)		-833	-1 100
Cash and cash equivalents at 1 January		2 714	3 814
Exchange rate adjustments cash and cash equivalents		182	-
Cash and cash equivalents at 31 December		2 063	2 714

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Notes Veidekke group

Note 01. General information

Veidekke ASA is a one of Scandinavia's largest construction companies, headquartered in Oslo and listed on the Oslo Stock Exchange. The consolidated accounts include Veidekke ASA and its subsidiaries and the group's investments in associates and joint ventures. The group's operations are further described in note 3 Segment information. The main office's address is Veidekke ASA, Skabos vei 4, 0214 Oslo, Norway.

Note 02. Accounting policies - Veidekke Group

General

The most important accounting principles used in the preparation of the consolidated accounts are described below. These principles have been applied identically in all presented periods. The consolidated accounts are prepared on the basis of historical cost, with the exception of certain financial instruments and derivatives measured at fair value on the balance-sheet date. Transactions involving gradual acquisition are measured at fair value on the transaction date, provided that the transaction results in a change of control of the undertaking. Unless otherwise specified, all financial information in financial statements and notes is presented in millions of Norwegian kroner. All sums specified in notes are rounded to the nearest NOK 1 million.

Basis for preparation of the accounts

Veidekke's consolidated accounts have been prepared in accordance with EU-approved International Accounting Standards (IFRS) and Interpretations, together with the disclosure requirements stipulated by the Norwegian Accounting Act. Only standards that are effective on 31 December 2023 have been applied.

Changes to accounting principles

No new or updated standards applicable to 2023 have had a material effect on measurements or recognition. Nor have any standards been adopted which have not yet been implemented but which are expected to have a material effect on the accounts.

Material accounting assessments, estimates and assumptions

Veidekke's operations primarily consist of construction work. For its projects, Veidekke recognises revenue using the percentage of completion method, based on the anticipated final profit (final outcome) and stage of completion. This means that income is recognised as work progresses.

The use of reasonable estimates and discretionary assessments is a key element in the preparation of the consolidated accounts. The percentage of completion method is based on estimates and assessments, entailing a degree of uncertainty in the accounting. For projects under construction, there is uncertainty associated with the progress of ongoing work, disputes, final outcome, etc. The actual outcome may therefore deviate from the expected outcome. For completed projects, there is uncertainty about hidden deficiencies, including guarantee work, and the outcome of possible disputes with clients and suppliers.

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Areas with significant estimation uncertainty

Accounting items with significant estimation uncertainty	Estimates / assumptions	Discussed in the following notes	Carrying amount
Trade receivables/ Contract assets/ Trade payables (creditors)/ Warranty provisions	At 31 December 2023, project assessments had been carried out for all projects, focusing on the expected revenues from the individual project on completion. The assessment is based on estimates, experience, professional judgement and interpretation of contracts. The revenue recognition method for additional claims against the client and disputed amounts with a high level of uncertainty is based on assessments of the most likely outcome and elements that can be measured reliably. Additional requirements are recognised only once it is considered highly probable that a substantial portion of this income will not be reversed at a later date.	9, 20, 26, 27, 33	Most of the group's current assets and current liabilities are related to projects.
Goodwill	Calculation of the present value of future cash flow. The main assumption in this calculation is expected future earnings.	11	NOK 2 088 million (2022: NOK 2 016 million)

1. Revenue recognition

Construction projects

Veidekke's operations consist largely of the execution of all kinds of construction and civil engineering projects lasting anything from a few months to three or four years. For reporting of projects Veidekke primarily uses the stage of completion method, based on the estimated final profit. This means that income is reported in line with production, based on degree of completion.

The revenue recognition for additional claims against the client and disputed amounts with a high level of uncertainty is based on assessments of the highly probable outcome of the dispute and elements that can be measured reliably. Additional claims are only recognised once it is considered highly probable that a substantial portion of this income will not be reversed at a later date.

Provision is made for guarantee work based on historical experience and identified risks. The guarantee period is normally from three to five years. For projects that are expected to make a loss, the whole loss is recognised in the income statement as soon as it is identified. Costs related to tenders and other costs related to obtaining projects are recognised as expenses as they are incurred. The stage of completion is determined on the basis of the work completed and is normally calculated as the ratio of accrued expenses to date to estimated total expenses for the project. Accrued expenses to date are equal to book expenses adjusted for time lag in invoicing (Accrued but not recorded). Income to date is equal to the total transaction price multiplied by the stage of completion. Accrual accounting is used for both income and expenses.

Non-invoiced earned income is booked as Contract assets (Work done, but not invoiced). Unearned invoiced income (pre-agreed payment plans) is booked under trade receivables (Work invoiced in advance/not recognised). Only one of these items may be applied per project at any given time. If the item Work invoiced in advance is a larger negative amount than invoiced trade receivables for the project, the surplus is recorded as advance payment from customers (Contract liabilities). Each project thus shows either a net receivable from the customer or a net debt to the customer. While the right to issue an invoice normally arises once work has been completed, contracts often specify an invoicing schedule. Cost accruals (Accrued, not recorded) are entered under Trade payables, while provisions for guarantee work on completed projects are entered under Warranty provisions etc.

Long-term contracts for the operation and maintenance of public roads

Operation and maintenance contracts usually have a term of five years. For road operation and maintenance contracts, revenue is recognised on a percentage of completion basis in line with completed tasks and related costs. For each contract, a final outcome assessment assessment is prepared for the entire contract period at the end of the period.

Loss-making contracts

If a contract is expected to result in a net loss in the remaining contract period, the loss is recognised as soon as it is identified. The loss recognition shall cover the remaining ordinary term.

PPP projects

Veidekke has ownership shares in companies that have entered into PPP contracts (Public–Private Partnerships) for the construction of roads and schools with a subsequent operation and maintenance period. The PPP contracts are accounted for according to IFRIC 12 Service Concession Arrangements (The Financial Asset Model), as a financial asset at cost amortised over the contract period.

2. Business combinations

Business combinations may be achieved through the acquisition of a company's operations, the acquisition of companies, or mergers. Business combinations are accounted for using the purchase method, where identifiable assets and liabilities are valued and recognised at fair value. That part of the price that exceeds the fair value of identifiable assets and liabilities constitutes goodwill. Only acquired goodwill is recorded in the income statement , and acquisition costs are expensed. Identifiable excess value in connection with acquisitions is included in the calculation of deferred tax, whereas no provision is made for deferred tax in the case of goodwill. The fair value of tangible assets is depreciated systematically, while goodwill and intangible assets with an undetermined lifespan are tested annually for impairment.

Conditional consideration is recognised in the statement of financial position at fair value on the acquisition date. Any subsequent changes in the conditional consideration are recognised in the income statement.

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Excess value and goodwill are determined at the time of group establishment. If there are subsequent changes in ownership, the changes will not affect goodwill or identified excess value, as these are locked from the acquisition date. However, the change in ownership will affect allocations between controlling and non-controlling interests.

3. Purchase and sale of companies

In connection with the purchase and sale of companies, an assessment is done of whether the transaction is an asset transaction or a business transaction. In Veidekke's construction and industrial operations, the purchase and sale of companies will normally be treated as a business transaction.

When part of a subsidiary is sold such that Veidekke retains control, the transaction is recorded as an equity transaction. Such transactions thus do not entail any change in goodwill or other assets or liability items. If the sale results in a loss of control, normally when there is a stake of 50% or lower, the gain or loss is recognised in the income statement as if the entire company had been sold. The remaining ownership interest is accounted for at fair value as at the transaction date.

When Veidekke acquires a non-controlling interest in a subsidiary, the purchase price beyond the non-controlling party's share of the book value is recorded as a reduction in the equity of the owners of the parent company.

Put option counterparty, non-controlling shareholdings

If an option agreement has been entered into with a non-controlling shareholder regarding purchase of a residual shareholding which the shareholder is entitled to sell, a transaction between the non-controlling shareholder and Veidekke is recognised as if Veidekke had acquired the shares of the non-controlling shareholder for the estimated purchase price (discounted). The transaction is recognised as an equity transaction on each balance-sheet date.

The present value of the future purchase price related to non-controlling shareholders' put options is accounted for as liabilities (see note 24). The liabilities are recognised using estimated value, and the estimate may change in future periods since the amounts to be paid relate to future fair value and/or future profits. Any changes in the estimated purchase price of the shares (put option) are recognised as an equity transaction.

4. Other princliples

Classification

Assets and liabilities relating to the supply of goods (projects) are classified as current assets and current liabilities. Warranty allocations are closely related to the supply of goods and are therefore classified as current liabilities even if it is likely that large parts of the item will be due for payment after more than 12 months.

Warranty allocations etc.

An allocation is made in the accounts when the group has an obligation (legal or self-imposed) as a result of a previous event, and it is probable that a financial settlement will take place as a result of that obligation, and the amount can be measured reliably. Allocations are made for confirmed work under guarantee and for probable concealed deficiencies.

Cash and cash equivalents

These consist of cash and bank deposits, including deposits subject to special conditions, and short-term liquid investments which can be converted into cash immediately. Investments in short-term money market funds are classified as cash and cash equivalents if the intention of the investment is to ensure liquidity for the payment of current liabilities. Only money market funds with very high security are classified as cash and cash equivalents.

Share discounts

Veidekke purchases its own shares and then sells them to the employees at a discount with a lock-in period. These sales of shares are reported in accordance with IFRS 2 on share-based payments. The discount is recognised in the income statement at fair value at the time of issue, taking into account the lock-in period. The fair value of the discount is charged to personnel expenses. Related employer's national insurance contributions are expensed on the allocation date.

Employee options

Option values are calculated on the allocation date and are expensed over the accrual period in line with IFRS 2. The difference between the expensed value and the value of the option on the exercise date is recorded as an equity transaction. Related employer's national insurance contributions are expensed on the assessment date if the share price exceeds the exercise price.

Statement of cash flows

The statement of cash flows is prepared using the indirect method. Received interest and dividends are classified as financing activities, while interest payments are classified as investment activities.

Acquisitions and sales of companies are treated as investment activities. Acquired/sold companies' holdings of cash and cash equivalents are included/deducted. This effect is therefore shown net, together with the cash payment made in the transaction.

Lease agreements

Lease agreements are classified as follows: depreciation is included in operational cash flow, and cash payments related to lease payments are divided into repayment of debt and paid interest and are treated as financing activities. Veidekke applies a permitted exemption from recognition in the statement of financial position to leases of low value and leases of less than 12 months' duration.

Assets

Veidekke recognises intangible assets and non-current assets in accordance with the cost method.

Currency

The profits/losses of foreign subsidiaries are translated into Norwegian kroner using average monthly exchange rates. Similarly, items in the statement of financial position are translated using exchange rates on the balance-sheet date.

Financial instruments

Financial assets which are not valued at fair value are reviewed for drops in value when indicated. Impairments are made if the present value of future estimated cash flows is lower than the value in the statement of financial position.

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Note 03. Segment information

The segment structure mirrors the group's operational structure, which consists of five operational areas. This division reflects the type of delivery made and the market being served, and as reported to the Group CEO and corporate management accordingly.

Construction Norway is among the country's largest construction contractors. Its project portfolio includes apartment complexes and non-residential buildings such as schools, healthcare facilities, cultural buildings, office buildings, hotels and shopping centres. The operation is concentrated around Norway's major population centres.

Infrastructure Norway is a national civil engineering operation with projects in the road maintenance, railways, power production and airport segments. The operation is Norway's largest asphalt producer and contractor, the country's second-largest producer of aggregates and an important player in the operation and maintenance of the Norwegian public roads network.

Construction Sweden is a large, well-established construction operation with a broad portfolio of construction projects, including residential units, offices, schools and cultural buildings. The operation is concentrated in growth regions around Stockholm, Gothenburg and Malmö.

Infrastructure Sweden has a strong position in the market segments infrastructure, extractive industries, heavy industry, energy and recycling facilities/landfill, as well as asphalt-laying. Most activities are focused on the major metropolitan areas around Stockholm, Gothenburg and Malmö, although the operation is also a well-established supplier to the mining industry in northern Sweden.

Denmark consists of the wholly-owned subsidiary Hoffmann AS. The majority of Hoffman's projects involve commercial buildings. Hoffmann gives particular priority to close consultation with clients from an early stage, throughout the planning, design and execution phases.

"Other" comprises undistributed costs linked to administration and financial management of the group, the group's ownership role in public-private partnership (PPP) projects and shared services in the areas of HR, accounts and payroll. Revenue and internal profits between the segments are eliminated under "Elimination".

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Business areas

	Construction Norway		Infrastructure Norway		Construction Sweden		Infrastructure Sweden		Denmark		Other operations		Eliminations		Group	
Figures in NOK million	At 31 Dec. 23	At 31 Dec. 22	At 31 Dec. 23	At 31 Dec. 22	At 31 Dec. 23	At 31 Dec. 22	At 31 Dec. 23	At 31 Dec. 22	At 31 Dec. 23	At 31 Dec. 22	At 31 Dec. 23	At 31 Dec. 22	At 31 Dec. 23	At 31 Dec. 22	At 31 Dec. 23	At 31 Dec. 22
Income statement																
Revenue	16 225	13 370	9 325	9 583	9 078	8 858	5 958	5 247	3 002	2 420	324	193	-766	-1 012	43 146	38 658
Operating expenses	-15 434	-12 732	-8 477	-8 595	-8 879	-8 617	-5 583	-4 826	-2 693	-2 190	-418	-300	770	1 009	-40 715	-36 250
Share of net income from joint ventures	-	-	10	10	-2	1	-12	-	-	-	27	27	-	-	23	37
Depreciation	-172	-171	-526	-450	-94	-98	-150	-130	-26	-23	-78	-68	2	2	-1 045	-938
Operating profit	619	467	332	548	103	144	213	291	282	208	-145	-149	6	-2	1 409	1 508
Financial income	115	82	10	6	16	6	6	5	42	6	110	15	-156	-75	144	45
Financial costs	-24	-19	-120	-58	-13	-10	-6	-6	-24	-1	-78	-68	156	75	-109	-87
Profit before tax	710	530	222	496	106	140	213	290	300	213	-113	-202	6	-2	1 444	1 467
Statement of financial position																
Non-current assets	1 656	1 644	2 993	2 777	940	807	648	610	256	237	888	896	-64	-70	7 317	6 901
Current assets	2 843	2 702	1 916	2 010	1 783	1 705	714	662	400	357	2 370	2 008	-1 195	-1 416	8 831	8 028
Cash and cash equivalents	2 958	2 618	12	9	15	661	557	508	1 384	1 306	818	1 294	-3 781	-3 682	2 063	2 714
Total assets	7 457	6 963	4 921	4 796	2 738	3 174	1 919	1 781	2 041	1 900	4 175	4 197	-5 040	-5 168	18 212	17 644
Equity	1 027	762	991	973	310	306	345	270	494	454	-64	15	-5	215	3 099	2 995
Non-current liability	866	985	1 008	837	192	83	82	90	28	41	4 046	4 025	-3 842	-3 748	2 380	2 313
Current liabilities	5 564	5 216	2 922	2 985	2 236	2 785	1 492	1 421	1 518	1 405	193	157	-1 192	-1 634	12 733	12 336
Total equity and liabilities	7 457	6 963	4 921	4 796	2 738	3 174	1 919	1 781	2 041	1 900	4 175	4 197	-5 040	-5 168	18 212	17 644
Key figures																
Operational cash flow	1 100	307	1 187	1 026	76	-19	486	130	164	217	-74	-251	-	-	2 936	1 409
Cash flow from investments	-203	-233	-387	-417	-650	-53	-107	91	30	-10	-702	-79	-	-	-2 019	-701
Number of employees	2 982	2 935	2 299	2 237	1 093	1 110	1 125	1 074	430	438	155	139	-	-	8 084	7 933
Order book	14 760	16 584	8 912	8 242	6 584	8 158	6 987	5 277	3 130	3 074	-	-	-	-	40 374	41 334
- due for completion within 12 months	10 707	11 794	3 973	3 527	4 881	5 337	3 174	2 714	2 155	2 327	-	-	-	-	24 890	25 699

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Geographical segments

The geographical distribution of the group's activities corresponds to the geographical location of the resources used for the respective activities. This corresponds in the main to the location of the customers.

The statement has been prepared in accordance with the accounting policies used in the income statement (IFRS).

	Norway		Sweden		Denmark		Shared		Group	
Figures in NOK million	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Income statement										
Revenue	25 267	22 508	14 823	13 737	3 002	2 420	54	-7	43 146	38 658
Operating profit	951	1 015	315	436	282	208	-139	-150	1 409	1 508
Profit before tax	932	1 026	318	431	300	213	-107	-203	1 444	1 467
Statement of financial position										
Total non-current assets	4 649	4 421	1 588	1 417	256	237	824	826	7 317	6 901
Number of employees	5 281	5 172	2 218	2 184	430	438	155	139	8 084	7 933
Order book	23 672	24 826	13 571	13 435	3 130	3 074	-	-	40 374	41 334
- due for completion within 12 months	14 680	15 321	8 055	8 051	2 155	2 327	-	-	24 890	25 699

Intra-group sales by segment

	Construction Norway		Infrastructure Norway		Construction Sweden		Infrastructure Sweden		Denmark		Other operations		Eliminations		Group	
Figures in NOK million	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External revenue	16 070	13 071	9 195	9 424	8 957	8 739	5 866	4 998	3 002	2 420	4	13	51	-7	43 146	38 658
Internal revenue	155	298	129	159	122	119	92	249	-	-	320	180	-817	-1 006	-	-
Total revenue	16 225	13 370	9 325	9 583	9 078	8 858	5 958	5 247	3 002	2 420	324	193	-766	-1 012	43 146	38 658

All intra-group sales in continued operations are eliminated at the group level.

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Note 04. Revenue

Ordinary revenue is solely from contracts with customers. For geographical distribution of revenue, see note 3 Segment information.

2023

Figures in NOK million	Construction Norway	Infrastruct. Norway	Construction Sweden	Infrastruct. Sweden	Denmark	Other/ Eliminations	TOTAL	Order book
Service area								
Appartments and small houses	5 961	-	1 125	-	32	-	7 119	6 255
Commercial buildings	3 761	-	6 450	-	1 625	-	11 835	8 316
Public buildings	5 458	424	854	-	1 007	-	7 743	9 003
Transport - road	-	123	-	403	-	-	526	380
Transport - rail	-	1 926	-	456	-	-	2 383	3 145
Asphalt and aggregates	-	3 607	-	597	-	-	4 205	
Other civil engineering	1 026	1 393	593	4 487	338	-	7 837	8 917
Maintainance contracts	-	1 762	-	-	-	-	1 762	4 356
Eliminations/Other	-	-	-	-	-	-446	-446	
Total ordinary revenue	16 206	9 236	9 023	5 943	3 002	-446	42 963	
Other revenue	19	89	56	15	-	4	182	
Total revenue	16 225	9 324	9 079	5 958	3 002	-442	43 146	
Total order book	14 760	8 912	6 584	6 987	3 130			40 374

2022

Figures in NOK million	Construction Norway	Infrastruct. Norway	Construction Sweden	Infrastruct. Sweden	Denmark	Other/ Eliminations	TOTAL	Order book
Service area								
Appartments and small houses	4 935	-	2 136	-	41	-	7 111	7 593
Commercial buildings	2 494	-	5 230	-	998	-	8 723	10 528
Public buildings	4 795	427	1 150	-	1 176	-	7 548	8 199
Transport - road	-	8	-	519	-	-	528	466
Transport - rail	-	2 335	4	612	-	-	2 951	2 871
Asphalt and aggregates	-	3 396	-	762	-	-	4 158	-
Other civil engineering	1 124	1 611	326	3 197	204	-	6 462	7 822
Maintainance contracts	-	1 691	-	-	-	-	1 691	3 854
Eliminations/Other	-	-	-	-	-	-832	-832	-
Total ordinary revenue	13 348	9 468	8 846	5 090	2 419	-832	38 339	-
Other revenue	22	115	12	157	1	13	320	-
Total revenue	13 370	9 583	8 858	5 247	2 420	-819	38 658	-
Total order book	16 584	8 242	8 158	5 277	3 074	-	-	41 334

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Specification of other revenue, figures in NOK million	2023	2022
Gains from sale of operating equipment[1]	91	254
Rental income	25	24
Other revenue	66	42
Other revenue	182	320

[1] Only gains are presented under other revenue. Any losses are presented under other operating expenses. In 2022, the sale of a site by Infrastructure Sweden generated a gain of NOK 130 million. For further information, see note 14.

Timing of revenue recognition, figures in NOK million	2023	2022
Goods transferred at a point in time[1]	756	1 019
Goods and services transferred over time	42 390	37 639
Total	43 146	38 658

[1] Consists primarily of aggregates-related activities, as well as gains on the sale of equipment.

Remaining performance obligations, figures in NOK million	2023	2022
Within one year	25 312	26 000
More than 1 year	15 483	15 635
Total[1]	40 795	41 635

[1] The difference compared to the "total order book" is due to the exclusion of asphalt orders from the group's official order book.

Note 05. Payroll costs

Figures in NOK million	2023	2022
Payroll	6 056	5 591
Pension costs[1]	602	564
Employer's National Insurance contributions	1 162	1 014
Other payroll costs	91	144
Personnel expenses	7 911	7 312
Number of full time equivalents	8 019	7 733
Number of employees at 31 December	8 084	7 933

[1] See note 22.

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Note 06. Share issues to employees

Veidekke sells shares to employees at a discount to the current market price every year. The shares are subject to a two-year lock-in period. Purchase of shares can be financed with cash payment or with an interest-free loan from Veidekke which is repaid over the year.

Two offers were made in 2023, in February for all employees and in September for key staff. In the September 2023 offer for key staff, the lock-in period was three years and an interest-free loan with a 15-year repayment profile was offered.

The share programmes are recognised in the accounts in accordance with IFRS 2 on share-based payment. The discount expensed in the income statement is calculated as the difference between the market price and the purchase price on the purchase date, reduced by the value of a sale option based on the lock-in period and historical share price fluctuations. The option is calculated using the Black-Scholes model.

Loans to key staff follow the conditions applicable at all times. The interest rate as of 1st January 2024 is 2.5% and the loans are repaid over 15 years. The loans are secured by a charge over the shares. The loans linked to the share purchase scheme for all staff are interest-free and secured by a charge over the shares. The loan period was 10 months. The calculated interest cost linked to the long-term loans is classified as a payroll cost. Reference is made to notes 5 and 32.

Sale of shares to employees

Figures in NOK million	2023	2022
Number of shares sold to employees (acquired in the market)	1 850 204	1 918 314
Expensed discount after tax	19	9
Discount entered directly as a reduction in equity related to the group's share programme	22	23

Share loans to employees

Figures in NOK million, except number of executives and employees	2023	2022
Loans to key staff for purchases of shares in Veidekke ASA	141	122
Expensed change in the present value of share loans	5	3
Number of key staff with long-term loans	648	851

Employee share options

In May 2019, the annual general meeting approved a new three-year option programme for key staff. The number of options which may be allocated through the programme every year is capped at 1% of the number of shares in the company on the grant date. The option programme has now ended, but previous allocations are running as outlined below.

The options vest over 1-3 years (25% after the first year, 25% after the second year and 50% after the third year), and must be exercised within five years. The programme requires participants to be employed by the company during vesting, and to keep the shares for at least one year after exercising the options. A total of 1.2 million options remained unexercised as at 31 December 2023, adjusted for exercised options and employees who have left the group. The expensed option cost for 2023 is NOK 3 million and direct recognition against equity is NOK 13 million.

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Issued options	2021 programme	2020 programme	2019 programme	Total
Number of options subscribed for			657 000	657 000
Correction for number of employees departed			-9 000	-9 000
Correction for number of options exercised				-
Number of issued options as at 31 December 2019			**648 000**	**648 000**
Exercise price at 31 December 2019 (NOK per share)			86.05	
Number of options subscribed for		887 000		887 000
Correction for number of employees departed		-3 000	-78 750	-81 750
Correction for number of options exercised[1]			-62 740	-62 740
Number of issued options as at 31 December 2020		**884 000**	**506 510**	**1 390 510**
Exercise price at 31 December 2020 (NOK per share)		67.86	63.55	
Number of options subscribed for	981 900			981 900
Correction for number of employees departed	-2 000	-22 625	-25 250	-49 875
Correction for number of options exercised[2]		-151 805	-148 840	-300 645
Number of issued options as at 31 December 2021	**979 900**	**709 570**	**332 420**	**2 021 890**
Exercise price at 31 December 2021 (NOK per share)	122.01	62.11	57.80	
Correction for number of employees departed	-48 750	-38 000	-16 000	-102 750
Correction for number of options exercised[3]		-134 250	-164 800	-299 050
Number of issued options as at 31 December 2022	**931 150**	**537 320**	**151 620**	**1 620 090**
Innløsningskurs per 31.12.22 (NOK per aksje)	115.01	55.11	50.80	
Correction for number of employees departed	-48 350	-22 625	-16 720	-87 695
Correction for number of options exercised[4]		-282 475	-61 975	-344 450
Number of issued options as at 31 December 2023	**882 800**	**232 220**	**72 925**	**1 187 945**
Exercise price at 31 December 2023 (NOK per share)	107.26	47.36	43.05	

[1] For share options exercised during 2020, the weighted average share price at the time of exercise was NOK 86.05 per share
[2] For share options exercised during 2021, the weighted average share price at the time of exercise was NOK 60.77 per share
[3] For share options exercised during 2022, the weighted average share price at the time of exercise was NOK 53.28 per share.
[4] For share options exercised during 2023, the weighted average share price at the time of exercise was NOK 47.69 per share.

The Black-Scholes option pricing model is used to value the options. The following assumptions are applied:

	2021 programme	2020 programme	2019 programme
Number of options subscribed for	981 900	887 000	657 000
Share price	115.60	88.7	86.8
Risk-free interest rate	0.76%	-0.02%	1.34%
Historic volatility	29%	28%	24%
Expected option duration (years)	3.22	3.23	3.25
Expiration date	May 2026	May 2025	May 2024
Expected dividend yield	0%	0%	0%

Note 07. Financial income and financial costs

Figures in NOK million	2023	2022
Interest income	103	6
Other interest income from non-financial institutions	10	15
Foreign currency gains	11	14
Received share dividends	12	8
Value appreciation/gains on sales of financial instruments	6	1
Other financial income	1	2
Financial income	**144**	**45**
Interest costs	-12	-35
Interest charges from non-financial institutions	-21	-4
Interest costs leases – IFRS16[1]	-43	-29
Foreign currency losses	-18	-9
Impairment/losses on sales of financial instruments	-10	-6
Other financial costs	-5	-4
Financial costs	**-109**	**-87**
Financial income / financial costs	**35**	**-42**

[1] Interest income was low in 2022, due to the negative impact of increased interest rates on the group's bond and money market funds.
[2] See note 13 Leases.

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Note 08. Construction projects in progress

The note applies to all contruction projects, with the exception of road maintenance, asphalt and aggregates.

Figures in NOK million	2023	2022
Total income from construction projects	36 996	32 490
Details of projects in progress at 31 December[1]		
Accumulated income included in the financial statements	42 453	36 903
Accumulated costs included in the financial statements	-39 091	-34 142
Accumulated profit included in the financial statements	**3 361**	**2 761**
Loss-making projects in progress - remaining income[2]	513	1 128
Trade receivables in construction projects	2 792	3 348
Contract assets in construction projects[3]	3 129	2 577
Individual elements incl. in item Contract assets in the Statement of financial position		
Due from customers[4]	1 633	1 213
Earned, not invoiced income	1 496	1 364
Contract liabilities (advance payments from customers)[3]	2 003	1 833

[1] Only applicable to projects with a contract value above NOK 25 million.
[2] Anticipated losses on these projects have been charged to income.
[3] See note 19 for detailed information on contract assets and contract liabilities
[4] The balance is money retained as security in favour of the contracting client. Included in the item Accounts receivable in the Statement of financial position; see note 19.

Order book in construction projects

Figures in NOK million	2023	2022
Total order book	36 018	37 480
- of which due to be completed within the next 12 months	23 528	24 539

Note 09. Earnings per share

Figures in NOK million	2023	2022
Earnings per share (NOK)	7.9	8.1
Profit for the year	1 151	1 159
Equity holders of Veidekke ASA's share of the group's the profit for the year	1 069	1 092
Average number of shares (million)	134.9	135.0
Number of shares at 1 January (million)	134.9	135.0
Number of shares at 31 December (million)[1]	135.0	134.9
Dilution effect of issued options	0.3	0.4
Time-weighted average number of shares owned after dilution	135.2	135.4
Diluted earnings per sharee (NOK)	7.9	8.1

[1] Veidekke did not have any own shares as at 31 December 2023 (52 445 as at 31 December 2022).

In 2019, Veidekke introduced an option programme for employees. As at 31 December 2023, there are 1.2 million options outstanding options associated with this program. See note 6 for more information on the share and option programmes for staff.

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Note 10. Goodwill

Figures in NOK million	2023	2022
Carrying amount at 1 January	2 016	1 758
Original cost at 1 January	2 058	1 783
Additions, business acquisitions	21	289
Disposals, business divestments	-	-
Currency translation differences accumulated original cost	60	-14
Original cost at 31 December	2 138	2 058
Accumulated impairment at 1 January	-42	-24
Impairment for the year	-8	-18
Accumulated impairment at 31 December	-50	-42
Carrying amount at 31 December	2 088	2 016

The group has recognised goodwill from the acquisition of a total of 62 businesses. Each goodwill item is allocated to a cash-generating unit (CGU). A cash-generating unit is the lowest level at which independent cash flows can be measured. When an acquired business continues to be operated as an independent unit, this business is designated as a cash-generating unit. Units with significant synergy effects and which carry out similar activities, are together considered as a single cash-generating unit. This is the case when acquired operations are integrated with an existing Veidekke company or is operatively closely linked to an existing Veidekke company. In these cases, the combined business is considered the cash-generating unit for which goodwill is measured and followed-up. The group has recorded 38 cash-generating units associated with capitalised goodwill.

The group's largest goodwill items, plus the goodwill for each business area, are specified in the table below:

Goodwill per business area attributed to the cash generating units:

Figures in NOK million	2023	2022
Construction Norway		
Veidekke Entreprenør AS, Construction business area West (Constructa og Kristiseter)	284	284
Leif Grimsrud AS	177	177
Veidekke Entreprenør AS, Construction business area South (Agder og Block Berge Bygg)	115	115
Veidekke Entreprenør AS, Construction Norway (Reinertsen)	88	88
Grande Entreprenør AS	69	69
Other	130	114
Infrastructure Norway		
Asphalt	119	119
Aggregates	72	72
Båsum Boring AS	49	49
Other	94	94
Construction Sweden		
Billström Riemer Andersson AB (BRA)	316	295
Arcona AB	108	100
Construction business area West	67	62
Other	57	61
Infrastructure Sweden		
Berggren og Bergman	46	44
Brinkab	43	41
Other	105	92
Denmark		
Hoffmann A/S	148	138
Carrying amount at 31 December	2 088	2 016

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Testing goodwill for impairment

Goodwill is not amortised, but is tested for impairment in the fourth quarter each year. In the event of a particular indication of possible impairment, testing is carried out on a quarterly basis. Testing is carried out by comparing the estimated recoverable amount with capital invested for the unit in question. The recoverable amount is calculated on the basis of the unit's expected future discounted cash flows. The cash flows are calculated on the basis of the business unit's expected earnings for the next three years, adjusted for any capital injection needs. Expected cash flow is also calculated for years four and five, based on nominal growth in earnings and the unit's terminal value after five years. The sum total is the unit's recoverable amount. Capital invested is the unit's total assets less not interest-bearing liabilities. When the recoverable amount exceeds capital invested, the carrying value of the goodwill is upheld. When the recoverable amount is lower than capital invested, the carrying value is impaired to the estimated recoverable amount.

Assumptions used in impairment testing

1. Revenue and profit margin in the next three years

Impairment tests are based on the management's approved budget and strategy for the next three years. These are estimated on the basis of current revenue and margins, and expected market development.

2. Revenue and profit margin in the subsequent periods

Assumed annual growth used in the cash flows for years four and five is marginally higher than the growth expected in the Scandinavian economy, as growth in the construction and civil engineering market is expected to be higher than GDP growth. The calculations are based on nominal growth of 2.5% per year from year four onwards. This calculation assumes a terminal value after five years based on the Gordon model.

3. Discount rate

The discount rate is based on the weighted average cost of capital (WACC) method. The nominal discount rate before tax is based on the group's estimated cost of capital calculated as a weighted average of the cost for the group's equity and the cost of its debt. The discount rate takes into account the debt interest rate, risk-free rate, debt ratio, risk premium and a liquidity premium. The discount rates applied to cash flow and terminal value are presented in the following table:

2023	Norway	Sweden	Denmark
Discount rate (WACC) before tax used on cash flows	9.6%	9.5%	7.9%
Before-tax discount rate for calculation of the terminal value	10.6%	10.5%	8.9%

2022	Norway	Sweden	Denmark
Discount rate (WACC) before tax used on cash flows	9.4%	9.2%	7.9%
Before-tax discount rate for calculation of the terminal value	10.4%	10.2%	8.9%

4. Investment needs / reinvestment

The unit's anticipated future investment needs in order to maintain current levels are reflected in the calculations. These are based on management's approved budget and strategy for the next three years. For the period beyond the next three years, reinvestment needs are assumed to correspond to expected depreciation. Changes in working capital needs have been assessed and in all essence set at NOK 0. Building construction operations are generally not very capital-intensive, while more capital is required in civil engineering and industrial operations.

Assessment of the assumptions forming the basis for last year's estimates

The assumptions that formed the basis for the calculations made at year-end 2022 were largely fulfilled, with the exception of Arcona AB, which produced weak results in 2023. An impairment totalling NOK 8 million was made due to failure to achieve targets in one smaller unit in Construction Sweden.

Details of goodwill items with a carrying amount exceeding NOK 100 million[1]

Figures in NOK million	Goodwill item	CGU revenue for 2023[2]	CGU margin achieved in 2023	Revenue growth after 2023[3]	Impairment indicator: Profit margin over time[4]
Construction Norway – business area West	284	2 661	2.5%	2.5%	1.2%
Construction Norway – Leif Grimsrud AS	177	970	4.8%	2.5%	2.4%
Construction Norway – Veidekke Entreprenør AS, business area East	115	5 572	5.1%	2.5%	[4]
Infrastructure Norway – Veidekke Industri AS, business area Asphalt	119	3 178	0.3%	2.5%	2.7%
Veidekke Denmark – Hoffmann A/S	148	3 002	10.0%	2.0%	1.4%
Construction Sweden – Arcona AB	108	1 693	-3.6%	2.5%	1.2%
Construction Sweden – BRA AB	316	3 954	5.7%	2.5%	1.6%

[1] Revenue in the cash-generating unit (CGU) which the goodwill will be measured against.
[2] Expected growth in revenue used in tests at 31 December 2023.
[3] "Break-even" level. If the future expected profit margin (over time) is lower than the stated profit margin in the table, this indicates that goodwill impairment is necessary.
[4] Since, in the current CGU, the goodwill item is so small in relation to revenue, impairment assessment will rely on other indicators.

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Sensitivity analysis for goodwill items with a value of over NOK 50 million

The group has carried out sensitivity analyses to assess the calculated present values for each cash-generating unit with goodwill in excess of NOK 50 million. The sensitivity analysis is based on the financial assumptions described under. Calculations are made on the basis that one of the estimated financial assumptions changes and that the remaining assumptions remain the same. The sensitivity calculations are based on a reasonable outcome range. A reduction in revenue of over 20% is considered unlikely. However, if this were to occur, such a reduction could have a significant impact on the units' performance and would most likely result in impairment.

The following table shows impairment for changes in the assumptions used in the sensitivity analysis

	Discount rate		Revenue[1]		Profit margin	
Change in assumption	+100 bp	+200 bp	-10%	-20%	-20%	-40%
Impairment need	-	-	-	-	-	-

[1] Margins maintained.

A corresponding sensitivity analysis carried out in 2022 also did not indicate a need for write-downs related to changes in given assumptions.

Note 11. Other intangible assets

Other intangible assets include extraction rights in the business area Aggregates and investments in IT systems. Depreciation of the right to extract aggregates is determined on the basis of extraction of gravel. IT systems are depreciated on a straight-line basis over five to eight years.

Figures in NOK million	2023	2022
Carrying amount at 1 January	137	150
Original cost at 1 January	291	285
Additions, acquisitions of companies/ongoing operations	47	10
Original cost sold operations, disposal	-81	-3
Reclassification from Plant, machinery, land and buildings[1]	77	1
Translation differences original cost	8	-4
Original cost at 31 December	341	291
Accumulated depreciation/impairment at 1 January	-154	-135
Accumulated depreciation sold operations	55	1
Depreciation for the year	-35	-22
Reclassification from Plant, machinery, land and buildings[1]	-1	-1
Translation differences depreciation	-7	3
Accumulated depreciation / impairment at 31 December	-141	-154
Carrying amount at 31 December	200	137

[1] See note 12 Plant, machinery, land and buildings

Distribution of other intangible assets:

Figures in NOK million	2023	2022
IT systems	149	80
Rights to extract aggregates	46	51
Other intangible assets	5	6
Carrying amount at 31 December	200	137

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Note 12. Plant, machinery, land and buildings

	2023				2022			
Figures in NOK million	Plant and machinery	Asphalt and aggregates plants	Land and buildings	Total	Plant and machinery	Asphalt and aggregates plants	Land and buildings	Total
Carrying amount at 1 January	1 724	626	740	3 089	1 599	600	689	2 889
Original cost at 1 January	4 593	1 645	1 097	7 336	4 762	1 543	1 028	7 333
Additions, running operations	618	85	94	797	633	111	31	774
Additions, acquisition of companies	18	-	-	18	33	-	39	72
Disposals original cost	-751	-6	-36	-794	-796	-6	-8	-811
Disposals original cost, disposed operations	-	-	-	-	-	-	-	-
Reclassifications to Other intangible assets and Leased assets[1]	-310	-	6	-304	-16	-	7	-9
Translation differences original cost	62	7	21	90	-22	-3	2	-23
Original cost at 31 december	4 230	1 730	1 182	7 142	4 593	1 645	1 097	7 336
Accumulated depreciation/impairments at 1 January	-2 869	-1 020	-358	-4 247	-3 163	-944	-338	-4 444
Accumulated depreciation, disposed operating equipment	683	6	12	700	721	6	5	732
Accumulated depreciation, disposed operations	-	-	-	-	-	-	-	-
Depreciation for the year	-424	-84	-33	-540	-446	-83	-20	-550
Impairment for the year	-1	-	-	-2	-	-	-1	-1
Reclassifications to Other intangible assets and Leased assets[1]	93	-	-6	87	4	-	-	3
Translation differences, depreciation	-41	-2	-6	-50	15	1	-3	13
Accumulated depreciation at 31 December	-2 560	-1 100	-391	-4 051	-2 869	-1 020	-358	-4 247
Carrying amount at 31 December	1 669	630	791	3 091	1 724	626	740	3 089
Depreciation method	Linear	Linear	Linear		Linear	Linear	Linear	
Depreciation rate	15-25%	7%	2-5%		15-25%	7%	2-5%	

[1] See note 11 Other intangible assets and note 13 Leases.

As at 31 December 2023, the group has entered into contracts worth NOK 183 million on delivery of operating equipment, which are due for delivery in 2024.

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Additions and disposals (sales price)

	2023		2022	
Figures in NOK million	Additions	Disposals	Additions	Disposals
Plant and machinery	618	138	633	188
Asphalt and aggregates plants	85	-	111	3
Land and buildings	94	40	31	165
Additions and disposals (sales price)	797	178	774	356

Net gain (loss) on sale of operating equipment[1]

Figures in NOK million	2023	2022
Plant and machinery	69	112
Asphalt and aggregates plants	-	3
Land and buildings[2]	15	132
Total net gain on sales	85	247

[1] Gains on sale of operating equipment are included in revenues. Losses on sale of operating equipment are included in operating expenses.

[2] In 2022, the sale of a site by Infrastructure Sweden generated a gain of NOK 130 million. For further information, see note 14.

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Note 13. Leases

The group as a lessee

The group leases various assets, mainly office premises and other land and buildings. Other leased assets include machinery, equipment and vehicles.

Leased assets

	2023			2022		
Figures in NOK million	Machinery etc.	Properties	Total	Machinery etc.	Prop-erties	Total
Carrying value of leased assets at 1 January	257	600	857	205	692	896
Acquisition cost at 1 January	505	1 166	1 671	412	1 099	1 511
Addition of leased assets	330	160	489	223	90	312
Termination of leases	-154	-16	-170	-127	-18	-145
Reclassification from Plant, machinery, land and buildings[1]	226	-	226	-	-	-
Translation differences	14	15	30	-2	-6	-8
Acquisition cost at 31 December	921	1 324	2 246	505	1 166	1 671
Accumulated depreciation and impairments at 1 January	-248	-566	-814	-207	-407	-614
Depreciation	-260	-200	-460	-168	-179	-348
Termination of leases	145	16	162	127	18	145
Reclassification from Plant, machinery, land and buildings[1]	-85	-	-85	-	-	-
Translation differences	-8	-10	-19	-	3	4
Accumulated depreciation and impairments at 31 December	-456	-760	-1 216	-248	-566	-814
Carrying value of leased assets at 31 December	465	565	1 030	257	600	857
Lower of remaining lease period and economic life	1-5 years	1-10 years		1-5 years	1-10 years	
Depreciation method	Straight line	Straight line		Straight line	Straight line	

[1] See note 12 Plant, machinery, land and buildings

Lease obligations

Figures in NOK million	2023	2022
Total lease obligations at 1 January	872	907
New/amended lease obligations recognised during the period	489	312
Payment of principal	-464	-343
Payment of interest	-43	-29
Interest cost linked to lease obligations	43	29
Terminations of leases	-9	-
Translation differences	141	-
Reclassification	11	-4
Total lease obligations at 31 December	1 040	872
- of which interest-bearing long-term rental obligations/debt to credit institutions (ref. note 24)	250	-
- of which long-term lease obligations (note 24)	464	554
- of which short-term lease obligations (note 25)	325	318
Undiscounted lease obligations and payment dates		
Less than 1 year	335	325
1-2 years	361	210
2-3 years	255	108
More than 3 years	197	302
Total undiscounted lease obligations, 31 December	1 148	946
Net cash flow from lease obligations	-508	-372
Average discount rate	4.3%	3.3%

The lease agreements do not contain restrictions on the group's dividend policy or financing options. The group has no material residual-value guarantee liability linked to its lease agreements.

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Other lease costs recognised in the income statemetn

Figures in NOK million	2023	2022
Operating expenses during the period linked to short-term lease agreements (including short-term lease agreements of low value)	621	506
Operating expenses during the period linked to low-value assets (excluding short-term lease agreements above)[1]	142	128
Variable lease payments expensed during the period	-	-
Total lease costs included in other operating expenses	762	634

[1] Assets with a low value are assessed as such if the total nominal rental payments over the rental period do not exceed MNOK 0.2.

Applied practical solutions

Veidekke leases various machinery and equipment in connection with construction and civil engineering projects. Which type of equipment is required in a project varies greatly, because of different needs at different stages of the construction process. A large proportion of this equipment has a lease period of less than 12 months. The group has decided not to recognise leases with a period of less than one year and therefore does not recognise lease obligations and leased assets for any of these lease agreements. The lease payments are instead expensed as they arise. The group also does not recognise lease obligations and leased assets where the underlying asset is of low value – see the overview in the table above.

Options to extend lease agreements

The group's lease agreements related to buildings have lease periods of between one and ten years. Several agreements include an option to extend the lease which may be exercised in the last period of the agreement. When entering into an agreement, the group assesses whether it is reasonably certain that the option to extend will be exercised.

Purchase options

The group leases machinery, equipment and vehicles for lease periods of between three and five years. Some of these lease agreements include an option to purchase the assets at the end of the lease period. When entering into an agreement, the group assesses whether it is reasonably certain that the purchase option will be exercised.

Classification of lease obligations in the balance sheet

At the time of establishing a lease agreement, an assessment is made as to whether the agreement has been entered into as a financing solution or is of an operational nature. If most of the financial risk associated with the underlying rental property has been taken over by Veidekke, the debt is classified as interest-bearing debt/ debt to credit institutions. Operating leases are classified as non-interest-bearing debt.

The group as a lessor

Veidekke has lease agreements related to the the leasing out of properties, current assets, etc. The table below shows revenues from the lease activities.

Veidekke's revenues from lease activities

Figures in NOK million	2023	2022
Lease income this year	25	24
Lease income next year	18	15
Total lease income after two year	72	48

The group has classified all these leases as operating leases, because they essentially do not transfer the risks and benefits associated with ownership of the properties or machines to the lessees.

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Note 14. Acquisitions and divestments

Acquisitions in 2023

Veidekke did not make any material business acquisitions in 2023. Only two minor acquisitions took place, which increased goodwill by NOK 21 million.

In Q1 2023, Construction Sweden purchased the remaining 9.9% of the shares in BRA (Billstrøm Riemer Andersson AB) and paid the remaining purchase price for the shares transferred to Veidekke in 2018. The total paid sum of NOK 642 million included the purchase of shares from minorities in some of BRA's subsidiaries. During Veidekke's period of ownership, BRA has achieved very good results and made a total profit contribution of NOK 717 million before tax in the period 2018-2022. In line with its commitment to employee co-ownership, and to ensure the continued high engagement of key personnel at BRA, Veidekke sold some of its BRA shares in Q2 2023, reducing its ownership interest to 70%.

Divestments in 2023

There were no significant business divestments in 2023, although, as noted above, Veidekke sold some of its shares in BRA. The transaction has been treated as an equity transaction for accounting purposes, and has therefore had no effect on the income statement for 2023.

Acquisitions in 2022

In 2022, Construction Norway took over all the shares in Constructa Entreprenør AS. The company operates a construction business centred on Bergen, Norway, focusing primarily on commercial buildings and public buildings. The purchase price of the shares was NOK 383 million, of which approximately 40% was settled in the form of shares in Veidekke ASA. The company was merged with Veidekke Entreprenør AS from 1st January 2023. The company's accounts for 2022 showed revenue of NOK 785 million and a profit before tax of NOK 41 million. On the takeover date, the company had bank deposits of NOK 130 million. Goodwill of NOK 259 million was recognised for the company in connection with the purchase. In addition, NOK 17 million was allocated to excess value in the form of property and machinery. Constructa Entreprenør AS was consolidated into Veidekke's group accounts as of 1 December 2022, and was included in the group accounts for 2022 with sales of NOK 44 million and a profit before tax of NOK 4 million.

Divestments in 2022

Infrastructure Sweden sold an industrial site in Snebro at Nykvarn, south of Stockholm, to the logistics company NREP Logicenters. The transaction generated an accounting gain of NOK 130 million, which was included in Infrastructure Sweden's profit. The sale was treated as a sale of an operating asset.

Cash-flow effects of acquisitions and divestments

Figures in NOK million	2023	2022
Payments for acquisitions current year	-40	-264
Deferred payments for previous acquisitions, paid	-757	-35
Net cash flow, acquisitions and divestments	-797	-299
Divestments	55	3
Payments from the divestment of shares in subsidiaries/businesses	55	3

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Note 15. Investments in associates and joint ventures

This balance sheet item mainly comprises investments in PPP companies. The movements for the year for investments in associates and joint ventures are presented in the table below:

	Joint ventures		Associates		Total	
Figures in NOK million	2023	2022	2023	2022	2023	2022
Carrying value of investment at 1 January	258	135	21	15	278	150
Share of the profit for the year	18	31	5	6	23	37
Reclassification to current liabilities	-	-	-	-	-	-
Dividends received	-28	-22	-5	-	-33	-22
Acquisition of companies/capital increases	34	52	11	3	46	54
Disposal of companies	-1	-4	-6	-3	-7	-7
Change in value recognised in total comprehensive income	9	68	-	-	9	68
Currency translation differences	2	-1	1	-1	2	-2
Carrying value of investment at 31 December	292	258	26	21	319	278

See note 16 Public-private partnership (PPP) projects for more information about the joint ventures reported under the business area Other.

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Note 16. Public-private partnership (PPP) projects

Veidekke has interests in five PPP projects: four school projects and one road project.

PPP (Public-Private Partnership) projects are a collaboration between a public and a private operator on a construction project, where a municipality or government agency orders a service, which in Veidekke's case relates to the lease of a road or school for an agreed lease period. Veidekke establishes a limited liability ("AS") company, which then acts as contracting client, performs the project planning and design, and is responsible for the construction, financing, operation and maintenance during a given lease period. In connection with the school projects, Veidekke Entreprenør AS (Construction Norway) is responsible for both the construction and the operation and maintenance of the buildings during the lease period, while for the road project, the construction work is carried out by Veidekke Entreprenør AS (Construction Norway), while Veidekke Industri AS (Infrastructure) undertakes the operation and maintenance work. The actual construction and operation are accounted for in the same way as for ordinary projects and are included in the respective business area's income statement. Figures for the performance of the owner role for the five projects are reported under the segment Other operations. The PPP contracts are accounted for as financial assets according to IFRIC 12 Service Concession Arrangements (The Financial Asset Model), based on amortised cost. Income from the operation and maintenance contract is recognised over the operation period, as the work is done.

Overview of PPP contracts	Lease period	Construction contract	Ownership share	Status	Legal owner
Rykkinn school	2016-2041	0.2 billion	50%	Lease period	Skuleveg AS
Jessheim secondary school	2017-2042	0.8 billion	50%	Lease period	Skulebygg AS
Gystadmarka school	2018-2043	0.2 billion	50%	Lease period	Skuleplass AS
Justvik school	2018-2043	0.1 billion	50%	Lease period	Skulegard AS
E39 Lyngdal-Flekkefjord	2006-2031	1.2 billion	50%[1]	Lease period	Allfarveg AS

[1] Veidekke's share of profit is 69%.

The value of investments in the statement of financial position includes the negative value of hedging reserves. In the financial statements, the PPP companies are included on the following lines in the accounts:

Figures in NOK million	2023	2022
Income statement		
Share of net income from joint ventures	27	27
Profit before tax	27	27
Statement of financial position		
Investments in joint ventures	181	164
Non-current assets	181	164
Current assets	-	-
Total assets	181	164
Equity	181	164
Non-current liabilities	-	-
Current liabilities	-	-
Total equity and liabilities	181	164

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Financial instruments - financing of PPP projects

Dedicated funding has been obtained for all the projects in the construction and lease period. To ensure predictability in the lease period, interest rate agreements have been entered into. These agreements run over the lifetime of the projects. The rental income from the state or municipality is largely determined at the signing of the contract, making it expedient to hedge the project's interest expense over the same period in order to reduce the overall financial risk. Hedging ensures that any subsequent changes in interest rates will not have a significant impact on the profitability of the projects. The interest hedges are designed to satisfy the requirements for hedge accounting. Key figures for loans and interest rate swaps are shown in the tables below.

PPP school projects

Veidekke's share of interest rate derivatives entered into to cover obligations related to the construction and leasing of schools.

Figures in NOK million	Nominal value	Due date	Fair value[1]	Recognised value[2]
Financing - fixed rate loans	74	July 2041	1	0
Financing - fixed rate loans	296	August 2042	8	0
Financing - fixed rate loans	94	December 2042	8	0
Financing - fixed rate loans	40	December 2042	3	0

[1] Fair value is Veidekke's share of the market value of the financial instrument on 31 December 2023. A positive figure means that the applicable interest rate is higher than it was at the time the contract was signed and indicates, theoretically, what will be refunded by the counterpart beyond the principal amount in the event of termination of contract.

[2] According to the loan agreement, Veidekke cannot receive any refund in case of early repayment, and the financial instruments are therefore valued at NOK 0.

PPP project National highway E39 Lyngdal–Flekkefjord

The ownership role in the PPP project E39 is exercised through Veidekke's 50% stake in the company Allfarveg AS. The table below shows Veidekke's share of the interest rate derivative.

Figures in NOK million	Nominal value	Due date	Fair value	Recognised value
Hedging - interest rate swaps	358	August 2030	-23	-18

Specification of the item in the statement of financial position Investment in the joint venture Allfarveg AS:

Figures in NOK million	2023	2022
Carrying value at 1 January	90	55
Recognised profit	17	17
Dividends	-13	-11
Adjustments for fair value of long-term interest rate swaps	9	29
Carrying value at 31 December	103	90

Total hedging reserve on the PPP projects:

Figures in NOK million	2023	2022
Hedging reserve at 1 January	-27	-97
This year's changes in the hedging reserve	9	70
Hedging reserve at 31 December	-18	-27

The table shows Veidekke's share of interest rate derivatives related to PPP projects. The fair value of all the interest rate derivatives has been reduced by NOK 18 million after tax at 31 December 2023.

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Note 17. Financial assets

Figures in NOK million	2023	2022
Financial investments	350	313
Other non-current receivables	84	70
Shareloans to employees	141	122
Other shares	15	19
Financial assets	590	524

Financial investments totalling NOK 350 million relate to the coverage of pension liabilities, and are subject to security pledge. Just over 85% of the portfolio is invested in a high-yield bond fund, while the rest is invested in a stock mutual fund. These investments are classified as financial assets measured at fair value with value changes recognised through net profit and loss. One-third of the portfolio enjoys some protection because a change in the value of the investment is compensated for by a corresponding change in the pension liabilities.

Share loans to employees can be subdivided into the following categories:

Figures in NOK million	2023	2022
Loans to employees at fair value	99	100
Long-term advance to employees	42	22
Carrying value of share loans to employees	141	122

Loans to employees are recognised at fair value in accordance with the principles of IAS 39. The interest rate as of 1 January 2024 is 2.5%. Carrying value is estimated by discounting the expected future repayments by an estimated market interest rate. The difference between the carrying value and the nominal value of the loans is treated as advance payments to employees. Satisfactory security has been furnished for the loans. See note 6.

Note 18. Inventory

Inventory includes project inventories in construction and infrastructure projects, such as materials, raw materials (aggregates and bitumen), spare parts and small equipment.

Figures in NOK million	2023	2022
Infrastructure Norway, Asphalt and Aggregates	188	144
Infrastructure Norway, Civil engineering	214	214
Construction Norway	244	169
Construction Sweden	66	41
Infrastructure Sweden	21	14
Other	8	57
Total inventory	740	639

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Note 19. Trade receivables and contract balances

Trade receivables are invoiced receivables in which Veidekke has an unconditional right to payment, while contract assets represent a conditional right to payment. These terms are explained in more detail in the section on contract balances.

Trade receivables and contract assets in the statement of financial position at 31 December consist of the following elements:

Figures in NOK million	2023	2022
Invoiced trade receivables	6 116	6 942
Provisions for bad debts	-36	-16
Work invoiced in advance	-2 817	-3 074
Trade receivables	**3 264**	**3 852**
Work done, but not invoiced	1 649	1 516
Due from customers	1 633	1 213
Contract assets	3 282	2 729
Trade receivables and contract assets	6 546	6 581

Project risk

Project risk relates to the customer's willingness to pay, and this risk is handled as part of the project assessment. In the accounts, any decrease in value will be presented as a reduction of trade receivables and will be included in the statement above as part of the assessment of the item "Work invoiced in advance".

Maturity structure of invoiced trade receivables at 31 December:

Figures in NOK million	2023	2022
Receivables not due for payment	4 552	4 042
Less than 30 days since due date	647	620
30–60 days since due date	206	173
60–90 days since due date	93	60
90–180 days since due date	168	326
More than 180 days since due date[1]	452	1 722
Invoiced trade receivables	6 116	6 942

[1] Receivables that are overdue by more than 180 days comprise significant sums. These are generally related to disputes, which take time to resolve and which, in some cases, have to be resolved in a court of law. Any impairment of a receivable based on project risk is included in the evaluation of the project's likely outcome (estimated final result) and is listed as "Work invoiced in advance" in the table above. The amount listed therefore does not express the real risk of loss. See note 33 Project-related disputes and claims.

Changes in the provision for impairment related to credit risk from trade receivables:

Figures in NOK million	2023	2022
Provisions at 1 January	16	26
Currency translation differences	-	-
Provisions made during the year	23	3
Provisions used during the year	-1	-7
Provisions reversed during the year	-2	-6
Provisions at 31 December	**36**	**16**

Provisions are mainly made on a group basis.

Credit risk exposure

Credit risk is the risk that Veidekke will incur a loss as a result of a customer's inability to fulfil their obligations (bankruptcy risk). Historically, this risk has been low at Veidekke, partly because there are normally guarantees related to it underlying the contract.

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Figures in NOK million	2023	2022
Trade receivables and contract assets	6 546	6 582
Of which:		
Received bank guarantees to trade receivables and contract assets	285	447
Other guarantees	240	200
Receivables from public authorities (state and municipal level)[1]	2 004	2 845
Total trade receivables and contract assets with minimal risk	**2 529**	**3 493**
Maximum unhedged credit risk in the trade receivables and contract assets	**4 017**	**3 088**

[1] It has been assumed that the credit risk linked to receivables from public authorities (state and municipal level) in Scandinavia is minimal.

Contract balances

Revenue recognition, invoicing and payments from customers are generally done at different times, resulting in trade receivables, uninvoiced receivables (contract assets) and prepayments from customers (contract liabilities) in Veidekke's statement of financial position..

In the infrastructure operations and in some parts of the building construction operations, invoicing normally occurs after the work has been done, either at fixed intervals or as milestones are reached. This entails a time lag in invoicing for work that has been done, which in turn results in recognition of a contract asset.

The construction operations generally use fixed payment plans, and if the payment exceeds the work that has been done, the difference is classified as a contract liability in the statement of financial position.

On the balance sheet day, all projects are reviewed, and for each project either a net asset or a net liability to the customer is recognised. The table below provides information on receivables, contract assets and contract liabilities from contracts with customers at year-end.

Contract assets consist of fulfilment of performance obligations, mainly from construction projects and other projects in which progress is measured over time. Contract assets are reclassified as trade receivables when Veidekke has the right to invoice based on work done.

Due from customers is also classified as contract assets. This is money that is withheld as security for the client and that is settled when the project is finished.

Contract assets

Figures in NOK million	2023	2022
Statement of financial position at 1 January	2 729	2 056
Invoiced receivables throughout the year	-2 309	-1 858
Work done this year, not invoiced	2 862	2 530
Statement of financial position at 31 December	**3 282**	**2 729**

Contract liabilities primarily consist of prepayments from construction contract customers, where income is earned over time. The contract liabilities as at 31 December 2022 have largely been recognised as income in 2023.

Contract liabilities

Figures in NOK million	2023	2022
Statement of financial position at 1 January	-1 984	-1 936
Recognised as income during the year	1 984	1 936
Acquisition of companies	-	-61
Advances received	-2 135	-1 923
Statement of financial position at 31 December	**-2 135**	**-1 984**

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Note 20. Cash and cash equivalents

The group's cash and cash equivalents comprise bank deposits and money market funds.

Figures in NOK million	2023	2022
Investments in money market funds	918	1 294
Bank deposits[1]	1 145	1 421
Total cash and cash equivalents	2 063	2 714

[1] Of which NOK 18 million (74) in restricted cash.

Veidekke has developed a strategy and a plan for managing and investing its excess liquidity to secure a higher return for the company than could currently be achieved on bank deposits, taking into account the need for necessary liquidity/accessibility and low risk. The investments in various money market funds are highly secure and can be liquidated on short notice. The funds are therefore classified as cash equivalents.

In addition to a NOK 918 million investment in money market funds, Veidekke has invested NOK 925 million in bond funds, classified as short-term financial investments in the statement of financial position. The bond funds have a well-diversified portfolio, and are considered to have high liquidity, but to be less accessible than money market funds and bank deposits.

Figures in NOK million	2023	2022
Bond fund	925	523
Financial investments	925	523

Note 21. Number of shares, shareholders etc.

The following table lists Veidekke ASA's largest shareholders at 31 December 2023:

	Number of shares	Ownership share
OBOS BBL	26 341 564	19.5%
Folketrygdfondet	14 270 123	10.6%
If Skadeförsäkring AB	5 041 200	3.7%
Pareto Aksje Norge Verdipapirfond	4 639 227	3.4%
Vanguard	3 791 880	2.8%
Must Invest AS	3 000 000	2.2%
MP Pensjon PK	2 748 284	2.0%
Danske Invest	2 321 746	1.7%
Verdipapirfond ODIN Norge	2 257 346	1.7%
RBC Global Asset Management	1 979 735	1.5%
Storebrand Asset Management	1 905 266	1.4%
DNB Asset Management AS	1 707 813	1.3%
BlackRock	1 588 820	1.2%
Dimensional Fund Advisors	1 524 333	1.1%
Holberg Fondene	1 453 850	1.1%
Swedbank Robur Fondene	1 400 000	1.0%
Arctic Fund Management	1 152 101	0.9%
KLP Kapitalforvaltning AS	1 118 203	0.8%
Forsvarets Personellservice	1 095 350	0.8%
Nordea Funds	718 254	0.5%
Sum 20 largest shareholders	80 055 095	59.3%
Others	54 901 172	40.7%
Total	134 956 267	100.0%

Change in number of shares	
Number of shares at 1 January 2023	134 956 267
Number of shares at 31 December 2023	134 956 267

Each share has a nominal value of NOK 0.50.

As of 31 December 2023, Veidekke employees own approximately 12% of the sharesv (12% as of 31 December 2022).

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Shares owned by board members and members of the corporate management at 31 December 2023:

THE BOARD OF DIRECTORS	Number of shares
Gro Bakstad, board chair	15 500
Anna Carola Lavén	-
Hanne Rønneberg	2 700
Odd Andre Olsen	5 930
Arve Fludal[1]	4 250
Pål Eitrheim	-
Per-Ingemar Persson	55 740
Nils Morten Bøhler[2]	-
Inge Ramsdal	9 020
Shares owned by board members	**93 140**

[1] Arve Fludal also owns 3 000 options

[2] Nils Morten Bøhler has no private shareholding, but represents the shareholding of OBOS BBL: 26 341 564 aksjer

MEMBERS OF THE CORPORATE MANAGEMENT	Number of shares	Number of options
Jimmy Bengtsson	68 587	3 000
Jørgen Wiese Porsmyr	124 657	2 000
Hans Olav Sørlie	91 437	4 000
Lars Erik Lund	18 157	-
Terje Larsen	116 473	3 000
Øivind Larsen	28 447	2 000
Kristina Andreasson	17 177	2 000
Anne Thorbjørnsen	40 502	2 000
Charlotte Nilsen	5 100	-
Marcus C Nilsson	30 593	-
Total shares owned by corporate management	**541 130**	**18 000**
Total shares owned by board members and corporate management	**634 270**	**21 000**

Dividend

The dividend for the financial year 2022, which was paid in 2023, amounted to NOK 1 046 million (NOK 7.75 per share). The proposed dividend for the financial year 2023 amounts to NOK 1 066 million (NOK 7.90 per share).

Payment of dividends to Veidekke ASA's shareholders does not affect the company's tax payable or deferred tax.

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Note 22. Pensions

Veidekke now mostly has defined-contribution pension schemes. However, defined-benefit pension plans still exist for a few employees. For the defined-contribution plans, the cost is equal to the contribution in the period for employees plus taxes. Here, each individual's future pension depends on the annual contribution and the return on the pension assets. In the remaining defined-benefit plans, Veidekke is responsible for paying an agreed pension to an employee on the basis of expected final salary. The cost in the period under this scheme shows the employees' pension earnings in the financial year plus taxes.

Norway

In Norway, Veidekke has the following pension schemes:

- General pension scheme
- Contractual early retirement scheme (AFP)
- Early retirement scheme for some executives (closed scheme)
- Additional pension for employees with salaries exceeding 12G (closed scheme)

General pension schemes

Veidekke has a defined-contribution scheme, whereby Veidekke pays a monthly contribution into the individual employee's pension account. The size of the contribution depends on the employee's salary. The contribution is 5.5% of pay for salaries up to 7.1G and 11% for salaries between 7.1G and 12G.

Contractual early retirement scheme (AFP)

The private-sector AFP early retirement scheme is a life-long supplement to the public retirement pension scheme and is paid no earlier than age 62. The Norwegian group companies have AFP early retirement pensions for their employees. Employees must satisfy a number of conditions to be eligible for early retirement under the AFP scheme.

The AFP scheme is a defined-benefit, multi-employer pension plan and is financed through premiums, which are determined as a percentage of the salary. There is currently no reliable measurement and allocation of liabilities and assets in the scheme. For accounting purposes, the scheme is treated as a defined-contribution plan for which premium payments are expensed as incurred, and no provisions are made in the accounts. If the scheme had been capitalised, its implementation would have had significant impact on the accounts. The premium for 2023 was 2.6% of reported salaries between 1G and 7.1G.

Pensions on salaries above 12G

Veidekke has a pension savings scheme for employees in Norway with salaries exceeding 12G where 20% of the salary above 12G is saved. The pension is paid from 62 years at the earliest and for a maximum of 15 years from when it is first drawn. This scheme was closed in 2023.

Defined-benefit schemes

Veidekke has substantial capitalised liabilities linked to pension schemes, primarily for former executives. The arrangements are early retirement schemes for senior executives aged between 64 and 67, as well as a lifelong pension scheme from the age of 67, again for executives. The early retirement and lifelong pension schemes amount to 60% of final salary (including payments from the national insurance scheme and contractual early retirement pensions (AFP)), and are financed through operations. The schemes are closed. As at 31 December 2023, there were five persons who remained active and had not started making withdrawals under these pension schemes. In connection with the defined-benefit scheme for long life pension and the provision scheme for pensions exceeding 12G, Veidekke has made an investment in bond and equity funds which is the subject of a pledge. See note 17. For further information on the pension schemes for executives, please see the executive remuneration report, which is available on www.veidekke.com.

Denmark and Sweden

Veidekke has defined-contribution pension schemes for its employees in Denmark and Sweden whereby the company makes a monthly contribution to the scheme, while the employees bear the risk for the return on the pension funds. The pension funds are placed in life insurance companies, which manage the funds and administer the schemes. The pension schemes cover retirement and disability pension.

In Denmark Veidekke pays two-thirds of the contributions, while the employee pays the remaining third. The employer's contribution constitutes between 8% and 10% of the salary. The retirement age in Denmark is between 65 and 69, depending on the year of birth. A similar defined-contribution plan applies to the management of Veidekke's Danish business, but here the employer's contribution amounts to 10% of salary.

In Sweden, Veidekke has a collective pension scheme, where the majority of employees have a defined-contribution pension plan. The pension plan comprises retirement pension, sickness pension, family pension and debt insurance. The administrative staff have two different schemes: ITP1 for people born after 1979 and ITP2 for people born before 1979. The skilled workers have a SAF-LO scheme. All the pension schemes are premiums-based, with savings varying between the schemes. Premiums also vary depending on income and age.

On average Veidekke pays 15% of the salary towards pensions. The employees do not pay into the schemes. The schemes are recognised in the accounts as defined-contribution schemes.

Sensitivity analysis benefit schemes

Any changes made in the economic assumptions that are categorised as probable will not have a significant impact on the ordinary income statement. The effect on the statement of financial position may be larger, as pension liabilities are recognised at fair value. Changes in actuarial assumptions may entail an effect in the group's equity of up to NOK 40 million.

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Overview of pension costs and pension liabilities

Figures in NOK million	2023	2022
Pension costs		
Costs of defined-contribution schemes and provision arrangements	585	544
Costs defined-benefit schemes	17	20
Pension costs	602	564
Composition of net pension liabilities		
Pension liability – defined-benefit schemes	-460	-477
Pension assets	69	111
Unrecognised pension assets	-1	-2
Net pension liability defined-benefit schemes	-391	-367
Pension liability - other schemes	-235	-195
Pension liability at 31 December	-629	-565
Pension assets at 31 December	2	3

Details liabilities defined-benefit schemes

Figures in NOK million	2023	2022
Gross pension liability at 1 January	-477	-604
Accruals during the year (present value)	-9	-11
Interest cost	-15	-10
Gains on liquidation of pension scheme	1	-4
Issuance of paid-up policies upon liquidation of pension scheme	15	22
Actuarial gains and losses recognised in comprehensive income	4	106
Benefits paid during the year	21	24
Gross pension liability at 31 December	-460	-477

Figures in NOK million	2023	2022
Change in pension assets during the year		
Pension assets at 1 January	111	201
Expected return	3	3
Issuance of paid-up policies - liquidation of pension scheme	-15	-22
Grants	3	9
Year's actuarial gains and losses recognised in total comprehensive income	-30	-69
Benefits paid during the year	-4	-10
Premium assets at 31 December	69	111
Kostnader ytelsesordninger		
Current service cost	7	10
Interest cost on net pension liabilities	11	6
Gain on liquidation of pension scheme	-1	4
Total cost defined-benefit schemes	17	20

Overview actuarial gains and losses

Figures in NOK million	2023	2022
Liabilities:		
Changes in economic assumptions	-24	40
Changes in population and demographic assumptions	29	69
Pension assets:		
Actual return v. actuarial assumption	1	-6
Changes in population and demographic assumptions	-30	-61
Year's actuarial gains and losses recognised in total comprehensive income before tax	-24	42
Year's actuarial gains and losses recognised in total comprehensive income after tax	-19	33
Financial assumptions		
Discount rate/return on pension investments	3.1%	3.2%
Annual wage growth	3.5%	3.8%
Annual adjustment of G (National Insurance Scheme basic amount)	3.3%	3.5%
Annual adjustment of pensions under payment	2.3%	1.8%
Mortality table	K2013F	K2013F

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Note 23. Tax costs and deferred tax

Figures in NOK million	2023	2022
Income tax expense		
Tax payable	315	222
Change in deferred tax	-22	85
Total tax expense	293	308
Reconciliation of the group's tax percentage		
Profit before tax	1 444	1 467
Calculated income tax expense based on Norway's current tax rate (22%)	318	323
Actual income tax expense	293	308
Difference	24	15
Explanation difference income tax expense		
Tax from activity in joint ventures	9	7
Tax-exempted sales of companies	14	32
Other permanent differences:		
Non-deductible expenses	-14	-13
Effect of lower tax rate in Sweden	4	6
Addition to the purchase price for business acquisitions, non-deductible cost	1	-22
Other items	10	4
Total	24	15
Group tax rate	20%	21%

Deferred tax liabilities

Figures in NOK million	2023	2022
Deferred tax		
Current items[1]	844	937
Total current items	844	937
Operating equipment – additional depreciation	243	221
Other non-current items	20	21
Provisions for liabilities	-287	-229
Pension liabilities	-129	-117
Total non-current items	-154	-104
Losses carried forward	-29	-160
Net deferred tax liabilities	661	674

[1] In Norway and Denmark construction projects in progress are not taxed until completion and handover. Given stable order levels, this will provide a permanent tax credit of approx. NOK 800 million.

Presentation of deferred tax in the statement of financial position

Figures in NOK million	2023	2022
Deferred tax liabilities	661	674
Recognised deffered tax liabilities	661	674

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Change in deferred tax liabilities

Figures in NOK million	2023	2022
Current items	-93	157
Operating equipment - additional depreciation	22	15
Other non-current items	-1	7
Provisions for liabilities	-58	51
Pension liabilities	-12	5
Losses carried forward	130	-142
Change in deferred tax	-13	93
Currency translation differences	-5	-3
Deferred tax in connection with acquisition/sale of companies	2	-19
Change in deferred tax recognised in total comprehensive income	-5	14
Change in deferred tax liabilities in the income statement	-22	85

Presentation of payable tax in the statement of financial position

Figures in NOK million	2023	2022
Tax payable	180	161
Recognised tax payable	180	161

Taxes incorporated into total comprehensive income

	2023			2022		
Figures in NOK million	Profit before tax	Income tax expense	Profit for the year	Profit before tax	Income tax expense	Profit for the year
Statement of comprehensive income						
From the income statement, continued operations	1 444	293	1 151	1 467	308	1 159
Other income and expenses recognised in comprehensive income:						
Value adjustment pensions	-24	-5	-19	42	9	33
Currency translation differences	68	-	68	4	-	4
Fair value adjustments of financial assets	8	-	8	96	5	91
Total comprehensive income	1 496	288	1 207	1 608	322	1 287

As of 1 January 2024, new tax rules have been introduced for multinational companies. The new rules are referred to as Pillar 2 and are aimed at establishing internationally agreed rules on global minimum taxation. The new rules will ensure that groups engaged in cross-border operations pay at least 15% tax. Veidekke operates in Scandinavia, where the corporate tax rate is above 15%. The new rules are therefore expected to have limited consequences.

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Note 24. Non-current liabilities

Non-current liabilities to bondholders and credit institutions, etc.

Figures in NOK million	2023	2022
Bonds[1]	193	193
Non-current loans from credit institutions[2]	313	194
Total non-current interest bearing liabilities	506	387

[1] At 31 December 2023 Veidekke had one bond loan: a seven-year loan of NOK 193 million, expires in 2025. The loan is listed on the Oslo Stock Exchange under the ticker VEI10.

[2] See note 13 Leases.

Other non-current liabilities

Figures in NOK million	2023	2022
Non-current liabilities, leases IFRS 16[1]	464	554
Option agreements[2]	92	111
Other non-current liabilities	29	22
Total other non-current liabilities	585	687

[1] See note 13 Leases.

[2] For certain partly owned subsidiaries, there are option agreements with the non-controlling interests whereby Veidekke has a right to buy remaining shares and the non-controlling interests have a right to sell the same shares. The subsidiaries to which this applies are Seby AS (70%), Tore Løkke AS (85%), Grande Entreprenør AS (80%), Geo Fundamentering & Bergborig AS (87.5%), Veihande AS (70%), Veitech AB (90.1%), BRA Mark AB (90%), BRA Bygg AB (90%). Veidekke's ownership share in brackets. Certain liabilities have been classified as current liabilities: see note 25.

Instalment profile details can be found in note 31.

Note 25. Trade creditors and other current liabilities

Figures in NOK million	2023	2022
Trade payables		
Trade payables	3 390	3 001
Provision for accrued costs	3 463	3 092
Total trade payables	6 853	6 093

As part of the project assessments, current provisions are made for incurred costs.

Contract liabilites (see note 19)		
Total contract liabilites	2 135	1 984

Contract liabilities include both forward payment plans in construction projects and advance payments from customers.

Figures in NOK million	2023	2022
Current lease obligations IFRS 16[1]	325	318
Accrued holiday pay including employer's contribution	657	597
Deferred payment, business acquisitions and option agreements[2]	59	753
Other current items	497	484
Total current liabilites	1 539	2 153

[1] See note 13 Leases

[2] See note 24 Non-current liabilities.

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Note 26. Warranty allocations etc.

Provision is made for guarantee work under the item Warranty provisions etc., for example to remedy any defects or omissions on completed projects. Warranty provisions etc. also covers other liabilities, such as claims from subcontractors, claims from third parties, etc. Provisions are made to cover both accrued warranty liabilities and contingent liabilities. Among other things the provisions must cover future expenses for the remedy of hidden defects, i.e. defects and omissions that have not been detected. In addition, they must also cover issues that are detected, but where there is uncertainty regarding the scope, responsibility, costs, etc. (disputes).

Figures in NOK million	2023	2022
Warranty provisions etc. at 1 January	989	975
Currency translation differences	35	4
+ new warranty provisions (additions)	410	455
- reversed warranty provisions (disposals)	-139	-142
- actual claims expenses (consumption)	-295	-304
Warranty provisions etc. at 31 December	999	989

Liability for material defects

All projects shall be handed over to the customer in accordance with the contract. If defects or omissions are detected in projects that have been handed over, the contractor may be liable to remedy them at no extra charge. The projects have different warranty periods, but the norm is three to five years.

Note 27. Security, guarantee liabilities and joint and several liability

Figures in NOK million	2023	2022
Mortgages[1]		
Recorded liabilities secured by mortgages etc.	428	477
Book value of mortgaged assets	427	494
Guarantees		
Guarantees to joint ventures and associates	50	50
Guarantees to other companies	-	6

[1] Excludes usage right assets, non-current liabilities and current liabilities pursuant to IFRS 16. See note 13 Leases

The group has given a negative pledge for loans and guarantees. As a result of its participation in partnerships and joint ventures, Veidekke could become liable for other participants' inability to fulfil their obligations. However, Veidekke is not liable until the company in question is unable to meet its obligations.

Veidekke has pledged financial assets with a carrying amount of NOK 350 million at 31 December 2023 to cover pension liabilities incurred. See note 17 Financial assets.

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Note 28. Capital management

The purpose of effective capital management is to secure financial leeway to implement measures in support of Veidekke's operations and strategy. Veidekke seeks to maintain a robust financial position that supports profitability and value creation throughout the group and thus generates a return for shareholders. Important elements in a robust capital structure include equity, the level and development of net interest-bearing assets, ongoing cash flow and financial limits. The liquidity of the Veidekke group is characterised by seasonal fluctuations, and capital management is designed with these fluctuations in mind.

Net interest-bearing assets amounted to NOK 2.8 billion at year-end 2023. Veidekke's construction projects largely involve client financing in the form of front-loaded payment plans. Accordingly, large parts of the group operate with negative working capital. The combination of construction-project working capital, group profits and available borrowing facilities allows Veidekke to finance capital-intensive activities such as the industrial operation and project development.

The group has substantial excess liquidity. At year-end, cash and cash equivalents and financial investments amounted to NOK 3.0 billion, including NOK 1.8 billion in short-term investments in bond and money market funds. These funds are expected to generate a somewhat better return than bank deposits with very low anticipated risk. Rising market interest rates had a positive effect on the total portfolio return in 2023. During the year, the group used some of the investment to improve liquidity, but had reinvested most of the funds by the end of the year. The return for 2023 totalled NOK 76 million, corresponding to a return of 5.5%. The investments are highly liquid.

The group's total available credit amounted to NOK 2.5 billion. Veidekke also had a NOK 193 million unsecured bond loan. The group had no outstanding certificate loans as at 31 December 2023. Veidekke has no official credit rating but monitors quantitative and qualitative factors with an effect on its creditworthiness. For further information on Veidekke's financial borrowing limits and the bond loan, see note 29.

Veidekke can optimise its capital structure by paying dividends to shareholders and repurchasing shares. Veidekke's dividend policy is to provide shareholders with a regular return proportionate to the group's financial performance, and for paid dividends to total at least 70% of post-tax profits. Based on its strong financial position, Veidekke envisions distributing more than 70% in the short term. The average distribution ratio over the past five years is 101% (excluding the extraordinary dividend paid out in connection with the sale of the property development operation). For the financial year 2023, the board of directors has proposed a dividend of NOK 7.9 per share, equating to a distribution ratio of 100%. The group's equity ratio is a potential limiting factor with regard to dividend distributions, as some public-sector clients demand a certain level of equity ratio in connection with competitive tenders.

In periods when the group's financial position is strong, Veidekke may supplement its dividend policy with share repurchasing. The general meeting has authorised the board of directors to repurchase up to 10% of the company's share capital. However, share buybacks are only considered when the share price is deemed to be below actual fundamental value and the group's equity ratio permits such a transaction.

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Note 29. Financial risk

Veidekke seeks to maintain a robust financial position, necessitating effective operation, low financial risk exposure and appropriate management of parameters with an impact on financial risk. The group's financial policy includes guidelines on financial risk management.

Veidekke has a centralised finance function mandated to ensure short- and long-term financial capacity and to manage financial risk in cooperation with the group's individual operations.

The finance function is responsible for making financing arrangements and managing interest rate risk and foreign exchange risk, while the operations undertake ongoing risk management, including management of credit risk and trade debtors. Veidekke's primary categories of financial risk are trade debtors, liquidity and interest-bearing debt.

1. Credit risk

Credit risk is the risk of financial losses due to non-performance of contractual obligations by a customer or financial asset counterparty. The group's credit risk relates primarily to the payment of receivables, with trade debtors presenting the greatest risk. Credit risk linked to trade debtors concerns the payment capacity of customers, rather than their willingness to pay (project risk). The group has a significant proportion of public-sector clients (approximately 40%), who are deemed to present very low credit risk. Veidekke seeks to manage credit risk linked to private-sector clients (approximately 60%) through proactive drafting of client contracts and by ensuring that the operations apply robust credit monitoring procedures.

Veidekke's management systems include contract drafting procedures which also function as risk management measures, and that require agreed payment schedules to match planned progress. In addition, works contracts are largely based on national standards, such as Norwegian Standards, which include provisions requiring the client to provide security for the contract sum. (Norwegian Standards require the provision of security for up to 17.5% of the contract sum during the construction period.) Together, these two measures help reduce credit risk in ordinary construction projects. Sweden does not have a national standard provision on bank guarantees, and risk is therefore somewhat higher there. The asphalt and aggregates operations, which serve a large number of customers, prioritise credit assessment procedures, timely invoicing, guarantee provision and active follow-up of unpaid receivables.

The group has no material credit risk linked to any individual counterparty. The group has issued few guarantees relating to third-party debt, except as discussed in note 27 Provision of security. There will always be a risk that a customer may be unwilling to pay owed sums, but this is regarded as an operational risk and is managed in the context of ordinary project assessment. For further information, see note 19 Trade debtors and note 33 Project-related disputes and claims.

2. Liquidity risk

Liquidity risk is the risk that Veidekke may be unable to meet its payment obligations as they fall due. Robust liquidity is a key prerequisite for Veidekke's profitability and ability to invest and take on risk in capital-intensive business areas. Managing liquidity risk serves the objective of financial flexibility, and has high priority. Liquidity is managed, measured and controlled at project level and throughout the organisation. At year-end, cash and cash equivalents and financial investments amounted to NOK 3.0 billion, including NOK 1.8 billion in short-term investments in bond and money market funds. These funds are expected to generate a somewhat better return than bank deposits with very low anticipated risk. For more information on the investments, see note 28. The group also has substantial capacity to fulfil ongoing performance guarantees issued in connection with construction projects. Veidekke's substantial available liquidity and financial borrowing capacity mean that the company is well-equipped to handle financial uncertainty. Veidekke's borrowing facilities comprise a NOK 1.75 billion overdraft facility with a rolling 364-day maturity period, provided by DNB, and a NOK 0.75 billion credit facility that matures at the end of 2025, provided by SEB. Both agreements are based on a negative pledge and require Veidekke's key financial figures (covenants) to fulfil the following condition:

Net interest-bearing debt divided by EBITDA over the receding four quarters shall not exceed 3.0. As of 31 December 2023, this ratio totalled -1.13. Net interest-bearing debt is defined as the group's short-term and long-term interest-bearing debt minus liquid assets and interest-bearing receivables, while EBITDA is defined as the group's operating profit/loss plus depreciation and amortisation. See note 20 for information on liquid assets, note 24 on long-term interest-bearing debt, note 27 on provision of security and guarantee liability and note 31 on sensitivity analysis and maturity structure.

3. Market price risk

Shares and bonds

The group is exposed to price risk on investments in equity instruments. This investment category, which includes shares, is not normally part of the group's investment strategy. Instead, Veidekke gives priority to investments in companies and projects where the group can exert significant influence on future operations and developments.

The carrying value of financial assets at fair value was NOK 590 million as of 31 December 2023. This item primarily comprises a bond fund investment made to cover pension liabilities. Financial investments totalling NOK 350 million relate to the coverage of pension liabilities, and are subject to security interests. Four-fifths of the portfolio is invested in a high-yield bond fund, while the rest is invested in a stock mutual fund. These investments are classified as financial assets measured at fair value with value changes

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recognised through other comprehensive income. One-third of the portfolio enjoys some protection because a change in the value of the investment is compensated for by a corresponding change in the pension liabilities. The value of the financial investments may be affected by financial turbulence and market fluctuations.

The carrying value of financial investments at fair value was NOK 925 million as of 31 December 2023, comprising a short-term investment in a bond fund. The investments are linked to excess liquidity.

Hedging of raw material costs
Veidekke undertakes little hedging of input factors used in production, and any hedging is only done once an order has been received.

The petroleum product bitumen is a key input factor for the asphalt operation (part of Infrastructure Norway), and the price of bitumen is closely linked with oil prices. Bitumen costs are rarely hedged, and only in the case of orders with long delivery deadlines. Contracts with the group's largest customers, the Norwegian Public Roads Administration and county municipalities, assign most of the risk associated with changes in the price of bitumen to the customer. As regards deliveries to other customers, the period of time between receipt of an order and delivery is normally short, thus reducing the risk of price changes. Nevertheless, Veidekke may has some exposure in the event of rapid, substantial price changes. As of 31 December 2023, the group had entered into one hedging contract, related to a major asphalt contract scheduled for delivery in 2024.

4. Interest rate and currency risk
Veidekke's interest rate risk relates to the group's debt portfolio and is managed at group level. The different operations are exposed to interest rate risk, and some partly-owned companies use interest-rate swaps to reduce material long-term interest rate risk. Veidekke has issued a fixed-rate bond loan with an outstanding volume of NOK 193 million. The bond, which matures March 2025, carries a fixed coupon rate of 3.20%.

The value of the group's interest-rate swaps is determined using the forward rate on the balance-sheet date, and is confirmed by the financial institution acting as the counterparty.

Veidekke has ownership interests in five PPP companies: the school projects Skuleveg AS (50%), Skulebygg AS (50%), Skulegard AS (50%) and Skuleplass AS (50%) and the road project Allfarveg AS (50%). For all these projects, agreements have been signed which secure long-term financing at a fixed rate of interest. Interest rate risk has been eliminated by ensuring that agreed financing is in accordance with signed leases. Reference is made to separate discussion of the PPP projects in note 16.

The interest rate level is believed to have a significant impact on the demand for Veidekke's products, particularly from private customers. The general market risk therefore also comprises indirect interest rate risk. Rising interest rates will usually mean lower activity for the group's construction activities.

The investments in the money and bond markets are sensitive to changes in market interest rates, and an increase in market rates normally reduces the value of these asset classes. Interest-rate duration measures the sensitivity of a fund to interest-rate changes: the longer the duration, the more sensitive the fund. Veidekke's investments in these asset classes comprise holdings in funds of investment-grade credit quality with short and medium durations. Accordingly, the portfolio has moderate price sensitivity to changes in market interest rates.

Veidekke's operations are largely national, and project cash flow is usually denominated in the national currency. Foreign exchange risk arises in connection with purchases of input factors denominated in foreign currencies. When material foreign exchange risk arises, it is hedged through forward contracts or similar instruments. Equity in foreign subsidiaries is not hedged, and any exchange rate fluctuations therefore affect the group's overall profit/loss. Total net agio recognised in the income statement for 2023 was NOK -7 million (NOK 5 million).

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Note 30. Climate risk

Climate risk concerns how climate change will affect Veidekke's operations and accounts. Climate risk consists of physical climate risk, transition risk and liability risk. For more information about Veidekke's identification of climate risk, see the TCFD framework on page 186–190.

Physical climate risk

Physical risks can be divided into chronic risks such as rising temperatures, sea levels, flood risk and changing precipitation patterns, as well as acute risks such as more frequent and severe extreme weather. Both categories could have an impact and result in physical damage which reduces the value of Veidekke's assets. In the assessment of the impact of climate risk on Veidekke's accounting items, changes which could affect the value of Veidekke's permanent facilities are considered to pose the greatest risk. Asphalt factories and aggregates plants account for the majority of the group's permanent facilities. At year-end, Veidekke had 28 asphalt factories and 25 aggregates plants with a total book value of NOK 630 million. Veidekke has conducted a climate risk analysis which indicates that these assets are not located in areas with a high risk of climate events such as flooding and landslides. Acute incidents due to more frequent and severe extreme weather could also cause damage to ongoing projects or trigger operational stoppages or delays in supply chains. Such effects would in turn bring additional costs for which it may be difficult to secure full compensation.

Transition risk

Transition risk is associated with changes in society related to the transition to a low-emission/zero-emission society. Transition risk may affect the value of Veidekke's capitalised assets, reduce the group's competitiveness and thus its ability to generate revenue and future profits, and potentially affect Veidekke's reputation and thus its share price. The group has both owned and leased operating assets which may be exposed to transition risk. The replacement rate of these assets is assessed at the time of entering into purchase or lease contracts, and changing needs are assessed at least annually. Continuous adjustments are made in response to applicable functional requirements and customer criteria related to, for example, emissions.

Regulatory requirements and framework conditions which already are or could potentially become highly relevant to Veidekke include the availability of "green materials" such as recycled steel and concrete, as well as the selection of energy sources for asphalt factories. Regarding the first of these, Veidekke may encounter demands from project customers to use materials associated with low greenhouse gas emissions and with a low impact on nature. Capacity limitations may mean that demand for such materials exceeds production capacity. As regards energy sources used at asphalt factories, Veidekke may find that the development of more environmentally friendly alternatives advances rapidly, and that existing solutions become obsolete before the end of their accounting life. Energy solutions which have previously provided a competitive advantage in competitive tenders may lose this advantage from one year to the next if the solution is no longer considered to make a sufficient contribution to reducing greenhouse gas emissions. However, the group has thus far demonstrated an ability to adapt to changes in framework conditions, and is therefore well-equipped to handle new requirements in the future. This is largely due to the fact that the group has proactive staff who enable it to stay updated on and ahead of regulatory changes and new standards. Veidekke's ability to adapt to future framework conditions will be decisive with regard to its future earnings, and thus also the value of capitalised goodwill.

Liability risk

Liability risk relates to the legal risk associated with an organisation's liability for the consequences of climate change. Examples in this regard include the allocation of risk between customers/Veidekke/suppliers when the effects of climate change have major financial consequences. A further example is potential changes in insurance schemes which may result in more expensive insurance and/or Veidekke having to assume greater liability for the cost of climate-related damage. For Veidekke, liability risk may take the form of increased transfers of liability for climate-related incidents to the contractor, or an increased risk of guarantee liability or disputes linked to complex or untested solutions and construction methods. Moreover, insurance conditions may be amended to increase insurance premiums or include additional uninsurable or force majeure events. Veidekke wishes to hedge against or avoid risks it cannot influence and which represent a potential source of disputes and uncertain claims. The group is therefore making targeted efforts to reduce the impact of this type of risk through close dialogue with customers, robust contractual understanding and continuous updating of insurance contracts to meet current needs.

Overall, the consequences of possible climate changes are expected to have a small to moderate impact on Veidekke's financial statements, and Veidekke currently considers the probability of such an impact to be low . In the longer term, however, the group expects climate change to affect the construction and civil engineering industry, and that Veidekke will therefore have to take ongoing action to stay ahead of developments and adapt its operations to future framework conditions.

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Note 31. Financial instruments

The carrying value of assets and liabilities can be broken down into the following categories:

2023						Fair value				
Figures in NOK million	Statement of financial position at 31 December 2023	Financial assets and liabilities measured at fair value through profit and loss	Financial assets and liabilities measured at amortised cost	Financial assets and liabilities measured at fair value through OCI	Other financial liabilities	Level 1	Level 2	Level 3	Total	Cost of assets measured at fair value
Non-current financial assets	590	350	240	-	-	-	350	-	350	303
Trade receivables and contract assets	6 546	-	6 546	-	-	-	-	-	-	
Financial investment, bond fund	925	925	-			-	925	-	925	928
Other receivables	620	-	620	-	-	-	-	-	-	
Cash and cash equivalents[1]	2 063	918	1 145	-	-	-	918	-	918	916
Total financial assets	10 744	2 194	8 551	-	-	-	2 194	-	2 194	2 147
Bond debts and debt to credit institutions	506	-	-	-	506	-	193	-	193	
Other non-current liabilities	585	-	-	-	585	-	-	-		
Debt to credit institutions (current)	2	-	-	-	2	-	-	-		
Tax payable	180	-	-	-	180	-	-	-		
Other financial current liabilities[2]	11 553	-	-	-	11 553	-	-	-		
Total financial liabilities	12 824	-	-	-	12 824	-	193	-	193	

[1] Cash and cash equivalents comprise of bank deposits and deposits in money market funds. See note 20.

[2] Other financial current liabilities comprise the items trade payables, contract liabilities, public duties and other current liabilities in the statement of financial position.

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Figures in NOK million	Statement of financial position at 31 December 2022	Financial assets and liabilities measured at fair value through profit and loss	Financial assets and liabilities measured at amortised cost	Financial assets and liabilities measured at fair value through OCI	Other financial liabilities	Fair value Level 1	Level 2	Level 3	Total	Cost of assets measured at fair value
Non-current financial assets	524	313	211	-	-	-	313	-	313	286
Trade receivables and contract assets	6 581	-	6 581	-	-	-	-	-	-	-
Financial investment, bond fund	523	523	-			-	523	-	523	565
Other receivables	286	-	286	-	-	-	-	-	-	-
Cash and cash equivalents[1]	2 714	1 294	1 421	-	-	-	1 294	-	1 294	1 298
Total financial assets	10 628	2 130	8 498	-	-	-	2 130	-	2 130	2 148
Bond debts and debt to credit institutions	387	-	-	-	387	-	196	-	196	
Other non-current liabilities	687	-	-	-	687	-	-	-	-	
Debt to credit institutions (current)	14	-	-	-	14	-	-	-	-	
Tax payable	161	-	-	-	161	-	-	-	-	
Other financial current liabilities[2]	11 172	-	-	-	11 172	-	-	-	-	
Total financial liabilities	12 421	-	-	-	12 421	-	196	-	196	

[1] Cash and cash equivalents comprise of bank deposits and deposits in money market funds. See note 20.

[2] Other financial current liabilities comprise the items trade payables, contract liabilities, public duties and other current liabilities in the statement of financial position.

The section on the right in the table above shows financial instruments recorded at fair value according to valuation method.

The different levels are defined as follows:
Level 1: Fair value is measured using market prices from active markets for identical financial instruments. No adjustment is made for these prices.
Level 2: Fair value is measured using other observable input than that used in level 1, either directly (prices) or indirectly (derived from the prices).
Level 3: Fair value is measured using input that is not based on observable market data.

The carrying value of bank deposits and liabilities to credit institutions is virtually the same as their fair value, since these instruments have a short maturity term. Correspondingly, the carrying value of trade receivables, contract assets, contract liabilities and trade payables are virtually the same as the fair value, as they are agreed upon under market terms. Unpaid government charges, tax payable and current liabilities have a short maturity, and capitalised liabilities are virtually the same as the fair value. The fair value of the group's interest rate hedging is estimated using the forward rate on the balance sheet date and is confirmed by the financial institution with which the agreement is signed.

For details concerning maturity structure and credit risk for trade receivables and contract assets, see note 19 Trade receivables and contract balances.

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Financial instruments at fair value[1]

Veidekke's financial instruments recorded at fair value are reconciled in the following table:

	2023				2022			
Figures in NOK million	Non-current financial assets	Financial investment, bond fund	Cash and cash equivalents, money market funds	Total financial instruments measured at fair value	Non-current financial assets	Financial investment, bond fund	Cash and cash equivalents, money market funds	Total financial instruments measured at fair value
Financial instruments at 1 January	313	523	1 294	2 129	303	539	1 872	2 714
Additions	11	568	177	756	7	-	-	7
Sales/disposal	-	-199	-589	-788	-	-	-601	-601
Reinvested return	6	11	32	49	3	9	26	38
Pre-tax gains (losses) recogn. in the income statement	21	22	4	46	-1	-25	-3	-29
Financial instruments at 31 December	350	925	918	2 194	313	523	1 294	2 129

[1] Veidekke's share of financial instruments in joint ventures is not included.

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The group's long-term financing

Maturity structure and contractual cash flows for the group's non-current liabilities are presented in the following table:

2023		Maturity structure					
Figures in NOK million	Carrying value at 31 December 2023	2024	2025	2026	2027	After 2027	Total contractual cash flows
Bond loans[1]	193	6	199	-	-	-	205
Debt to credit institutions[2]	313	132	69	54	37	57	349
Other non-current liabilities[3]	585	77	229	220	33	92	652
Total	1 090	215	497	275	70	149	1 206

2022		Maturity structure					
Figures in NOK million	Carrying value at 31 December 2022	2023	2024	2025	2026	After 2026	Total contractual cash flows
Bond loans[1]	193	6	6	199	-	-	212
Debt to credit institutions[2]	194	74	47	46	22	14	203
Other non-current liabilities[3]	687	39	231	143	329	-	743
Total	1 074	120	284	388	351	14	1 157

[1] The group has a long-term credit facility with DNB with a credit limit of NOK 1.75 billion and one with SEB of NOK 0.75 billion, none of which had been utilised on 31 December 2023. The two parts of the facilities have different maturities, which for the larger facility, of NOK 1.75 billion, is one year, and for the other, of NOK 0.75 billion, is until December 2025.

[2] Includes non-current liabilities related to leases in accordance with IFRS 16, ref. note 13.

Effective interest rates for selected financial instruments:

Figures in NOK million	2023[1]	2022[1]
Liquidity	2.6%	0.3%
Financial instruments, current	5.5%	-2.9%
Current interest-bearing liabilities	6.0%	4.6%
Non-current interest-bearing liabilities[2]	4.7%	3.7%

[1] Average effective interest rate is calculated as the average of the rates applicable through the year.

[2] Effective interest rate on long-term interest-bearing debt including the premium by redemption of its bond loan of NOK 407 million in 2022 was 6.9%.

Interest rate derivatives

The group uses interest rate derivatives to hedge against fluctuations in profit as a result of changes in interest rates, i.e. interest rate swaps as cash flow hedging of loans. At 31 December 2023 the group had no such interest rate derivatives that are consolidated in the financial statements.

The group's net interest-bearing position

Figures in NOK million	2023	2022
Cash and cash equivalents	2 063	2 714
Interest-bearing financial assets	2	5
Interest-bearing bonds	925	523
Interest-bearing other receivables	292	-
Total interest-bearing assets	3 283	3 242
Bonds, non-current	193	193
Debt to credit institutions, non-current	313	194
Debt to credit institutions, current	2	14
Total interest-bearing debt	507	402
Net interest bearing position	2 776	2 840

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The group's short-term financing

Maturity structure and expected cash flow for the group's current liabilities are presented in the following table:

2023		Maturity structure			
Figures in NOK millionr	Carrying value at 31 December 2023	Payable on demand/due date not set	0–3 months	3–12 months	Over 12 months	Anticipated cash flow
Current liabilities to credit institutions	2	-	-	2	-	2
Trade payables[1]	6 853	4 635	2 146	45	28	6 853
Unpaid government charges	1 026	21	865	101	39	1 026
Tax payable	180	-	37	143	-	180
Contract liabilities and other current liabilities[2]	3 674	1 302	1 036	1 179	167	3 683
Total current financial liabilities	11 734	5 959	4 083	1 469	233	11 744

2022		Maturity structure			
Figures in NOK millionr	Carrying value at 31 December 2022	Payable on demand/due date not set	0–3 months	3–12 months	Over 12 months	Anticipated cash flow
Current liabilities to credit institutions	14	-	8	6	-	14
Trade payables[1]	6 093	3 324	2 704	50	16	6 093
Unpaid government charges	941	-	793	87	62	941
Tax payable	161	-	79	81	-	161
Contract liabilities and other current liabilities[2]	4 137	1 310	1 102	1 633	99	4 144
Total current financial liabilities	11 347	4 633	4 686	1 857	176	11 354

[1] When the due date is not set for trade payables, this is largely related to project accrual due to invoices not having been received.
[2] Includes current liabilities related to IFRS 16, ref. note 13.

Specification of "Fair value adjustment" in the statements of changes in equity

Figures in NOK million	2023	2022
Hedge reserves, joint ventures[1]	-18	-25
Interest rate swap agreements, wholly-owned companies	4	2
Foreign exchange forward contracts	-2	5
Total	-16	-19

[1] NOK -18 (-27) million is related to PPP E39 Lyngdal Flekkefjord. See note 16.

Specification of the accounting item in other comprehensive income

Revaluation of financial assets at fair value

Figures in NOK million	2023	2022
Fair value adjustments hedge reserves, joint ventures	9	68
Interest rate swap agreements, wholly-owned companies	2	17
Fair value adjustments of financial assets available for sale	-6	6
Fair value adjustment of financial assets carried against other equity	3	-
Total	8	91

Sensitivity analysis of cash flow, financial instruments

Veidekke's financial position is generally strongest at year-end. Some parts of the business experience seasonal fluctuations which also affect the group's financial instruments. The group's contract types and payment terms may vary considerably. Overall, this means that the calculation of sensitivity to interest-rate changes is associated with a number of risk factors. The group's interest-bearing debt is limited to an outstanding fixed-rate bond loan, some financial leasing and smaller local borrowings. The group is expected to have substantial excess liquidity going forward. Minor changes in interest-rate levels – whether positive or negative – are not expected to have a material impact on profits, and therefore no detailed calculations have been prepared. Veidekke also has investments in joint ventures which have entered into fixed-rate agreements. See note 16 for a sensitivity analysis focused on altered interest rate.

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Note 32. Executive remuneration

In accordance with current regulations, Veidekke publishes a separate executive remuneration report containing detailed information on remuneration paid to the corporate management team, including the Group CEO, and the board of directors. For more detailed information, reference is made to the group's website, where the report is published.

In addition to the information provided below, the Group CEO's contract stipulates a mutual twelve-month notice period and twelve months' severance pay in the event of termination by the company. The executive vice presidents' contracts stipulate a mutual notice period of six months and twelve months' severance pay in the event of termination by the company.

Compensation to the group chief executive and corporate management

	2023				2022
Figures in NOK thousand	Salary	Paid bonus	Car, phone, interest rate advantage etc.	Total compensation	Total compensation
Group CEO Jimmy Bengtsson	4 705	1 278	639	6 621	6 351
Corporate management team	26 429	6 238	2 012	34 678	32 343
Total Group CEO/ corporate management team[1]	31 133	7 516	2 650	41 300	38 696

[1] The corporate management team comprised ten members in both 2023 and 2022.

2023 Figures in NOK thousand	Defined benefit scheme - year's cost	Present value of pension liabilities	Premium pension plans[1]	Pension balance 31 Dec.[2]	Share loans	Earned bonus
Group CEO Jimmy Bengtsson	210	946	2 436	7 984	217	1 438
Corporate management team	5 421	57 155	6 261	19 312	5 465	6 764
Total Group CEO/ corporate management team	5 631	58 101	8 697	27 296	5 682	8 202

[1] This year's cost for provision arrangements
[2] Relates to provision arrangements for salary exceeding 12G

2022 Figures in NOK thousand	Defined benefit scheme - year's cost	Present value of pension liabilities	Premium pension plans[1]	Pension balance 31 Dec.[2]	Share loans	Earned bonus
Group CEO Jimmy Bengtsson	260	704	1 442	5 548	232	1 278
Corporate management team	4 647	50 243	4 379	14 368	3 939	6 245
Total Group CEO/ corporate management team	4 907	50 947	5 821	19 916	4 171	7 523

[1] This year's cost for provision arrangements
[2] Relates to provision arrangements for salary exceeding 12G

Compensation to the board of directors

	2023		2022	
Figures in NOK thousand	Fees	Loan for share purchases	Fees	Loan for share purchases
Board chair Grc Bakstad[1]	717	-	421	-
Board of directors	3 869	283	4 254	70
Total board of directors[2]	4 586	283	4 675	70

[1] Board chair from 11 May 2022
[2] The board of directors had 10 members in 2023 and 11 members in 2022

For an overview of the number of shares held by the corporate management team and board members, see note 21.

Veidekke has established audit, remuneration and project committees. Compensation paid for committee participation is included in board member fees. For further information on fees paid for the various positions, please see the executive remuneration report published on Veidekke's website.

Remuneration to auditors

Figures in NOK thousand	2023	2022
Statutory audit	15 891	12 294
Tax-related assistance	758	318
Other services in addition to auditing	602	712
Total remuneration to auditor	17 251	13 324

Remuneration excludes VAT.

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Note 33. Project-related disputes and claims

Through its ongoing operations, Veidekke is involved in disputes with clients regarding the interpretation and understanding of signed contracts. This applies particularly to complex projects where the contract terms are demanding and large sums of money are involved. Veidekke strives to resolve these kinds of disputes outside the courts whenever possible, but some cases must nevertheless be decided by arbitration or in court. Disputes may be Veidekke's claims on customers (additional claims) and customers' claims on Veidekke (remedy of defects, compensation, etc.). Thorough assessments are conducted in connection with disputed claims to ensure the most correct reporting in the accounts.

Reference is made to the following statement in the group's accounting principles: "The revenue recognition method for additional claims against the client and disputed amounts with a high level of uncertainty is based on assessments of the most likely outcome and elements that can be measured reliably. Additional claims are recognised only once it is considered highly probable that a substantial portion of this income will not be reversed at a later date. The degree of uncertainty in the estimates will affect the proportion of the claim that is recognised in the income statement."

At year-end, Veidekke was involved in one (five) ongoing court cases valued at more than NOK 25 million. Four cases valued at more than NOK 25 million were resolved during the year through either a court judgment or negotiations with the client.

In 2023, Veidekke and the Norwegian Public Roads Administration agreed to settle a final-payment dispute related to the E39 Svegatjørn–Rådal project outside Bergen, which was delivered in 2020. The settlement entailed a negative profit effect for Veidekke of NOK -110 million, which was recorded against Infrastructure Norway in the 2023 accounts. The settlement also had a positive liquidity effect of NOK 300 million, which comprised withheld payment for completed work and previously paid-in excess VAT.

Note 34. Related-party transactions

Veidekke's related parties include associates and joint ventures (see note 16), Veidekke's shareholders, members of the board and key staff in Veidekke (see note 32). Veidekke has stakes in associates and joint ventures, and these are reported in Veidekke's accounts using the equity method.

Transactions with associates and joint ventures

Figures in NOK million	2023	2022
Revenue	217	123
Statement of financial position at 31 December		
Receivables	31	32
Liabilities	-	-

OBOS BBL has a 19.5% stake in Veidekke and is also a major business partner. The collaboration with OBOS comprises deliveries from Veidekke's construction operation to companies in the OBOS Group. In addition, in 2022 Veidekke and OBOS entered into a joint ownership arrangement relating to the company Ulven B1 Næringstomt AS, which will own Veidekke's new headquarters at Ulven in Oslo. Veidekke has signed an eight-year lease on four out of five floors of the building starting on the completion date. Construction work started in 2022 and is expected to conclude in the autumn of 2024.

Veidekke and OBOS also har an agreement to jointly develop the residential area Wendelstrand outside Gothenburg. The project includes approx. 200 homes, and Veidekke has a 20% stake in the project.

Transactions with selected parties

	Revenue		Receivables	
Figures in NOK million	2023	2022	31.12.2023	31.12.2022
OBOS	2 271	1 821	210	161

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Note 35. Events after the reporting date

No events have occurred after the balance sheet date which have had a material effect on the issued accounts.

Note 36. Alternative performance measures

Veidekke generally reports its financial results in line with International Financial Reporting Standards (IFRS). In addition, the following alternative performance measures are also reported:

EBITDA

EBITDA is an abbreviation for earnings before interest, taxes, depreciation and amortisation. The key figure indicates operational profitability after operating expenses have been deducted.

EBIT

EBIT is an abbreviation for earnings before interest and taxes. The key figure indicates operational profitability after operating expenses, depreciation and amortisation have been deducted.

Net interest-bearing position

The key figure expresses the group's financial position and has been prepared based on the total liquid assets and interest-bearing receivables at the time of assessment, less interest-bearing debt (both current and non-current). The key figure is included in the covenants calculation in the loan agreement.

Order book

The order book provides an indication of future activity in the group's construction operations. The order book is defined as contracted and signed contracts on the measurement date. This key figure also includes road maintenance contracts in Infrastructure in Norway's Road Maintenance unit.

Return on equity

This key figure indicates the return on equity during the period. It is calculated by dividing the post-tax profit by average equity.

$$\frac{\text{Post-tax profit last 12 months}}{\text{Average equity last 12 months}}$$

Average equity over the last 12 months is calculated by averaging equity over the preceding four quarters.

Note 37. Corporate structure

This is an alphabetical overview of all subsidiaries in the Veidekke group, excluding pure holding companies and inactive companies. Specified ownership shares represent the proportion owned by Veidekke ASA or by a directly or indirectly owned subsidiary.

				Ownership share[1]	
Company name	Business area	Head office	Country	2023	2022
Amrock AS	Infrastructure Norway	Oslo	Norway	100%	100%
Arcona AB	Construction Sweden	Solna	Sweden	100%	100%
Arcona X AB	Construction Sweden	Solna	Sweden	100%	100%
Bergmester Raudsand	Infrastructure Norway	Raudsand	Norway	100%	100%
Billström Riemer Andersson AB[1]	Construction Sweden	Mölndal	Sweden	100%	90%
BRA Bygg AB[1]	Construction Sweden	Mölndal	Sweden	90%	95%
BRA Energi AB[1]	Construction Sweden	Mölndal	Sweden	100%	100%
BRA Förvaltning AB[1]	Construction Sweden	Mölndal	Sweden	100%	100%
BRA Knarrholmen AB[1]	Construction Sweden	Mölndal	Sweden	67%	67%
BRA Laholm AB[1]	Construction Sweden	Mölndal	Sweden	100%	100%
BRA Mark AB[1]	Construction Sweden	Mölndal	Sweden	90%	90%
BRA Teknik AB[1]	Construction Sweden	Mölndal	Sweden	51%	52%
BSK Arkitekter AB	Construction Sweden	Stockholm	Sweden	100%	100%
Båsum Boring AS	Construction Norway	Krøderen	Norway	70%	70%
Fastighets AB GTR	Construction Sweden	Stockholm	Sweden	100%	100%
GEO Fundamentering & Bergboring AS	Construction Norway	Rolvsøy	Norway	88%	88%
Grande Entreprenør AS	Construction Norway	Verdal	Norway	80%	80%
Hende AS[1]	Construction Norway	Oslo	Norway	100%	68%
Haugerud vikeby AS	Construction Norway	Mysen	Norway	100%	0%
Hoffmann AS	Denmark	Glostrup	Denmark	100%	100%
Hoffmann Ejendomme AS	Other operations	Glostrup	Denmark	100%	100%
Industrivegen 2 Jessheim AS	Infrastructure Norway	Jessheim	Norway	100%	100%
JMF Fältgeoteknik AB	Infrastructure Sweden	Solna	Sweden	100%	0%
Knarrholmen Drift AB[1]	Construction Sweden	Mölndal	Sweden	100%	100%
Knarrholmen Utveckling AB[1]	Construction Sweden	Mölndal	Sweden	100%	100%
Kynningsrud Grundläggning AB	Construction Norway	Uddevalla	Sweden	0%	100%
Kystmiljø AS	Construction Norway	Halden	Norway	100%	100%
Leif Grimsrud AS	Construction Norway	Halden	Norway	100%	80%
Lillhagen Byggnads AB[1]	Construction Sweden	Mölndal	Sweden	90%	90%
Nordre Fokserød Utvikling AS	Infrastructure Norway	Sandefjord	Norway	100%	100%

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Company name	Business area	Head office	Country	Ownership share[1] 2023	2022
Rauma Bygg AS	Construction Norway	Åndalsnes	Norway	100%	100%
Rudsflata 11 AS	Construction Norway	Grålum	Norway	100%	100%
Seby AS	Construction Norway	Skedsmokorset	Norway	70%	70%
Skuledrift AS[1]	Construction Norway	Oslo	Norway	100%	100%
Team Veidekke DA	Construction Norway	Oslo	Norway	89%	80%
Tore Løkke AS	Construction Norway	Revsnes	Norway	85%	85%
Valdresbygg AS	Construction Norway	Fagernes	Norway	100%	100%
Vangestedvegen 6 AS	Construction Norway	Kaupanger	Norway	100%	0%
Veidekke Asfalt AB	Infrastructure Sweden	Klippan	Sweden	75%	75%
Veidekke Entreprenad AB	Construction Sweden / Infrastructure Sweden	Solna	Sweden	100%	100%
Veidekke Entreprenør AS	Construction Norway / Infrastructure Norway	Oslo	Norway	100%	100%
Veidekke Fellestjenester AS	Other operations	Oslo	Norway	100%	100%
Veidekke Framtid AB	Construction Sweden	Solna	Sweden	100%	100%
Veidekke Grundläggning AB	Infrastructure Sweden	Göteborg	Sweden	100%	100%
Veidekke Industri AB	Infrastructure Sweden	Solna	Sweden	100%	100%
Veidekke Industri AS	Infrastructure Norway	Oslo	Norway	100%	100%
Veidekke Industri Fastighet Väst 1 AB	Infrastruktur Sweden	Vallentuna	Sweden	100%	0%
Veidekke Logistikkbygg AS	Construction Norge	Sandefjord	Norway	100%	100%
Veidekke Prefab AB	Construction Sweden	Sala	Sweden	100%	100%
Veidekke Prefab AS	Construction Norway	Klepp	Norway	100%	100%
Veidekke Raudsand AS	Infrastructure Norway	Raudsand	Norway	100%	100%
Veidekke sirkulær AS	Construction Norway	Oslo	Norway	100%	100%
Veidekke Sverige AB	Construction Sverige / Infrastructure Sweden	Lund	Sweden	100%	100%
Veidekke Østfold Follo AS	Construction Norway	Halden	Norway	100%	100%
VeiHande AS	Construction Norway	Oslo	Norway	70%	0%
Veitech AB	Infrastructure Sweden	Solna	Sweden	90%	90%
Øst AS	Construction Norway	Halden	Norway	100%	100%

[1] For subsidiaries which parent company is not directly or indirectly wholly-owned by Veidekke ASA, the real or financial ownership share is less.

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Income statement Veidekke ASA

Figures in NOK million	Note	2023	2022
Revenue		127	120
Personnel expenses	1,2	-143	-125
Other operating expenses	3	-126	-138
Depreciation	4	-24	-20
Total operating expenses		-292	-284
Operating profit		-166	-163
Dividends and group contributions from subsidiaries	5	1 119	1 343
Other financial income	5	109	30
Financial costs	5	-96	-90
Profit before tax		966	1 120
Income tax expense	6	-32	-5
Profit for the year		934	1 115
Allocation of profit			
Dividends payable		1 066	1 046
Other equity		-132	70
Total		934	1 115

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Statement of financial position Veidekke ASA

Figures in NOK million	Note	2023	2022
ASSETS			
Non-current assets			
Deferred tax assets	6	68	59
Operating assets	4	84	97
Investments in subsidiaries	7	2 529	2 529
Investments in associates and joint ventures	8	105	144
Financial investments	9	303	286
Other non-current receivables	9	141	121
Total non-current assets		3 229	3 237
Current assets			
Receivables from group companies	10	214	720
Other receivables		281	47
Financial investments	11	925	523
Cash and cash equivalents	11	918	1 294
Total current assets		2 338	2 586
Total assets		5 568	5 821

Figures in NOK million	Note	2023	2022
EQUITY AND LIABILITIES			
Equity			
Share capital		67	67
Other equity		1 067	1 211
Total equity	12	1 135	1 279
Non-current liabilities			
Pension liabilities	2	297	265
Bonds	13	193	193
Debt to credit institutions	13	32	32
Total non-current liabilities		522	490
Current liabilities			
Trade payables		32	58
Tax payables	6	26	-
Dividends payable	13	1 066	1 046
Current liabilities to group companies	10	2 774	2 940
Other current liabilities		13	8
Total current liabilities		3 911	4 052
Total equity and liabilities		5 568	5 821

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Statement of cash flows Veidekke ASA

Figures in NOK million	Note	2023	2022
OPERATING ACTIVITIES			
Profit before tax		966	1 120
Recognised dividends and group contributions from subsidiaries, not yet paid	5	-1 119	-1 343
Received dividends and group contributions from subsidiaries		1 389	1 079
Group contribution paid to subsidiaries		-45	-
Tax paid	6	-11	-7
Depreciation	4,5	24	35
Gains on sale of shares		1	-
Pensions, difference expensed/paid		10	4
Generated from this year's activities		1 215	889
Change in other current assets		-26	-14
Change in other items		-162	-120
Net cash flow from operating activities (A)		1 028	755
Investing activities			
Acquisition of tangible non-current assets	4	-10	-10
Payment, other investments	11	-358	-49
Received dividends from joint ventures		19	14
Net cash flow from investing activities (B)		-349	-45

Figures in NOK million	Note	2023	2022
Financing activities			
Downpayment of non-current bond loan		-	-407
Repayment of non-current debt		-60	32
Change in intra-group balances group cash account		46	384
Purchase /sale of own shares		5	-5
Dividends paid		-1 046	-945
Net cash flow from financing activities (C)		-1 055	-941
Total net change in cash and cash equivalents (A+B+C)		-376	-231
Cash and cash equivalents at 1 January		1 294	1 525
Cash and cash equivalents at 31 December		918	1 294
Supplementary information			
Borrowing facility		2 500	2 500

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Notes Veidekke ASA

Accounting policies

Veidekke ASA prepares its financial statements in accordance with Norwegian accounting standards.

The parent company Veidekke ASA is a holding company with no operational activity. Its activities consist of investments in subsidiaries and joint ventures, and its income consists of dividends and group contributions from these companies. In addition, Veidekke ASA invoices its subsidiaries for their share of costs related to administration of the group.

Investments in subsidiaries and joint ventures are accounted for using the cost method. This means that investments are booked at cost price, and only distributions from the companies are recognised in income. Investments are written down if the carrying value exceeds fair value.

Group contributions are recognised in the income statement in the same year as they are accrued by the subsidiary. Dividends from subsidiaries are recognised in the income statement in the same year as they are allocated in the subsidiary (the year before distribution). The dividend proposed in Veidekke ASA was recognised as a liability at 31 December 2023.

With the exception of the date of accounting recognition of dividends and group contributions and the accounting treatment of financial instruments such as share investments, the parent company applies the same accounting principles as the group.

Unless otherwise specified, all amounts are in NOK million.

Note 01. Payroll costs

Figures in NOK million	2023	2022
Payroll	94	86
Pension costs	24	18
National Insurance contributions	21	16
Other payroll costs (social benefits etc.)	4	4
Total	143	125

Number of fulltime equivalents	51	50
Number of employees at 31 December	53	50

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Note 02. Pensions

Figures in NOK million	2023	2022
Pension costs		
Current service cost	5	5
Interest cost on net pension liabilities	7	4
Cost of defined-benefit plan	11	9
Cost of defined-contribution and deposit schemes	12	9
Pension costs	24	18
Pension liabilities	297	265
Pension assets	-	-
Net pension liability	297	265
Change in value (actuarial gains and losses)	-21	30
Change in value after tax recognised directly in equity	-16	23

The company is required by law to have occupational pension arrangements under the Norwegian Mandatory Occupational Pension Act. The company's pension plans comply with the statutory requirements laid down in this Act. See the accounting policies and the presentation of the schemes in note 22 to the consolidated accounts.

Note 03. Remuneration to auditors

Remuneration to the auditors in 2023 amounted to NOK 1.6 million for auditing, and NOK 0.5 for tax services. Equivalent for 2022 NOK 1.1 million for auditing, and NOK 0.1 for auditing-related services. All amounts are stated excluding VAT.

Note 04. Operating assets

Figures in NOK million	Properties	Machinery/ IT systems	IT systems under development	Total 2023	Total 2022
Carrying amount at 1 January	8	10	80	97	108
Original cost at 1 January	11	106	92	209	198
Additions	-	2	7	10	10
Original cost at 31 December	11	108	100	218	209
Accumulated depreciations / impairments at 1 January	-3	-96	-12	-111	-91
Depreciation for the year	-	-8	-16	-24	-20
Accumulated depreciation/ impairments at 31 December	-3	-103	-28	-135	-111
Carrying amount at 31 December	8	5	71	84	97
Depreciation method	Straight line	Straight line	Straight line		
Depreciation rate	2-5%	10-25%	12.5-25%		

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Note 05. Financial income and financial expenses

Figures in NOK million	2023	2022
Dividend and group contributions from subsidiaries	1 119	1 343
Interest income	89	9
Dividends from joint ventures	19	14
Other financial income	1	7
Total other financial income	109	30
Interest costs	-93	-70
Foreign currency loss	-4	-4
Impairment of shares	-	-15
Total financial costs	-96	-90
Net financial items	1 131	1 284

Note 06. Tax costs and deferred tax

Figures in NOK million	2023	2022
Income tax expense		
Tax payable in the statement of financial position	36	-
Tax payable on group contributions	-	7
Change in deferred tax	-5	-2
Correction of tax provision for previous years	-	-
Total income tax expense	32	5
Reconciliation of the group's tax rate		
22% of profit before tax	212	247
Actual income tax expense	32	5
Difference	180	241
Difference in income tax expense		
Tax-exempted dividends from subsidiaries	180	244
Other permanent differences	-	-3
Total	180	241

Figures in NOK million	2023	2022
Deferred tax		
Temporary differences		
Current items	-19	-10
Gains and loss account	7	9
Operating equipment	-2	-3
Pensions	-297	-265
Basis for deferred tax (- deferred tax asset)	-310	-269
Deferred tax assets 22%	-68	-59
Recognised deferred tax assets	-68	-59

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Note 07. Shares in subsidiaries

Company	Location	Ownership share (%)	Value in the statement of financial position[1]
Veidekke Entreprenør AS	Oslo	100	1 438
Hoffmann A/S	Copenhagen	100	366
Veidekke Industri AS	Oslo	100	415
Veidekke Sverige AB	Lund	100	296
Veidekke Fellestjenester AS	Oslo	100	14
Total			2 529

[1] Carrying value in Veidekke ASA's accounts at 31 December 2023 (cost method).

Note 08. Shares in associates and joint ventures

Company	Location	Ownership share (%)	Carrying amount in NOK million[1]
Allfarveg AS	Oslo	50	66
Skulebygg AS	Oslo	50	21
Skuleplass AS	Oslo	50	11
Other companies	Oslo	50	8
Total			105

[1] Carrying amount in Veidekke ASA's accounts at 31 December 2023 (cost method).

Note 09. Financial investments and other non-current receivables

Figures in NOK million	2023	2022
Share loans to employees	141	122
Financial assets	303	286
Total	443	407

See note 17 to the group statements for further information on share loans to group employees. The company has invested NOK 303 million in a combination fund consisting of both bonds and shares. The investment is intended to cover incurred pension liabilities and has been pledged. Financial investments are booked at cost price in the company accounts. The fair value of the investment is NOK 350 million. Unrealised gain per 31 December 2023 is NOK 48 million. In the consolidated accounts, the investment is booked at fair value.

Note 10. Receivables and liabilities with group companies

Figures in NOK million	2023	2022
Trade receivables from group companies	16	37
Outstanding dividends and group contributions	1 119	1 340
Dividends payable offset against current group liabilities	-921	-818
Other liabilities to group companies	-	161
Total receivables from group companies	214	720
Trade payables to group companies	-	1
Group contribution payable	-	45
Current liabilities to group companies related to the group account	3 695	3 652
Dividends payable offset against current group liabilities	-921	-818
Other liabilities to group companies	-	60
Total liabilities to group companies	2 774	2 940

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Note 11. Bank deposits and short-term financial investments

Figures in NOK million	2023	2022
Short-term investment in bond fund[1]	925	523
Short-term financial investments	925	523
Short-term money market investments[1]	918	1 294
Bank deposits and cash equivalents	-	-
Total bank deposits and cash equivalents	918	1 294

[1] Veidekke has made a short-term investment of NOK 1.8 billion in a fixed-income fund and a money market fund. In the statement of financial position, the money market fund is classified as a cash equivalent, while the fixed-income fund is treated as a short-term interest-bearing receivable. For further information on this investment, see notes 17 and 20 to the group accounts.

Note 12. Reconciliation of equity

Figures in NOK million	2023	2022
Equity at 1 January	1 279	1 191
Profit for the year	934	1 115
Paid dividends	-1 066	-1 046
Purchase /sale of own shares	5	-5
Change in value of net pension assets	-16	23
Equity at 31 December	1 135	1 279

Figures in NOK million	Share capital	Share premium	Other equity	Total equity
Equity at 1 January	67	419	792	1 279
Profit for the year			934	934
Dividends payable			-1 066	-1 066
Sale of own shares			5	5
Change in value of net pension assets			-16	-16
Equity at 31 December	67	419	648	1 135

Note 13. Non-current liabilities

Veidekke has an overdraft facility with DNB of NOK 1 750 million (rolling 364-day maturity) and a NOK 75 million credit facility with SEB (three-year maturity and two one-year extension options). These facilities remained unused at year-end 2023. Veidekke ASA is responsible for the group's total withdrawals from the group account. For further details, see notes 28 and 29 to the consolidated accounts.

At 31 December 2023 the recorded non-current liability consists of bond loan of NOK 193 million maturing in March 2025.

Note 14. Guarantees

At 31 December 2023 Veidekke ASA has provided guarantees for its subsidiaries totalling approx. NOK 5 000 million in connection with specific construction projects for group companies and NOK 50 million in guarantees related to the new head office. The company has a current bank guarantee to cover payroll tax obligations.

Note 15. Other notes

The following requirements are covered in notes to the consolidated accounts:

- Note 21: Number of shares, shareholders etc..
- Note 29: Financial risk
- Note 31: Financial instruments
- Note 32: Executive remuneration
- Note 35: Events after the reporting date

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Declaration in accordance with article 5-5 of the securities trading act

We hereby confirm that, to the best of our knowledge and belief, the group and company financial statements for 2023 have been prepared in compliance with current accounting standards, and that the information in the accounts gives a true and fair view of the group and company assets, liabilities and financial position, as well as the results of their operations in their entirety.

The board of director's annual report gives a true and fair view of the group and company development, result and position, as well as of the main risk and uncertainty factors the group is faced with.

Oslo, 20 March 2024

The board of directors of Veidekke ASA

Sign.	*Sign.*	*Sign.*	*Sign.*	*Sign.*
Gro Bakstad Chair	Hanne Rønneberg	Per-Ingemar Persson	Carola Lavén	Pål Eitrheim
Sign.	*Sign.*	*Sign.*	*Sign.*	*Sign.*
Nils Morten Bøhler	Inge Ramsdal	Odd Andre Olsen	Arve Fludal	Jimmy Bengtsson Group CEO

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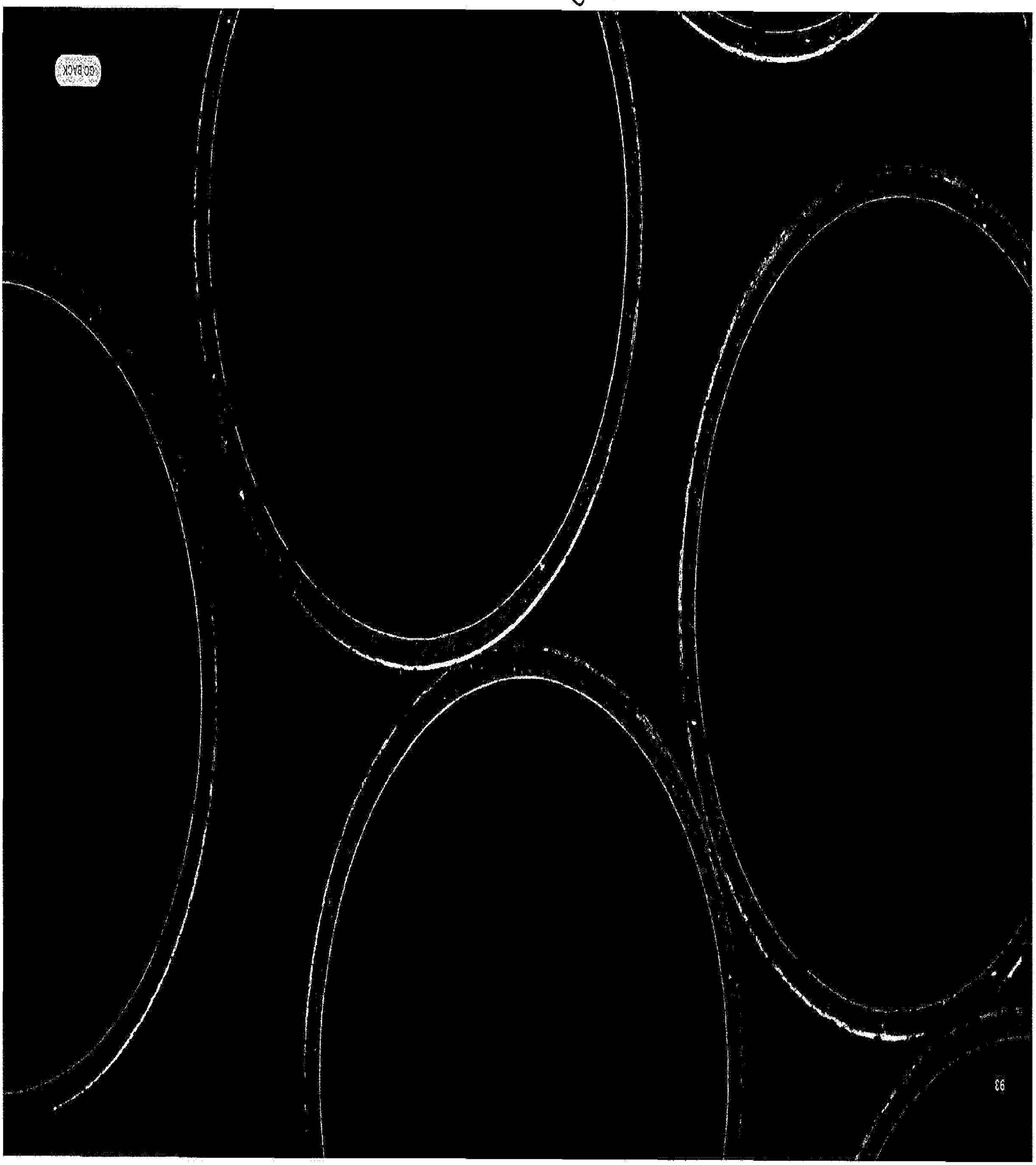
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Corporate governance

The corporate governance and management principles specify how Veidekke must be led, organised and administered to facilitate the greatest possible value creation over time, for the benefit of shareholders, employees and society at large.

1. Statement on corporate governance

Together with Veidekke's risk management principles, core values and ethical guidelines, the corporate governance principles are the group's most important management parameters. The board of directors is responsible for Veidekke's corporate governance and management and conducts an annual evaluation of principles and practice in this area.

Veidekke is subject to the governance reporting requirements in section 3-3b of the Accounting Act. The company is also subject to Oslo Stock Exchange's corporate governance requirements, and therefore reports in accordance with the current version of the Norwegian Code of Practice for Corporate Governance. This chapter covers the 15 main topics in the Code of Practice and explains any deviations. The company's auditor has reviewed the information in the statement issued pursuant to section 3-3b of the Accounting Act and has concluded that it is consistent with the information provided in the annual accounts.

The corporate governance statement will be considered at the annual general meeting on 7 May 2024.

Deviations from the Code of Practice: None

2. Operations

Veidekke's purpose is defined in its articles of association as "construction and property development activities, and other economic activities related thereto. Activities may be engaged in by the company itself, by subsidiaries in Norway or abroad, through participation in other companies or in cooperation with others." See page 192.

Veidekke ASA is a public limited liability company, listed at the Oslo Stock Exchange (NACE code: Construction), headquartered in Oslo and with operations in Norway, Sweden and Denmark. The operations are managed by the private limited liability companies Veidekke Entreprenør AS, Veidekke Industri AS, Veidekke Sverige AB and Hoffmann A/S, but financial figures are reported in accordance with the following segment structure:

- Construction Norway is one of the country's largest construction contractors.
- Infrastructure Norway executes civil engineering projects all over the country and is a substantial producer of asphalt and aggregates, as well as an important operator in the Norwegian public roads maintenance market.
- Construction Sweden builds residential and commercial buildings and executes renovation projects, primarily in and around Stockholm, Malmö and Gothenburg.
- Infrastructure Sweden executes civil engineering, recycling and asphalting projects all over Sweden.
- Hoffmann A/S in Denmark primarily constructs commercial buildings.

Veidekke's strategy defines three strategic pillars to ensure competitiveness and increased value creation going forward; that Veidekke take an active role in the green shift, put people first and has passion for the customer's project. See page 24 for more information.

Veidekke wishes to promote sustainable social development through responsible business conduct and systematic improvements related to, for example, greenhouse gas emissions, resource consumption, protection of the external environment, occupational health and safety, diversity, skills development, etc. Veidekke supports the UN Sustainable Development Goals and is a member of the UN Global Compact.

The group's efforts in these areas are detailed in its sustainability report, which complies with the GRI 2021 standard from the Global Reporting Initiative and is incorporated into the annual report (pages 108-178).

Veidekke prioritises solid profitability and high dividend payments to shareholders and focuses on continued profitable growth in selected markets towards 2025. Concrete targets have been adopted for the group's profit margins and dividends, as well as strategic goals for the various operations to ensure strong profitability and value creation in all parts of the business.

Deviations from the Code of Practice: None

3. Equity and dividends

Veidekke aims to provide its shareholders with a competitive return on their investment through a combination of dividends and share price appreciation. To achieve this, strategic targets have been set at unit level. The group must have a strong financial position.

As at 31 December 2023, the group's net interest-bearing assets totalled NOK 2.8 billion and it equity ratio was 17%.

Veidekke aims to distribute at least 70% of the group's annual profit to shareholders. A dividend of NOK 7.75 per share was distributed in May 2023, corresponding to a dividend pay-out ratio of 96% for 2022. The board is proposing a dividend of NOK 7.9 per share for the financial year 2023, amounting to 100% of the profit

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per share. The proposal is based on the company's dividend target and its robust financial position. The proposal will be presented for approval at the annual general meeting on 7 May 2024.

At the annual general meeting on 10 May 2023, the board was authorised to:

- Increase the company's share capital in connection with business acquisitions. The share capital may be increased by up to NOK 6.5 million, i.e., approximately 10% of the company's share capital, divided into 13 million new shares with a nominal value of NOK 0.50 each.
- Increase the company's share capital in connection with share and option programmes for employees. The share capital may be increased by up to NOK 1 137 000, i.e., approximately 2% of the company's share capital, divided into 2 274 000 new shares with a nominal value of NOK 0.50 each.
- Purchase the company's own shares to optimise the group's capital structure, and as a means of payment in connection with the acquisition of other undertakings. This authorisation is capped at NOK 6.5 million, i.e. approximately 10% of the company's share capital, divided into 13 million new shares with a nominal value of NOK 0.50 each, where, for one share with a NOK 0.50 denomination, a minimum of NOK 10 and a maximum of NOK 300 should be paid.
- Purchase the company's own shares in connection with share and option programmes for employees. This authorisation is capped at a nominal value of NOK 1 137 000, i.e., approximately 2% of the company's share capital, and the payment per share with a nominal value of NOK 0.50 may not be lower than NOK 10 or higher than NOK 300.

Deviations from the Code of Practice: None

4. Equal treatment of shareholders and transactions with close associates

Veidekke treats all shareholders equally as a matter of principle. Each share carries one vote at the annual general meeting. Any variation of shareholders' pre-emptive rights in connection with capital increases will be explained.

Impartiality rules ensure that resolutions do not favour the main shareholder, namely OBOS (19.5% ownership interest). OBOS is a major property developer and an important client for Veidekke's construction operation, in respect of both residential and office projects. Veidekke and OBOS have jointly owned projects at Ulven in Oslo and Wendelstrand outside Gothenburg. See note 34.

Where Veidekke has engaged in material transactions with major shareholders other than ordinary commercial agreements, independent advisers are engaged to ensure correct valuation.

Board members have a duty to inform the board of potential conflicts of interest. Guidance on this topic is also included in the board's rules of procedure.

Veidekke's management gives high priority to employee co-ownership and seeks to enable as many staff as possible to buy shares in the company. The employee share purchase programme gives staff an annual opportunity to buy discounted Veidekke shares. At the end of 2023, employees owned more than 12% of the company.

Veidekke had an option programme for key staff until 2021, with full accrual being achieved after three years. The exercise period for the former option programme will run until 2026, and as of 31 December 2023 there were 1.2 million outstanding options in the programme. In 2021, the option programme was replaced with an annual share purchase programme for senior executives which offers discounted shares with the option of loan financing by Veidekke.

The group complies with Oslo Stock Exchange's insider trading rules and trading restrictions. See chapter Shareholder information on pages 104–106. for further details of the insider trading rules applicable to employees.

Deviations from the Code of Practice: None

5. Freely negotiable shares

Veidekke's shares are listed on Oslo Stock Exchange and are freely transferable. The company's articles of association do not contain any trading restrictions.

Deviations from the Code of Practice: None

6. Annual general meeting

Veidekke facilitates shareholder participation in the annual general meeting and gives priority to ensuring that it is an effective meeting place for shareholders and the board. The 2023 ordinary general meeting took the form of a hybrid meeting, where shareholders could meet in person or participate digitally.

The company's next ordinary general meeting will be held on 7 May 2024, and as in the preceding year, shareholders can participate digitally or in person. Notice of the meeting and supporting documents are published on Veidekke's and the Oslo Stock Exchange's websites no later than 21 days before the annual general meeting. Pursuant to section 5-11 of the Public Limited Liability Companies Act, shareholders have the right to submit matters for consideration by the annual general meeting. Such matters must be notified to the board of directors in writing no later than seven days before the deadline for giving notice of the annual general meeting, together with a proposed decision or statement of reasons for the inclusion of the matter on the agenda. Shareholders can participate in the annual general meeting either in person or through an authorised representative (proxy). Proxy forms are distributed with the notice of meeting. Shareholders who are unable to attend the annual general meeting in person or by proxy may vote in advance on the individual agenda items.

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The board of directors, the chair of the nomination committee and Veidekke's auditor attend the annual general meeting, in addition to company management. The minutes of the annual general meeting are published the first working day after the meeting.

Deviations from the Code of Practice: None

7. Nomination committee

Use of a nomination committee is stipulated in Veidekke's articles of association. The nomination committee submits recommendations to the annual general meeting on the election of members to the board of directors and the nomination committee and proposes board and nomination committee fees. When proposing board candidates, the nomination committee must take into account the board's overall competence and ensure that the board fulfills legal requirements for gender balance. The committee held seven meetings in 2023.

The nomination committee consults the CEO, board members and relevant shareholders when preparing recommendations. Shareholders may propose board candidates to the nomination committee. The Veidekke website includes a function for this, and there is no deadline for submitting such proposals.

The nomination committee's chair and other members are elected by the annual general meeting, which also sets the committee members' remuneration. Under the articles of association, the nomination committee must have at least three members. Nomination committee members should be shareholders or representatives of shareholders, and the majority must be independent of the board of directors and company management. The CEO and other senior executives are barred from membership.

The nomination committee compris Arne Austreid (chair), Erik Must and Tine Fossland, representing, respectively, OBOS, Must Invest AS and Folketrygdfondet, which are all among Veidekke's largest shareholders.

Deviations from the Code of Practice: None

8. The board of directors, composition and independence

The board of directors is Veidekke's highest administrative body and is directly accountable to the annual general meeting. The board consists of seven members elected by the shareholders and three members elected by and from among the employees. In 2003, Veidekke entered into an agreement with its employees that it would not have a corporate assembly. In return, employees were granted increased representation on the board of directors. The shareholder-elected board members are elected for one year at the annual general meeting. Since the group does not have a corporate assembly, the board elects its own chair in accordance with the provisions of the Public Limited Liability Companies Act.

In deciding the composition of the board, emphasis is given to safeguarding shareholder interests and ensuring diversity and breadth of expertise. Relevant aspects are financial, sustainability and other professional expertise that is of particular relevance to Veidekke's business.

Of the shareholder-elected board members, three are women and three are men. Veidekke thus complies with the provisions of the Public Limited Liability Companies Act on gender balance on the boards of listed companies. Efforts are made to have board members from all Scandinavian countries. Four of the shareholder-elected board members are resident in Norway and two in Sweden.

The board's composition ensures that it can act independently of shareholders' special interests. Moreover, the board's rules of procedure include impartiality rules dealing with situations where a board member has a vested interest. Board independence is also ensured through the use of the nomination committee as stipulated in the articles of association.

The shareholder-elected board members are independent of the company's senior executives and significant business associates, with the exception of board member Nils Morten Bøhler, who serves as EVP at OBOS, Veidekke's largest shareholder and also an important business partner.

In keeping with the Code of Practice from the Norwegian Corporate Governance Board, board members are encouraged to own shares in Veidekke. See the overview of shareholdings in note 21.

Deviations from the Code of Practice: None

9. The work of the board of directors

The board's main task is to ensure value creation. The board of directors is also responsible for the overall management of the company, including the appointment of the Group CEO, and is tasked with ensuring productive, appropriate organisation of the company's business. The board plays an independent role and is mandated to ensure equal and proper treatment of all shareholders. The board held 13 board meetings in 2023.

The board's work is based on its rules of procedure, which describe its responsibilities and tasks, including agreements with associated parties. The board of directors adopts targets, strategies and budgets, reviews and approves financial and sustainability reports and contributes expertise and experience. All matters of an unusual nature or of great significance to the group must be presented to the board.

The topics to be discussed at different board meetings are specified in an annual plan, which also includes annual board review of all business areas and such topics as compliance, sustainability, OHS, HR and succession planning.

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Ongoing evaluation of the board's work is included in each board meeting. The board also annually carries out a more formal evaluation of its work and competence. In the fourth quarter, members answer an evaluation survey, and the results are reviewed at the board's February meeting, which decides on any follow-up.

Veidekke's board had three sub-committees as at the end of 2023: the audit committee, the remuneration committee and the project committee. Committee members are selected from among the board members. Minutes of subcommittee meetings are sent to the board, and the committee chairs regularly brief the board on the work of their committees.

The audit committee

The audit committee is tasked with facilitating productive cooperation between the board of directors and the administration, as well as between the board and the external auditor, on accounting, financial affairs, sustainability, controls and risk management. The committee reviews periodical financial reports and annual and sustainability reports in advance of board consideration. The committee reports to the board, and its work is governed by board-issued mandates and instructions. The committee holds nine ordinary meetings per year, four of which are related to the group's quarterly reports.

The audit committee is composed of three shareholder-elected board members, Nils Morten Bøhler (from 10 May 2023, chair from 1 October 2023), Hanne Rønneberg and Carola Lavén, and one employee-elected board member, Odd Andre Olsen. Two shareholder-elected committee members left the board of directors during 2023: Klara-Lise Aasen chaired the committee until she resigned from the board on 1 October 2023, and Daniel Kjørberg Siraj was a member of the committee until he resigned from the board on 31 March 2023.

The remuneration committee

The remuneration committee submits proposals to the board on the salary and other compensation of the Group CEO and advises the Group CEO on salary and compensation arrangements for members of group management. The committee reports to the board, and its work is governed by board-issued mandates and instructions. The committee held five ordinary meetings in 2023.

The remuneration committee is composed of four shareholder-elected and one employee-elected board member. In 2023, the shareholder-elected members comprised Gro Bakstad (chair), Nils Morten Bøhler (from 10 May 2023), Per-Ingemar Persson and Carola Lavén. The employee-elected member was Inge Ramsdal. Shareholder-eleced member Daniel Kjørberg Siraj was a committee member until his resignation from the board on 31 March 2023.

The project committee

The project committee helps deepen the board's insight into major new projects and assists the Group CEO with decisions on bids for projects valued in excess of NOK 800 million, as well as projects with an unusual content or risk level. The project committee held 16 meetings in 2023.

In 2023, the project committee was composed of three shareholder-elected members, Per-Ingemar Persson (chair), Hanne Rønneberg and Pål Eitrheim and the employee-elected member Arve Fludal.

Deviations from the Code of Practice: None

10. Risk management and internal control

The ability to plan, execute and evaluate construction projects lies at the heart of Veidekke's business. Effective structuring and management are critical success factors for the group. The large number of ongoing projects at any given time necessitates systematic reporting by each project to each business area, and then on to management and the board. Reports are submitted ten times a year, and cover matters such as profitability, liquidity, risk, injuries,

The board of directors – roles and participation in board and committee meetings in 2023:

Name	Role	Board member since	Board meetings	Committee involvement/meetings
Gro Bakstad	Chair	2010	13 of 13	Remuneration (chair): 5 av 5
Hanne Rønneberg	Board member	2020	12 of 13	Audit: 9 of 9 Project: 15 of 16
Per-Ingemar Persson	Board member	2020	12 of 13	Remuneration: 5 of 5 Project (chair): 16 of 16
Carola Lavén	Board member	2021	12 of 13	Remuneration: 4 of 5 Audit: 9 of 9
Pål Eitrheim	Board member	2022	9 of 13	Project: 15 of 16
Nils Morten Bøhler [1]	Board member	2023	8 of 8	Audit: 4 of 5 Remuneration: 2 of 2
Inge Ramsdal [2]	Board member	2008	13 of 13	Remuneration: 5 of 5
Odd Andre Olsen [2]	Board member	2011	13 of 13	Audit: 9 of 9
Arve Fludal [2]	Board member	2015	12 of 13	Project: 16 of 16
Daniel Kjørberg Siraj [3]	Board member	2018	1 of 1	Audit: 2 of 2 Remuneration: 1 of 1
Klara-Lise Aasen [4]	Board member	2021	11 of 11	Remuneration (chair): 7 of 7

[1] Elected to the board of directors at the annual general meeting on 10 May 2023.
[2] Employee-elected.
[3] Resigned from the board on 31 March 2023.
[4] Resigned from the board on 1 October 2023.

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employee absence and environmental impact, as well as other financial and non-financial parameters.

Veidekke's framework for the management and monitoring of project uncertainties covers the tender and execution phases and concentrates on uncertainty analysis and management. Uncertainty management is incorporated into financial reports for individual projects, and also includes a quarterly review by management of the project portfolio's development and the individual projects presenting the greatest uncertainties.

Management monitors the project portfolio on an ongoing basis to ensure an acceptable level of risk exposure and a robust basis for profitability. The principles underpinning the uncertainty management framework are reflected in the management systems used by the different operations, in the form of clear guidelines on and procedures for risk management at the tendering phase as well as project execution regarding quality, progress, profitability, health, safety and the environment.

These systems and procedures help ensure the quality of the order book and a consistent high standard of project execution. The development and profitability of the order book is a fixed agenda item for the management teams of the individual companies, group management and the board of directors.

Veidekke's financial policy provides guidelines for the different entities' financial management and activities. The objective is to avoid, limit, control and measure financial risk, promote capital rationalisation and optimise the group's financial resources.

Climate risk is included in the company's risk management activities. Climate change may entail severe damage to nature and infrastructure such as buildings and roads. In addition, stricter climate standards and new technologies may bring about major changes in demand for various products and services, as well as in applicable framework conditions for production. Climate risk may therefore impact the group's operational, financial and market risks. Veidekke reports on climate risk in accordance with the TCFD framework. See page pages 188–190.

Planning

Veidekke's financial and strategic planning follows a fixed annual schedule which specifies deadlines for the preparation of framework documents, strategy plans and budgets. The schedule also prescribes ongoing monitoring of the group's operations.

Financial management

The group is managed in accordance with clear financial targets related to profit margin, capital yield and capital structure. These targets are broken down and translated into sub-targets for the individual operations, in the form of profitability and cash flow requirements. Projects are subject to profit margin targets, including targets for financial items.

Financial reporting

Veidekke's group accounts are prepared in accordance with the applicable IFRS regulations. The group adopts accounting policies in line with the regulations, which are communicated to the operations together with other applicable rules, with particular emphasis on changes in new and significant standards. Accounting information is reported through the group's joint reporting system. The reporting system features an overarching chart of accounts and integrated control systems, both intended to promote information consistency. Quarterly and year-end financial reports are expanded to provide mandatory additional information.

In accordance with Veidekke's governance model, accounting information is consolidated and controlled at several levels within the organisation. Each entity has a responsibility to comply with applicable laws and regulations on financial reporting, and to seek assistance from central staff functions when significant assessments or transactions going beyond the ordinary course of business are required. The group has adopted a special procedure which must be followed in connection with the purchase and sale of businesses. Veidekke's external auditor performs expanded checks at project level. Moreover, the audit committee is mandated to engage in-depth with accounting and financial matters, control measures and risk management on behalf of the board. Assessment of project status and risk constitutes the greatest financial reporting-related risk for project-based organisations. Veidekke therefore arranges courses on relevant financial and management systems to ensure that it has the necessary project-reporting expertise.

Sustainability goals

Veidekke has set fixed targets in key sustainability areas, e.g. for reducing occupational injuries and greenhouse gas emissions and increasing the percentage of women in management and in other operations.

Sustainability reporting

Veidekke prepares a sustainability report in accordance with the GRI 2021 standard from the Global Reporting Initiative. The report is included in the annual report on pages 108–178.

The group supports the TCFD initiative and seeks to address climate risk in line with TCFD's recommendations. The group also reports to CDP Climate (2023: A list) and CDP Forest (2023: B).

Ethical guidelines

Veidekke's ethical guidelines draw up a framework for proper conduct on behalf of the group, detailing both business practice standards and requirements linked to Veidekke's relations with partners, suppliers and other parties.

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All persons who work for or represent Veidekke have a duty to act in accordance with the ethical guidelines and the group's core values; professional, honest, enthusiastic, and ground-breaking. To help ensure that ethical dilemmas are handled well, the individual employee's personal values must align with the group's core values. Other prerequisites to making wise choices is familiarity with laws and regulations and a good understanding of what these entail.

Reporting of censurable conduct

Veidekke has rules in place for the reporting of censurable conduct within the company (whistleblowing) and on the handling of such reports. A whistleblowing mechanism has been established through which reports can be submitted anonymously. The mechanism can be accessed on Veidekke's website, thus also allowing external parties to submit reports.

Compliance risk

Veidekke has adopted measures to help employees handle issues in accordance with applicable laws and regulations. The measures include guidance documents and training.

Deviations from the Code of Practice: None

11.Remuneration of board members

Board and committee remuneration is set by the annual general meeting based on recommendations received from the nomination committee. The remuneration reflects the board's responsibility, expertise and time spent, and is independent of the company's financial results. No board members have share option agreements.

None of the shareholder-elected board members perform special tasks for Veidekke beyond those inherent in their membership of the board and any board committees. See also note 32.

Board members are encouraged to hold shares in Veidekke (see section 8).

Deviations from the Code of Practice: None

12. Remuneration of senior executives

The board of directors is tasked with setting the salary and other compensation of the Group CEO, while the remuneration of other members of group management is determined by the Group CEO in consultation with the board chair. Guidelines for the remuneration of senior executives is presented to the annual general meeting each year. The statement and annual report on executive pay are published on Veidekke's website.

Veidekke seeks to offer competitive pay conditions but does not wish to be a wage-driver, and the salaries of senior executives are therefore set based on a comparison with industry statistics and other relevant businesses. A bonus programme has been established in addition to ordinary salary, under which the maximum individual payout is 50% of annual salary. The bonus is linked to target achievement in accordance with pre-defined criteria. Veidekke's managers also participate in the group's general employee share purchase programme, under which employees receive an annual invitation to buy Veidekke shares at a discount and with financial assistance.

See also Shareholder information on page pages 104-106 for further details, as well as notes 21 and 32.

Deviations from the Code of Practice: None

13. Information and communication

All shareholders and other stakeholders in the financial markets are treated equally in terms of access to financial information from Veidekke. Strong emphasis is given to ensuring that all provided financial information is correct, clear and relevant, so that the share price reflects the value of the company.

The company website provides all interested parties with equal and simultaneous access to relevant shareholder information, in Norwegian and English. Access is also provided to the group's financial calendar, which contains dates for the publication of financial information and information about Veidekke's annual general meeting.

Veidekke publishes quarterly reports containing supplementary financial information on the websites of the company and the Oslo Stock Exchange. The presentation of the quarterly results is open to the public and can also be viewed via webcast. The group's Investor Relations team (IR) maintains regular contact with shareholders, potential investors, analysts and the financial markets in general. Extra care is taken in the periods immediately prior to the publication of quarterly figures. The board of directors is updated on IR work on an ongoing basis. See also Shareholder information.

Deviations from the Code of Practice: None

14. Corporate takeover

Any offer to take over the company will be handled in accordance with the principle of equal treatment of shareholders. The board of directors recognises its responsibility to provide shareholders with sufficient information and time to form an opinion on any bid for the company. If a bid for a large, controlling shareholding is received, the board will evaluate the bid and make a recommendation to shareholders to accept or reject it. Once any bid becomes public, the board will not use authorisations or pass other resolutions that obstruct the bid unless this has been approved by the general meeting.

Deviation from the Code of Practice: The board of directors does not have specific guidelines on its conduct in connection with a bid for the company. The board agrees with the wording of the NUES recommendation, but has not found it necessary to adopt such guidelines.

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15. Auditor

Veidekke's external auditor is EY. The external auditor is elected by the annual general meeting, which also approves the audit fee each year. The external auditor is independent of Veidekke ASA and issues an annual written confirmation to the board of directors that stipulated independence requirements are met. Veidekke has guidelines in place on the scope and types of additional services provided by the auditor. The external auditor's remuneration is specified in note 32.

The external auditor normally attends at least two board meetings a year, including the meeting at which the board considers the annual accounts and audit summary. Arrangements are made to ensure that the board has an opportunity to ask the auditor questions without management being present.

The external auditor also attends all meetings of the audit committee, to which the auditor presents the audit plan, interim audit report and report on the annual report and accounts. In these reports, the auditor issues an opinion on the quality of internal controls throughout the group and discusses any accounting problems revealed by the audit.

The external auditor also attends the ordinary general meeting.

Deviations from the Code of Practice: None

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Auditor's report

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Veidekke ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Veidekke ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise financial position as at 31 December 2023 and the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise financial position as at 31 December 2023, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other 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 opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been Veidekke ASA's elected auditor for a continuous period starting prior to 2002.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and 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 financial statements.

Accounting of projects

Basis for the key audit matter
Revenues and costs from projects in the construction operations are recognised over time in accordance with the progress of the projects. Estimates for the projects' total costs, the outcome of disputes and any other contractual obligations are applied for revenues recognised over time. Progress is estimated on the basis of accrued costs compared with estimated total costs in the project. Project revenue comprises the agreed compensation and variable compensation from additional and change orders. Variable revenue is fully or partly recognised if it is considered to be highly probable that any significant reversal of revenue will not be made in subsequent periods. The projects can be complex and continue for several years. The accounting for projects has been a key audit matter due to the estimation uncertainty, the projects' complexity and the significance of the amounts involved.

Our audit response
We assessed the application of the accounting principles for revenue recognition over time in addition to completeness and accuracy of the disclosures concerning revenues. We have also considered routines for

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Disputes and claims in large projects

Basis for the key audit matter

The Group is through its ongoing business involved in disputes with clients regarding the interpretation and understanding of contracts. This particularly applies to projects where the contractual amounts are significant and the contracts are complex. The disputes and claims concern both claims from Veidekke against the customers (due to variable volumes and the settlement of volumes, etc.) as well as claims from customers against Veidekke (remedy of defects, compensations etc.). Management uses a significant degree of judgment in the consideration of such dispute issues, and disputed amounts are only recognized if it is considered to be highly probable that no significant reversals will take place in subsequent periods. Disputes and claims have been a key audit matter due to estimation uncertainty, the disputes' complexity and the significance of the amounts.

Our audit response

We assessed the Company's controls and routines related to the identification, evaluation and follow-up of disputes. We evaluated the Company's assessment of estimates and discussed ongoing disputes with management on various levels in the Group. We reviewed relevant internal and external correspondence, had meetings with the in-house legal department and obtained statements from external and internal lawyers. We assessed management's accuracy in historical disputes against the outcome of these disputes as part of our control of management's judgment in ongoing disputes. We refer to note 2 for information on areas involving significant estimation uncertainty and note 33 for information regarding disputes and claims related to projects.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance or the statement on corporate social responsibility, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

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Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 opinion. 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 internal control relevant to the 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 and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a 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 financial statements or, if such disclosures are inadequate, to modify our opinion. 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 the Company and the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee 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, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Veidekke ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name VEI-2023-12-31-nb have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and XBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

EY
Building a better working world

We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 20 March 2024

ERNST & YOUNG AS

Finn Espen Sellæg

State Authorised Public Accountant (Norway)

(This translation from Norwegian has been prepared for information purposes only.)

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Shareholder information

Veidekke aims to generate value for shareholders in the form of a strong, stable return. This return reflects the group's financial robustness, itself the result of stable, profitable operations. The Veidekke share achieved a total return of 14% in 2023.

History

Veidekke was founded in 1936, and has been listed on the Oslo Stock Exchange since 23 June 1986. The Veidekke share is traded on the main exchange under the ticker symbol VEI. All Veidekke shares carry equal rights and are freely transferrable.

Veidekke has always had a single share class, with one share carrying one vote.

There is a long-term link between value creation by the company and the return on the share as measured by share price growth and dividends. Including dividends, the total return over the past five years is 52%. This equates to an average annual return of 8.7%. In contrast, the Oslo Stock Exchange all-share index grew by 63% over the same period, equating to an average annual return of 10.3%.

Veidekke aims to generate value for shareholders in the form of a competitive return compared to investment alternatives. The return comprises a combination of dividends and share price growth.

Turnover and return

2023 saw a total of 16.9 million Veidekke shares traded on the Oslo Stock Exchange, equating to a turnover rate of 12.5%. In comparison, 17.9 million shares were traded in 2022, corresponding to a turnover rate of 13.3%. There were 73 268 trades involving Veidekke shares during the year, compared to 89 165 the previous year. At the close of 2023, the share price was NOK 102.2, corresponding to a market value of NOK 13.8 billion. The total return for shareholders in 2023 was 14%, including dividends paid for the financial year 2022. In contrast, the return on the Oslo Stock Exchange all-share index was 9.9%.

Dividends

Veidekke's dividend policy calls for a pay-out ratio of at least 70% of the profit for the year. Over the past five years, the company has delivered an average pay-out ratio of 101% (excluding the extraordinary dividend paid in connection with the sale of Veidekke's property development operation).

At the general meeting in May 2023, a dividend of NOK 7.75 per share was approved for the financial year 2022.

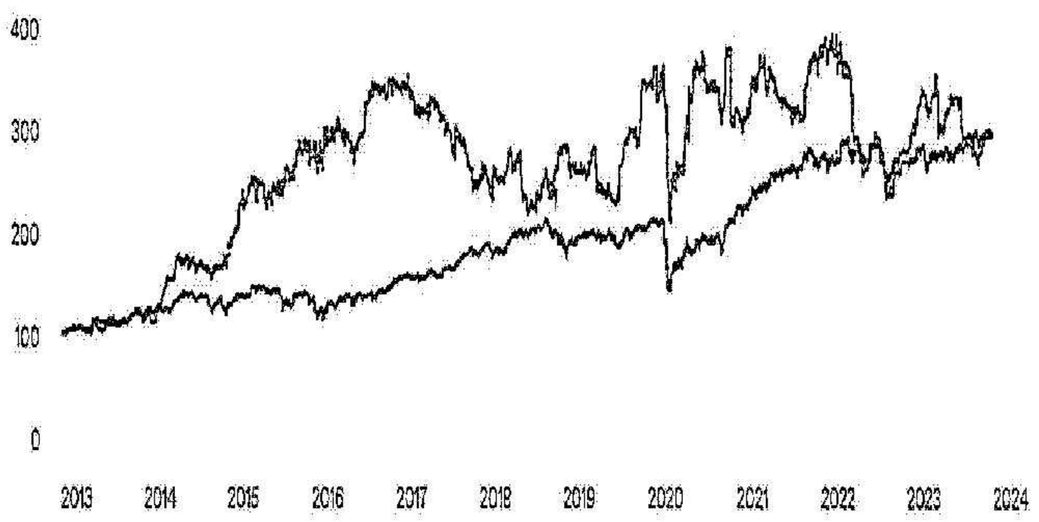
The board is proposing a dividend of NOK 7.9 per share in respect of the financial year 2023, corresponding to a pay-out ratio of 100% of the profit per share.

Share capital and ownership structure

Veidekke's share capital as at 31 December 2023 amounted to NOK 67 478 133.50, divided into 134 956 267 shares with a nominal value of NOK 0.50 each. There were no changes in share capital in 2023.

At the close of the year, Veidekke had 13 085 shareholders, compared to 12 474 at the beginning of the year. The largest shareholders in the company were OBOS BBL (19.5%), Folketrygdfondet (10.6%) and IF Skadeforsäkring AB (3.7%). There were some adjustments to the shareholdings of Veidekke's ten largest shareholders in 2023. Pareto Asset Management increased its stake from 2.3% to

Share price development, indexed[1]



[1] The share prices in this chart have been adjusted for dividends. The scale is logarithmic.
Source: Oslo Stock Exchange and Veidekke.

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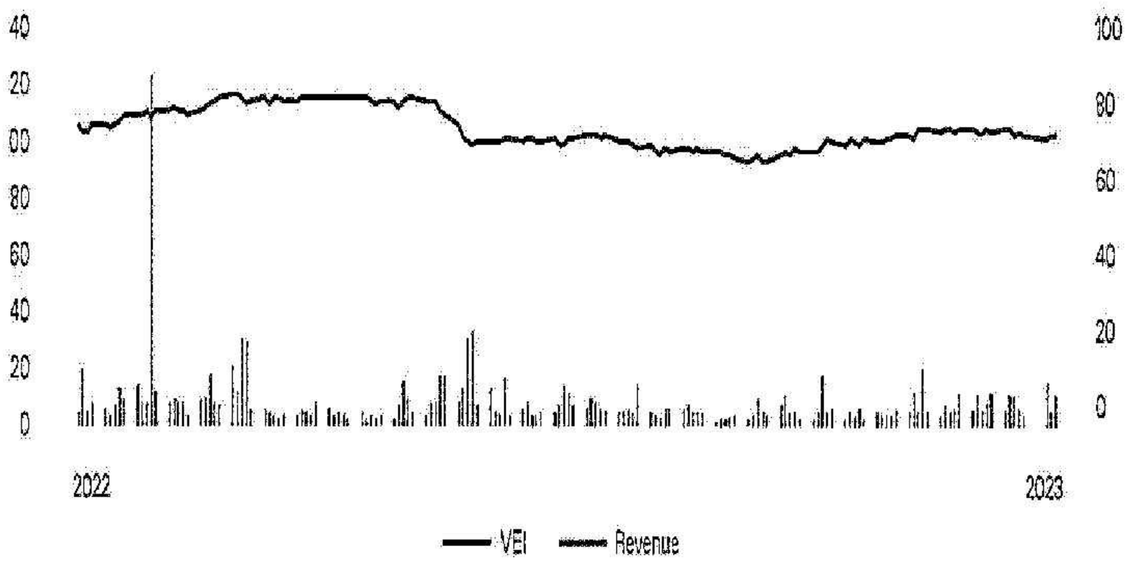
Share price



3.4%, representing the largest increase, while Odin Fonder represented the largest decrease, down from 3.4% to 1.7%. At year-end 2023, employees owned a combined stake of approximately 12% in the company, which is on a par with the preceding year. Foreign ownership totalled 23.5% at year-end.

Employee co-ownership

Employee ownership has been a priority for Veidekke since the company's initial listing in 1986. All employees have an annual opportunity to purchase Veidekke shares at a discount. The motivation behind the offer is to bolster commitment, motivation and understanding of the business. Management firmly believes that actively benefiting from the company's value creation gives employees a long-term perspective on the company's development. Co-ownership is also considered an important recruitment tool and an incentive which supports retention of skilled workers.

Veidekke's trainees receive NOK 10 000 in shares when they join the company, as do apprentices who stay with Veidekke after achieving trade certification.

Two share programmes were run in 2023 – one for all employees and one for senior executives. Both programmes allow staff to purchase a limited number of Veidekke shares at a 20% discount. For Swedish participants, the offer has been increased to 25% to compensate for local tax rules. Share purchases can be financed in two ways: payment in cash or through an interest-free loan from Veidekke which is repaid through salary deductions over the following 10 months. Some 7 143 employees

Largest shareholders as at 31 December 2023

	Ownership share in %
OJOS BBL	19.52%
Folketrygdfondet	10.57%
If Skadeförsäkring AB	3.74%
Pareto Asset Management	3.44%
Vanguard	2.81%
Must Invest AS	2.22%
MP Pensjon PK	2.04%
Danske Invest	1.72%
Verdipapirfond ODIN Norge	1.67%
RBC Global Asset Management	1.47%
Total 10 largest	49.2%
Employees	12%
Others	38.8%
Total	100.0

A list of the 20 largest shareholders is published on Veidekke's website and updated weekly. The company's share registrar is DNB.

Share distribution as at 31 December 2023

Shareholding	From	Until	No. of shareholders	No. of shares	%
	1	100	4 279	162 213	0.12
	101	1 000	4 504	2 045 469	1.52
	1 001	10 000	3 260	11 553 619	8.56
	10 001	100 000	927	23 565 671	17.46
	100 001		115	97 629 295	72.34
Total			13 085	134 956 267	100.00

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received a share-purchase offer under the all-employees programme in February 2023, and ultimately 2 118 employees bought a total of 1 150 900 shares. The subscription price per share was calculated based on the volume-weighted average share price on Oslo Stock Exchange during the subscription period, less a discount. The 25% discount for Swedish participants resulted in a price of NOK 84.17, while the 20% discount for Norwegian and Danish participants resulted in a price of NOK 89.78. The shares are subject to a two-year lock-in period. In total, 1 227 persons received a share-purchase offer under the senior-executive programme in November 2023, and ultimately 575 employees bought a total of 705 554 shares. The subscription price was calculated based on the volume-weighted average share price on Oslo Stock Exchange during the subscription period less a discount. The 25% discount for Swedish participants resulted in a price of NOK 75.25, while the 20% discount for Norwegian and Danish participants resulted in a price of NOK 80.26. Shares purchased through the senior-executive programme can be financed by a loan with a 15-year repayment period and are subject to a three-year lock-in period. The interest rate on such loans was 0.8% at year-end.

Veidekke operated an option programme for key staff from 2019 to 2021. Options accrued over a period of three years from the allocation date: 25% at the end of the first year, 25% at the end of the second year and 50% at the end of the third year. Options expire if they are not exercised within five years of the allocation date. Shares purchased through the option programme may not be sold within the first year after exercise of the option. As at year-end, approximately 1.2 million options remained unexercised. Options purchased during the final programme period (2021) will lapse in May 2026.

Inside information

The company's internal insider trading rules are stricter than required by the Norwegian Securities Trading Act. In addition to an expanded statutory duty to investigate, the company observes the duty to obtain clearance for primary insiders, in order to ensure more thorough compliance with the duty to investigate. This is in keeping with Oslo Stock Exchange recommendations. Veidekke has also drawn up internal rules which have been made known to all employees in key positions and senior employee representatives. Among other things, these rules provide that trading in Veidekke shares is prohibited during the four weeks prior to publication of interim results, and that employees must always exercise great caution when buying and selling Veidekke shares.

The investor market

Veidekke's main aim for its investor market work is to build trust by ensuring that all parties are treated equally in terms of equal access to identical financial information. Open dialogue with investors, analysts and other stakeholders in the financial markets helps ensure that the group's values are reflected in the pricing of the Veidekke share.

Interim results are reported in accordance with the financial calendar. Veidekke holds presentations for shareholders, potential investors, brokers, analysts, the press and employees in connection with the publication of annual and interim results. These presentations can be followed via webcast. The company publishes information in Norwegian and English. Veidekke's financial calendar, quarterly reports, analyst presentations, economic activity reports and other important press releases and presentations, information on the Veidekke share, share price developments and shareholder information, as well as up-to-date lists of shareholders and analysts who follow the Veidekke share can be found on veidekke.com.

Key figures for the Veidekke share

	2023	2022	2020	2020	2019 restated
Market price as at 31 December	102.2	96.8	131.8	110.8	119.5
- high	122.60	136.4	132.4	133.6	121
- low	92.40	80.9	103.4	72.95	79.1
Earnings per share	7.9	8.1	7.1	15.6	6.8
Market price/earnings (P/E)	13.0	12.0	18.6	7.1	17.6
Market price/book value per share (P/B)	4.5	4.4	5.3	5.2	4
Dividend per share	7.9	7.75	7.0	28.25	0
Pay-out ratio (%)	100%	96%	99%	181%	0%
Turnover rate (%)	12.5%	13.26%	19.30%	28.70%	23.70%
Earnings yield (%)	7.73%	7.23%	5.30%	11.60%	4.20%
Outstanding shares (average million)	134.9	134.9	134.9	134.9	133.7
Market price as at 31 December (NOK million)	13 793	13 307	17 787	14 953	16 127
No. of shareholders as at 31 December	13 085	12 474	11 377	12 140	11 173

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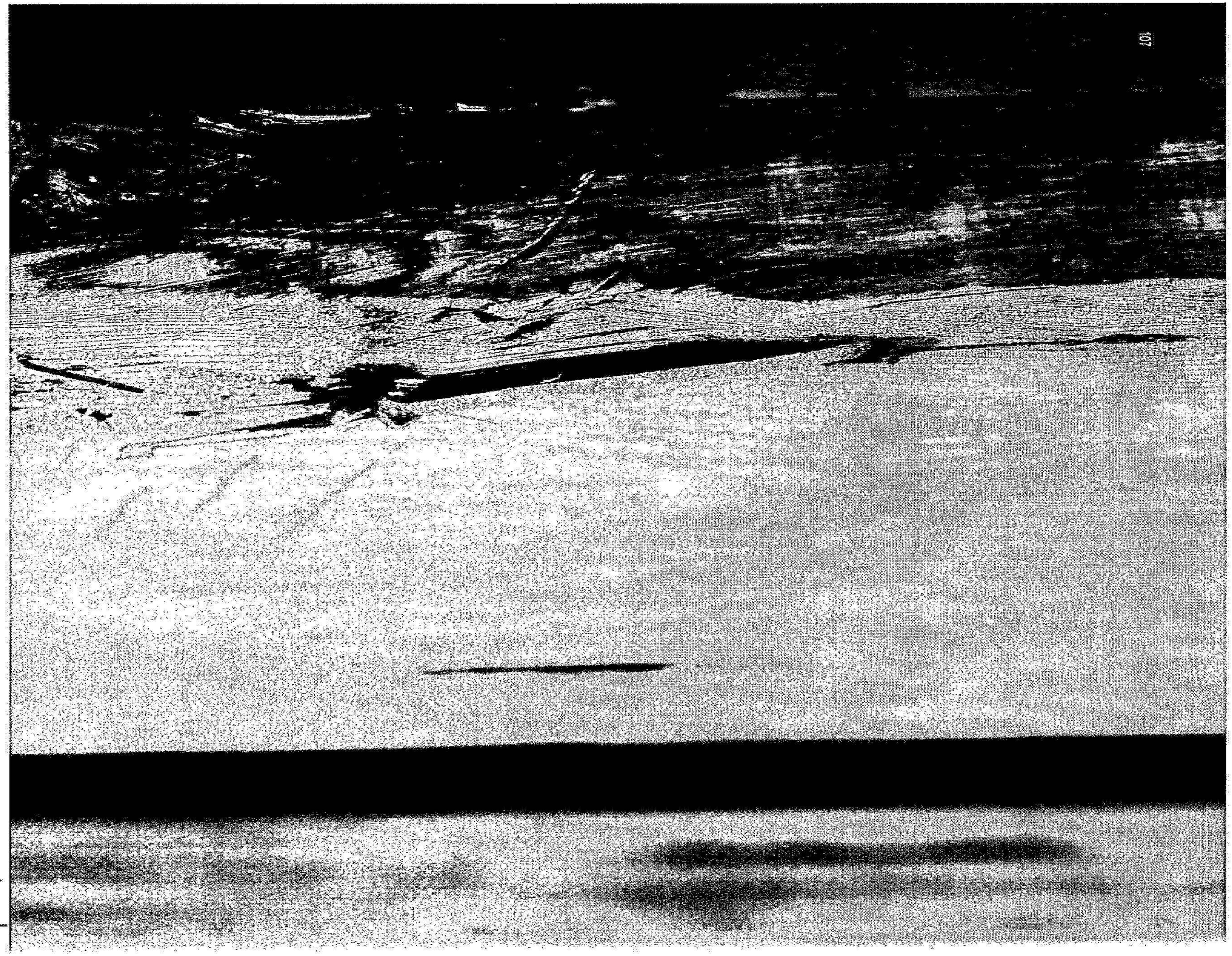

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2023 Sustainability report

Veidekke's sustainability reports show how the group impacts and is impacted by changes in the environment, nature, climate, and society, and how Veidekke responds to the financial risks and business opportunities which accompany these changes. Veidekke supports the UN's 17 Sustainable Development Goals and has undertaken to operate in accordance with the UN Global Compact's ten principles for responsible business conduct. This report has been prepared in accordance with GRI 2021.

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Sustainability at Veidekke

Basis for sustainability

Development is sustainable when it meets current needs without compromising the ability of future generations to meet their needs.

The Earth's tolerance limits are being exceeded by human activities in many areas. Veidekke is open about its impact and dependence on at-risk resources and seeks to limit unintended negative effects on its surroundings and enhance positive effects. The group refines its transition plan year-by-year, with a focus on addressing risks and seizing opportunities.

Moreover, Veidekke helps clients, suppliers and society to achieve their own sustainability goals by systematically integrating sustainability into its operations, projects and value chain.

Sustainability is central to Veidekke's strategy and processes. The central pillars of the group strategy are active participation in the green shift, putting people first and committed engagement in client projects.

Veidekke believes that legislative instruments such as the Norwegian Transparency Act, and the EU taxonomy and corporate sustainability reporting directive, will foster transparency about sustainability work and the achievement of common goals.

Objectives

Veidekke has adopted quantitative targets in several areas, with a particular focus on

- reducing greenhouse gas emissions in line with the Paris Agreement by halving emissions throughout the value chain by 2030 and achieving net zero emissions by 2045
- avoiding serious injuries and reducing the number of injuries by 20% annually
- increasing diversity in the group; women should hold 20% of operational management roles by 2025
- protecting nature

The group's short-term and net-zero climate targets have been verified by the Science Based Target initiative (SBTi). Work is continuing on the setting of targets for other topics identified as material in a new double materiality analysis for 2024.

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Organisation of sustainability work

Sustainability is incorporated into Veidekke's strategy and management systems. The board of directors bears ultimate responsibility for sustainability, while the day-to-day work is managed by the group management team. Targets are set by group management or the board of directors.

Sustainability and innovation are included in the decision-making basis when the board's project committee evaluates major projects. The audit committee gives sustainability the same priority as, and integrates sustainability considerations into, financial matters. Remuneration of senior management is decided by the remuneration committee and includes sustainability targets.

Responsibility for implementation and follow-up of measures lies with the five business areas, which develop action plans and decide which key performance indicators (KPIs) are crucial to reach targets. There is considerable local scope for action within the framework provided by Veidekke's core values - professional, honest, enthusiastic, and ground-breaking - and policies and group requirements.

Publicly available governing documents are published on the company's website.

Reporting

Veidekke's sustainability reports describe the company's impact on the environment, climate and society, how physical risk and transitional risk affect group operations, and how the group is responding to resulting financial risks and commercial opportunities.

With few exceptions, the sustainability report covers the same companies as the financial reports (see GRI 2-2 on page 139 and note 37). Work is ongoing to ensure full integration going forward.

Veidekke's 2023 sustainability report has been prepared in accordance with the GRI 2021 standard issued by the Global Reporting Initiative. The report starts with a description of principles and overall organisation, followed by a review of the group's work on each material environmental, social and governance topic. Relevant GRI indicators are discussed on pages 139–173, and the GRI index can be found on pages 174–178.

Veidekke is among the companies required to report in accordance with the EU's new Corporate Sustainability Reporting Directive (CSRD) as of the 2024 reporting year. In the autumn of 2023, the group therefore carried out a new double materiality analysis in line with the CSRD. The main topics highlighted by the new analysis are largely consistent with the previous analysis from 2022.

In addition to preparing a dedicated sustainability report, Veidekke submits data to CDP Climate, CDP Forest and the investor surveys Sustainalytics and S&P Global.

Restatements of information

Veidekke started reporting in accordance with the Norwegian Transparency Act with effect from 1 July 2023.

In connection with SBTi validation of the group's climate targets, emissions data were adjusted in last year's report, and emissions figures for previous years have been restated accordingly.

Veidekke has expanded its reporting of upstream scope 3 in this year's report by including almost the entire purchasing volume in emissions calculations. In connection with this, previous years' emission figures in the report have been recalculated using the same method. 2020 remains the base year for scope 3, but the emissions have increased in scope and value. As of 2023, the subsidiary BRA is included in reporting in the form of emissions estimates for all three scopes. See indicator 305-1, 2, 3 on page 147

As Veidekke's scope 3 reporting is very extensive, 2022 figures were not available until June 2023. The company has now intensified its data collection to allow scope 3 figures for 2023 to be presented in the 2023 annual report. Veidekke is therefore including scope 3 reports for both 2022 and 2023 in this report.

See also indicator 2.4 on page 139.

External assurance

The statement on Veidekke's efforts to reduce greenhouse gas emissions and the associated greenhouse gas emissions data have been verified by a third party. In previous years, such verification was undertaken by DNV. As of 2023, verification is being performed by EY, which also audits Veidekke's financial statements.

From 2024 onwards, Veidekke's annual and sustainability report as a whole will be verified in accordance with the CSRD.

See indicator 2-5 on page 139.

Membership and endorsement of sustainability initiatives

Veidekke participates in industry and environmental organisations and initiatives that promote industry interests and sustainable development goals. See GRI 2-28 on page 144.

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Material topics in Veidekke's reporting

Reporting year 2023

Veidekke's sustainability report for 2023 is based on a double materiality analysis completed in February 2022 in accordance with the GRI 2021 standard issued by the Global Reporting Initiative (GRI). The analysis concentrates on likely impacts in the environmental, governance and social categories, based on descriptions of risks and opportunities linked to Veidekke's operations, value chain, geographical presence, business model and strategic priorities.

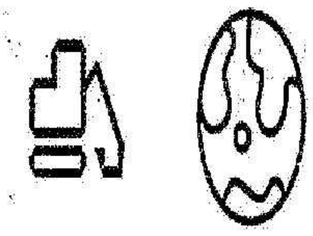
Supporting data for the analysis were collected by means of a written questionnaire sent to Veidekke employees, the board of directors and selected external stakeholders, including customers, trade associations, owners, financial partners and sustainability organisations. In addition, a smaller number of external stakeholders was interviewed. The analysis results were considered by Veidekke's group management and board. The project identified the following topics as material to the company's sustainability work:

- Environment: greenhouse gas emissions, biodiversity and habitats, materials consumption and the circular economy
- Social conditions: work-related injuries, workers' rights, diversity and equality
- Governance: corruption and financial crime

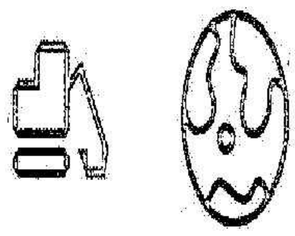
The materiality analysis identified the UN Sustainable Development Goals on which Veidekke can have the greatest impact. See page 112.

DOUBLE MATERIALITY

Financial significance
Economic materiality



Significant impact
Environmental and social significance



Veidekke's climate impact can have financial significance

Reporting year 2024 onwards

Veidekke will be subject to the requirements of the EU's Corporate Sustainability Reporting Directive (CSRD) as of the 2024 financial year. To develop a basis for future reporting, the group conducted a double materiality analysis in line with the CSRD in the autumn of 2023.

The analysis comprised a four-stage process which involved describing the group and its value chain, identifying risks and opportunities in the short, medium and long terms, assessing materiality, and determining which topics are material with respect to Veidekke's strategic choices and future reporting. During the process, feedback was gathered from a wide range of stakeholders, and group management and the board of directors were involved throughout. The materiality analysis will be revised annually.

The topics identified as material with respect to Veidekke's future operations, and which will be reported on as of 2024, are:

- E1 Climate change
- E4 Biodiversity and ecosystems
- E5 Resource use and circular economy
- S1 Own workforce
- S2 Workers in the value chain
- G1 Business conduct

See Veidekke's website for a more detailed account of the materiality analysis.

The EU plans to develop industry standards under the CSRD, and Veidekke will implement any required additional measures once the industry standard for the construction and civil engineering industry is issued.

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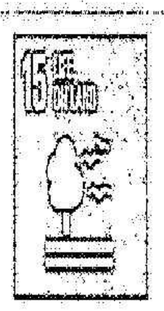
UN Sustainable Development Goals

The UN's 17 Sustainable Development Goals (SDGs) constitute an action plan for eradicating poverty, combating inequality and stopping climate change by 2030. Veidekke supports the SDGs and is cooperating with a range of stakeholders to achieve the goals within and outside its own supply chains. Based on the material topics for Veidekke's sustainability work, the following SDGs have been identified as particularly relevant:

Material topic	Diversity and equality	Workers' rights Work-related injuries	Materials consumption and circular economy	Climate impact	Biodiversity and habitats	Corruption and financial crime
Veidekke's goal	20% share of women in operative management positions by 2025	Annual risk assessment of suppliers and subcontractors 0 serious injuries and 20% annual reduction of total injuries	Reduce resource consumption and work to promote a circular economy	50% reduction of greenhouse gas emissions from operations by 2030; achieve net zero emissions by 2045	Protect natural diversity. Stop deforestation and conversion of natural ecosystems related to the purchase of goods and services	Counter corruption Counter breaches of competition law
What we do	Awareness of bias in recruitment and development processes Mapping of pay and working conditions Proportion men/women among recent graduates >40% Proportion men/women in summer jobs at 50/50%	Workers' rights: Due diligence assessments relating to human rights violations; measures related to prequalification, compliance checks, etc. Work-related injuries: Learning from undesirable incidents. Risk management. Applying "Safety talks" as a carrier of company culture Reducing obstacles	Optimise mass balance and utilisation of resources. Seek opportunities for reuse of, e.g., crushed clean concrete	Streamlining, changing energy carriers and new technology. E.g., replacement of energy carriers at asphalt plants, fossil-free/emission-free construction sites, sustainable materials options	Set strict requirements when purchasing wood products: 100% third-party certified by 2025, 100% traceability by 2025, and 100% sustainable palm oil-free biofuels	Risk assessments, and measures such as group policies and group requirements; training The internal audit undertakes audits of anti-corruption work
Sustainability goal						
Target	**5.5:** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	**8.8:** Protect labour rights and promote safe and secure working environments for all workers	**12.2:** Achieve the sustainable management and efficient use of natural resources **12.5:** Substantially reduce waste generation through prevention, reduction, recycling and reuse	**Main goal 13:** Take urgent action to combat climate change and its impacts	**15.2:** Promote sustainable management of all types of forests **15.5:** Take action to reduce the degradation of natural habitats and halt the loss of biodiversity **15.8:** Prevent the introduction and reduce the impact of alien species; control or eradicate the priority species	**16.5:** Substantially reduce corruption and bribery in all their forms

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Stakeholder dialogue

The table below summarises key stakeholders, the topics that concern them, and how Veidekke has engaged with stakeholders and followed up on the topics.

Stakeholders	Topics of interest to stakeholders	Arena for dialogue	Regularly	Annually	As required	Veidekke's follow-up
Owners	Corporate governance Veidekke's goals and policies	Quarterly presentations	✓	✓	✓	Reporting in the sustainability report Online news items
		Meetings with investors and analysts	✓			
		Annual general meeting		✓		
Employees	Involvement and dialogue	Dialogue with managers	✓			Involved through employees' daily dialogue with managers Involved through internal communication channels Implementation of a joint induction programme for new staff The Perspektiv training programme's Sustainability module with course material is available for all business areas The Horizon senior management training includes a focus on sustainability Development of e-learning business ethics and sustainability modules Establishment of management tools to increase sustainability knowledge and facilitate action
		Staff appraisals		✓		
		Staff meetings	✓			
		Involvement of employee representatives through the board and various forums	✓		✓	
Customers	Challenges and opportunities in cooperation with Veidekke	Customer meetings, seminars, and events			✓	Customer satisfaction measurements Customer conversations/interviews with key customers regarding sustainability, environmental and climate issues Engagement in customer dialogue in projects and focus groups Participation in professional and industry forums
Suppliers	Cooperation on OHS and compliance	Dialogue meetings	✓		✓	Involvement of suppliers at an early stage, with an emphasis on cooperation, safety, and the environment Pre-qualification of suppliers
	Securing good and reputable suppliers	Industry forums	✓		✓	Auditing and follow-up of suppliers through company visits and direct dialogue
	Information about Veidekke's goals and expectations regarding the climate, the environment and compliance	Supplier meetings Contracts	✓		✓	Environmental Product Declarations (EPDs) required for all categories with significant emissions Suppliers are recommended to have their own climate targets validated by the Science Based Target initiative Raising the expectation that suppliers will contribute to the green shift Concrete contract requirements
Financial institutions (lenders)	Climate risk assessment	Quarterly reporting	✓			Annual risk assessment and selection of mitigating measures
	Loan conditions linked to sustainability	When refinancing and concluding new loan agreements			✓	Evaluation of performance in line with the agreement and corresponding adjustment of loan conditions
Ministry of Finance	Taxonomy	Input on the taxonomy regulation to The Confederation of Norwegian Enterprise's (NHO) expert group			✓	Contribution of expertise, consultation feedback and questions to the ministry

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Stakeholders	Topics of interest to stakeholders	Arena for dialogue	Regularly	Annually	As required	Veidekke's follow-up
Local and central government	Compliance Good working conditions Efficient construction and regulatory processes	Industry forums	✓			Placing issues on the agenda Initiation of dialogue and participation in public debates on topics related to climate and the environment, compliance, and workers' rights
		Political events	✓			
		Contact with politicians and authorities through trade associations			✓	
		Dialogue meetings in municipal and regional forums			✓	
		Municipal and regional forums for urban development			✓	
		Communication with local authorities on individual projects			✓	
Industry	Industry cooperation to improve safety, compliance, and the environment	Dialogue meetings	✓			Promotion of cooperation on topics such as achieving zero injuries, measures to meet environmental and climate targets, and achieving greater diversity Participation in Norwegian Contractors Association – Building and Construction (EBA) and the Swedish Construction Federation Participation in initiatives such as Skift – Business Climate Leaders, Färdplan Bygg- och anläggningssektorn, Norwegian Green Building Council, Sweden Green Building Council, and others in collaboration with business and public entities
		Participation in industry forums	✓			
		Participation in industry associations and boards	✓			
		Member organisations	✓			
		Participation in industry forums	✓			
Society	Impact of Veidekke's activity, such as jobs, noise, or environmental impacts Alignment of Veidekke's strategy with government targets	Open meetings			✓	Formalised cooperation with the Zero Emission Resource Organisation (ZERO) on issues such as fossil-free construction sites, renewable materials, and hydrogen as an energy carrier Participation in/contribution to Skift – Business Climate Leaders and signatory of the Anti-Greenwashing Charter Member of the UN Global Compact; has pledged to comply with the initiative's 10 principles for responsible business conduct. Veidekke is engaged in issues related to social conditions in the global supply chain
		Public meetings			✓	
		Consultations			✓	
Knowledge hubs for climate and nature	Facts about the earth's tolerance limits Nature UN Biodiversity Agreement	Events devoted to specific topics	✓		✓	Knowledge from the Stockholm Resilience Centre, WWF Norway, WWF Sweden, Cicero, SINTEF, EU, IPCC, IPBES etc. is used as basis for risk assessment and internal training Veidekke invites knowledge communities to its arenas, for example its Scandinavian Environment Day Participation in pilot project on nature with Sabima
General public	Transparency	Internet		✓		For transparency reasons, Veidekke makes information available to the public Participation in the public debate, e.g. in Arendalsuka, industry initiatives and social media

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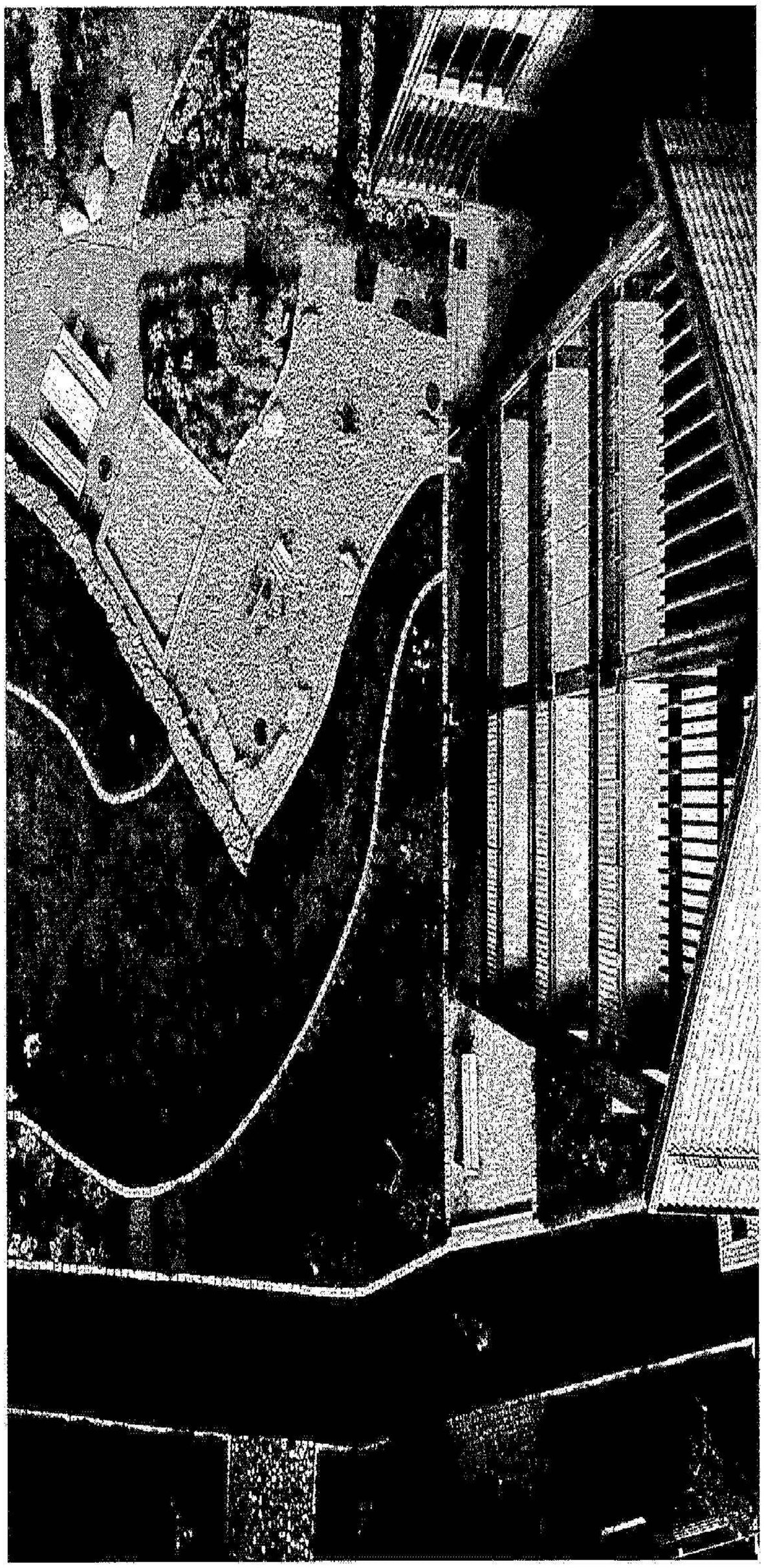

Environmental impact

To live on earth, people need a balanced climate, air, water, and a sustainable ecosystem of nature and species that provides us with the natural resources we need to build our lives, welfare, and wellbeing. Climate change, biodiversity loss, land use change and resource scarcity show that the earth's tolerance limits are being exceeded. Construction consumes large amounts of energy, materials, and natural resources, generates substantial waste and is responsible for significant greenhouse gas emissions. The industry has a social responsibility to help resolve the problems it is involved in creating, and Veidekke intends to play an active role in this green shift.

Greenhouse gas emissions

Why is the topic material?

Climate change is having serious impacts on both humans and nature, and the UN Intergovernmental Panel on Climate Change (IPCC) is stressing the urgency of stepping up efforts to mitigate it. According to the IPCC's Sixth Assessment Report, human activity has increased the earth's temperature by about 1.1°C compared to pre-industrial times, and the panel identifies the main cause as anthropogenic emissions of greenhouse gases.

To succeed in slowing down climate change, all countries must work together. The Paris Agreement, adopted in 2015, is the first global climate agreement that is legally and effectively binding on all countries. The agreement contains the targets of keeping global warming well below 2°C compared to pre-industrial times and seeking to limit the temperature increase to 1.5°C.

A main goal of COP28, held in Dubai in December 2023, was to settle the status of the Paris Agreement and agree on concrete measures to get on track with the climate goals. The climate summit produced a declaration that bolsters the Paris Agreement initiatives: All countries agreed to switch their energy

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systems from fossil fuels to renewable energy. The summit also agreed to triple renewable energy and double energy efficiency by 2030, reduce methane emissions more rapidly, and speed up the introduction of technologies such as carbon capture and storage. The COP28 countries also highlighted the importance of preserving and protecting nature and stopping deforestation by 2030. Key milestones that must be reached to maintain the 1.5°C target were also emphasized: Global emissions must have peaked by 2025 and, from there on, be reduced by 43% by 2030 and 60% by 2035, to reach net zero in 2050. The summit also agreed on boosting efforts for climate adaptation, climate financing and support, and climate-related loss and damage.

The EU aims for Europe to become a competitive, resource-efficient, zero-emissions continent by 2050. The European Green Deal strategy was put forward by the European Commission in 2019 to solve climate and environmental challenges, and the EU taxonomy aims to steer green investments towards activities that contribute to achieve the goals of the European Green Deal. As two of the EU taxonomy's six environmental goals are linked to climate, any sustainable business must tackle climate change and climate adaptation.

In a situation where security, climate and trade become more closely intertwined and multilateral cooperation is under pressure, political cooperation at the Nordic level becomes even more important. The Nordic governments have set goals to become the world's most integrated and sustainable region. The Nordic countries must cooperate and coordinate, to take the lead in the green transition and contribute to the achievement of the Paris Agreement's climate goals. Many solutions already exist but need to be scaled up. The Nordic countries have highlighted their intention to

- maintain and reinforce a high carbon price
- stimulate green and competitive industry and business activities
- promote carbon storage in forests, soil, and geological formations, while also working towards a bio-based economy
- accelerate the transition to a more circular economy that supports achievement of climate and biodiversity goals

Impact of Veidekke's operations

Asphalt factories, aggregate plants and machinery used in projects account for the largest shares of Veidekke's own greenhouse gas emissions. In 2023, asphalt operations accounted for 46% of the group's direct greenhouse gas emissions.

94% of other greenhouse gas emissions in Veidekke's value chain are produced upstream and downstream. The majority of these are linked to purchases of goods and services, such as concrete, steel, bitumen, technical installations, and transport services.

A further major emissions source is the energy consumption of buildings over their operating life. In Norway, electricity is the primary energy source used for heating, although district heating is also used. At present, there is limited self-production of and self-sufficiency based on other energy sources such as solar energy and geothermal energy. See also pages 147-155.

Norway's and Sweden's national climate accounts include forests, and their national climate targets include land use changes. From 2023, Veidekke's climate accounting has been expanded to also include emissions linked to land use changes (FLAG i.e., Forest, Land and AGriculture). Reallocation for development purposes of carbon-holding areas like forests and marshland leads to greenhouse gas emissions and reduction of the area's future absorption of greenhouse gases.

Veidekke's production of asphalt and aggregates directly causes land use change. The biggest source of greenhouse gas emissions due to land use changes in Veidekke is infrastructure and building projects, but the group has limited influence over which areas are used in such projects. In 2024, Veidekke's climate targets will be updated to include FLAG emissions.

Guidelines and obligations

The group has adopted the target of reducing its

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GRI 201: Economic Performance

201-2 Financial implications and other risks and opportunities due to climate change

GRI 302: Energy

302-1 Energy consumption within the organisation

302-2 Energy consumption outside of the organisation

302-3 Energy intensity

GRI 305: Emissions

305-1 Direct (scope 1) GHG emissions

305-2 Energy indirect (scope 2) GHG emissions

305-3 Other indirect (scope 3) GHG emissions

305-4 GHG emissions intensity

305-5 Reduction of GHG emissions

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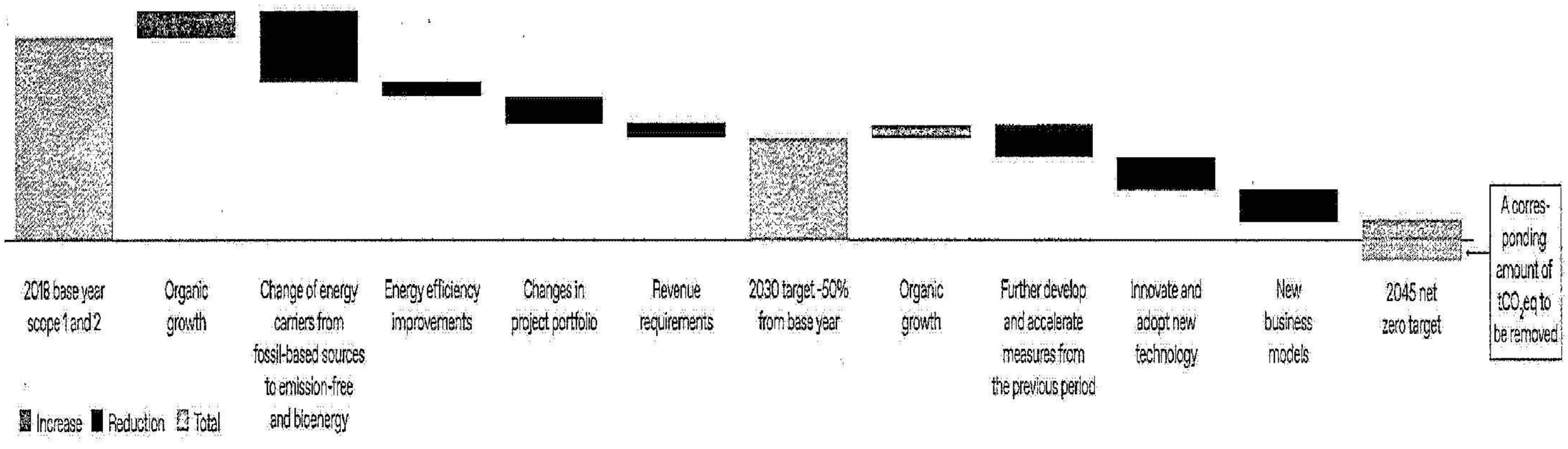
Reduction of tCO_2eq in own operations (scopes 1 and 2)

Veidekke has developed a climate transition plan linked to targets of 50% reduction of greenhouse gas emissions by 2030 and net-zero emissions by 2045. The figures below and on the following page illustrate measures identified to contribute to the achievement of the company's targets. Reference to ESRS Disclosure Requirements E1-4 – Climate-related targets, AR 31.



greenhouse gas emissions in line with the Paris Agreement and achieving net-zero emissions throughout its value chain by 2045. Along the way, Veidekke has set the short-term emission reduction target of halving its emissions by 2030. In 2022, Veidekke became the first construction company in Scandinavia to have both a net-zero target and a short-term science-based emission reduction target validated by the Science Based Target initiative. As early as November 2015, the company was one of the first companies on the Oslo Stock Exchange to commit to operate in accordance with the Paris Agreement.

The climate and environmental policy has been approved by group management and states that Veidekke shall be an industry leader in terms of reducing greenhouse gas emissions and protecting the environment. This includes adopting a precautionary approach to environmental challenges, taking on greater environmental responsibility and encouraging the development and use of environmentally friendly technology. The policy is consistent with the UN Global Compact's principles for responsible business conduct, which Veidekke has signed.

The group's ethical guidelines emphasise making the right choices for the environment and the climate. The guidelines apply to Veidekke employees, contracted personnel, and suppliers, and emphasise personal responsibility for staying technically updated, complying with requirements and procedures, and reporting any breaches of environmental principles.

Veidekke's efforts to reduce greenhouse gas emissions

Climate considerations are integrated into Veidekke's strategy and management systems.

The group strategy identifies climate as one of three key factors in achieving profitability and competitiveness. A climate budget for the group, broken down by operational level, was introduced in 2021. The budget is described later in this chapter.

The board of directors bears overall responsibility for the group's climate work. Responsibility for ongoing follow-up lies with group management, while the business areas are responsible for implementing and following up on measures designed to ensure the achievement of sustainability and social responsibility objectives.

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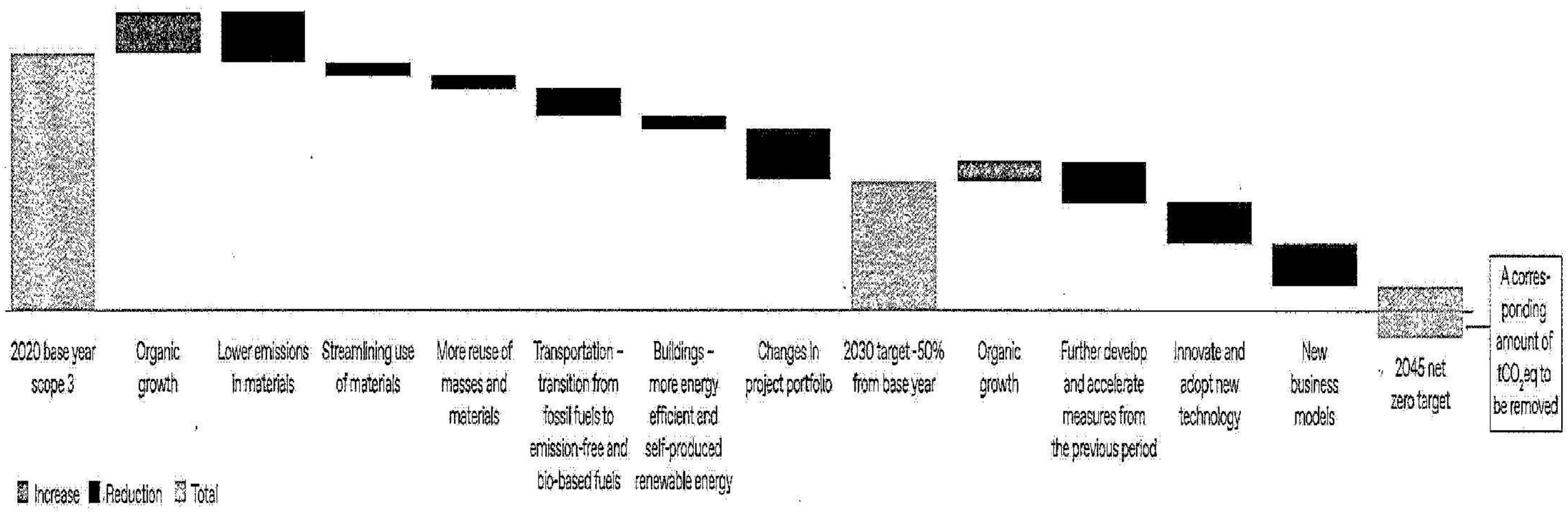
Reduction of tCO_2eq upstream and downstream in the value chain (scope 3)



Veidekke will be a driving force in the transition to a zero-emission society and will actively promote good climate solutions in its contact with customers. Although societal changes will require clear priorities and bold choices in the years ahead, they also provide opportunities to leverage Veidekke's innovative and participatory culture and engineering expertise. The group is developing its business model to ensure that it is every bit as relevant in a net-zero economy as it is today.

To achieve net-zero emissions by 2045, Veidekke will cut its greenhouse gas emissions linearly each year, halving them by 2030. Towards 2025, the group will switch to fossil-free/emission-free energy carriers, remain conscious about its choice of materials and resource consumption, undertake product development and innovation, and develop its project portfolio. Towards 2030 and 2045, the measures from the preceding period will be refined and accelerated, and Veidekke will adopt new technologies and evaluate new business models. Residual emissions will be neutralised through carbon capture and other methods that remove CO_2 equivalents from the atmosphere.

To ensure that Veidekke and its value chain reduce greenhouse gas emissions in line with emissions targets, the group has developed an action-oriented climate transition plan that is updated at least annually, preferably in the first quarter of the year. More and more of Veidekke's projects are calculating the climate impact of projects from a life-cycle perspective and developing plans to reduce emissions throughout the value chain, and an increasing number of projects are certified in accordance with environmental and climate criteria.

Veidekke has already identified many new business opportunities that can crystallise the group's role in the green shift. With this in mind, new business areas have been established, such as Veidekke Sirkulær, Veidekke Grønn Inkubator and Veidekke Offshore Wind. The group has clear ambitions to become an important link in the value chain for floating offshore wind facilities and is already involved in a major feasibility study examining floating foundations for wind turbines.

Nevertheless, it is individual construction projects that present the bulk of the opportunities. Cissi Klein upper secondary school in Trondheim is being constructed with 100% CEM IIIB, an extremely low-carbon concrete which cuts in half emissions from concrete, which is the biggest source of emissions in a construction project. The subsidiary Veidekke prefab changed its production in 2023, to always using concrete with the lowest emissions possible in any project delivery. Both cases exemplify local management setting the direction and providing

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space for innovation, and work teams influencing ambitions and coming up with solutions.

To prepare the organisation for the changes to come, sustainability topics are being included into courses and training initiatives. The mandatory "Make the right choice" training teaches employees how to encourage customers to make climate-friendly choices, and courses run by the Veidekke School – such as the Horizon management training programme and the Perspectives course for project owners – provide training on the topics of sustainability and the circular economy. This year, the annual Veidekke Scandinavian Environment Day was aimed at customers, with a joint digital broadcast paired with local events.

If the group is to achieve its ambitious climate goals, emissions must be cut throughout the value chain. Veidekke is a major player in the industry and recognises that it has both a responsibility and opportunities to make a positive difference. The group is intensifying its dialogue with suppliers and partners regarding the climate impact of products. At the same time, Veidekke itself must utilise resources and expertise in a way that secures robust, lasting solutions, not least by encouraging customers and giving advice that creates added value.

Veidekke also provides services that help limit society's greenhouse gas emissions in areas such as construction for renewable energy, road and rail transport, rehabilitation of buildings and infrastructure, and the construction of high-quality new-builds. The company carries out projects that help society adapt to upcoming climate change, including through measures to prevent or reduce damage to buildings and other infrastructure, and looks to the EU Taxonomy and certification schemes to ensure sustainable construction.

Impact of the measures

The Veidekke group's greenhouse gas budget is broken down by operation unit. Compliance with emissions budgets is monitored in the same way as financial and OHS targets, and both sustainability-linked loans (company level) and financial management incentives are linked to the greenhouse gas budget.

Veidekke measures progress by reference to the climate budget and the adopted KPIs on a quarterly basis (scopes 1 and 2) and annually (scope 3). Responsibility for analysing the figures and implementing necessary measures lies with the business areas.

Veidekke's climate targets are:

- 2045 (long-term): net-zero greenhouse gas emissions throughout the value chain (scopes 1, 2 and 3)
- 2030 (short-term): halve greenhouse gas emissions in scopes 1 and 2 compared to base year 2018, and in scope 3 compared to base year 2020

Veidekke plans to update its climate targets through the SBTi in the course of 2024, at which point FLAG emissions will also be included.

Veidekke's own greenhouse gas emissions have been declining since 2018, having been reduced by an average of 9% per year in the 2018–2023 period. The most important drivers behind these developments are the switch to fossil-free energy carriers at asphalt factories, the transition from diesel to renewable diesel (HVO) as fuel for machines and vehicles, and changes in project portfolios. Veidekke's emissions were well within the group's climate budget for both scopes 1 and 2 and scope 3. The development in greenhouse gas emissions over the last three years is discussed on pages 147–155. See also page 5.

Annual revision of Veidekke's climate transition plans to 2030 and 2045 is expected to provide input on new measures and build recognition that early action is crucial.

Achieving sufficient emissions reductions in time, is conditional on boosting knowledge throughout the value chain. While many suppliers and groups of materials include robust data in their EPDs, others are in the very early stages, and Veidekke will therefore increase its engagement with the supplier segment.

Early involvement and interaction with the customer and other partners during the design phase is vital for achieving good solutions. Although an increasing number of customers set high climate requirements, Veidekke believes that there is a need for more ambitious customers that better facilitate innovation. The introduction of the EU Taxonomy and more ambitious environmental certification schemes reinforces this requirement. Competition to achieve the lowest greenhouse gas emissions could also accelerate the green shift through, e.g., mechanisms that put a price on emissions.

An urgent priority to reach net-zero by 2045, is rapid emissions cuts. But to impact the climate emissions throughout the lifetime of a building or infrastructure project, innovative solutions are needed. An example of a dilemma that may arise, is whether to accept higher emissions during construction, in order to reduce total emissions over the lifetime of a building.

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In 2023, as the first company worldwide, Veidekke was able to produce asphalt using hydrogen as the sole energy source. The project in Kristiansund was supported by Enova and carried out in close collaboration with the German industrial group Benninghoven. This constitutes the very first time that asphalt was produced with no greenhouse gas emissions.

Although on the increase, the number of customers and suppliers seeking to set science-based targets remains low. Veidekke believes that science-based targets will focus efforts on the most impactful measures and will support its partners in setting targets in line with SBTi criteria.

Cooperation with stakeholders

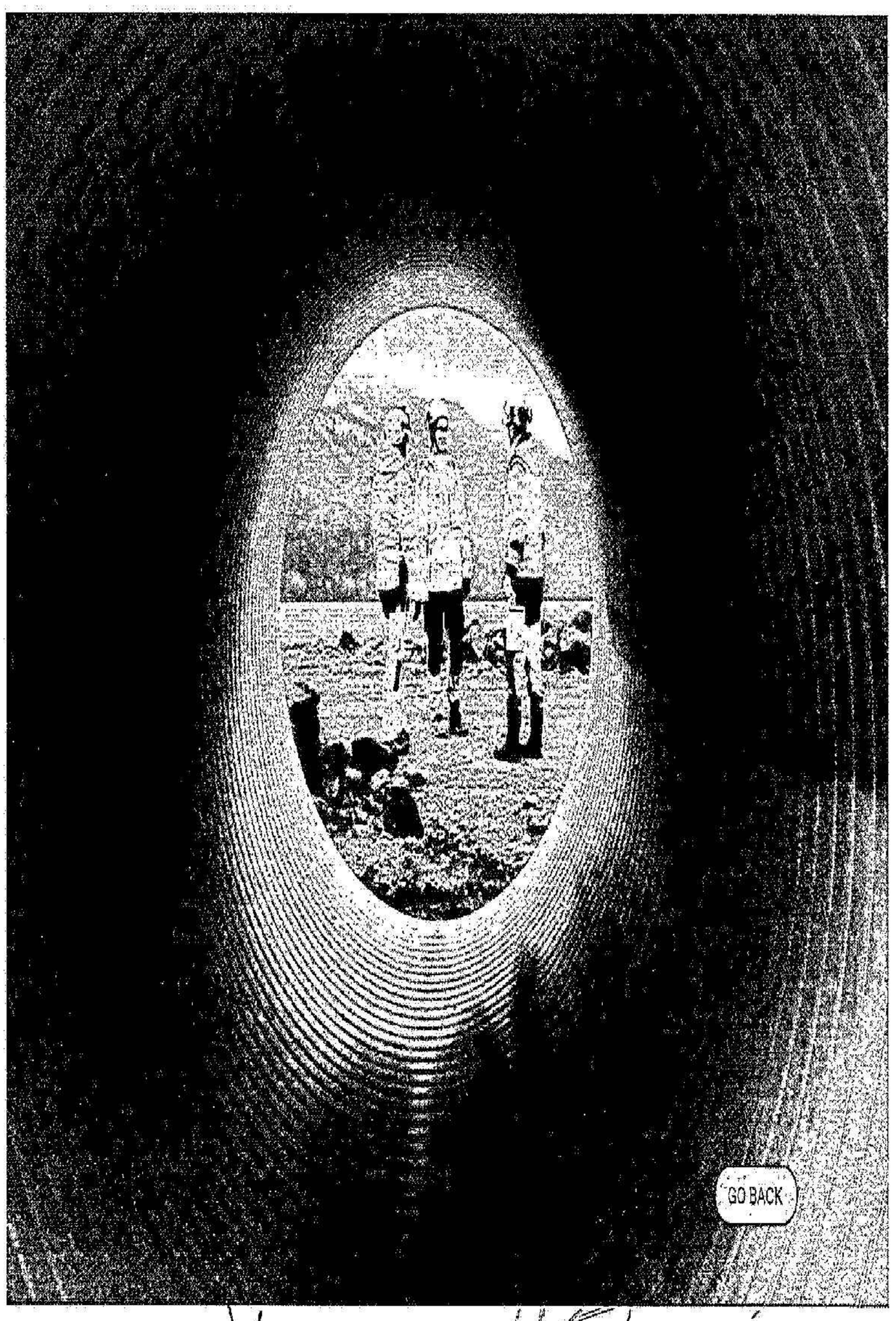
Veidekke seeks solutions to environmental challenges through innovation and collaboration. The group will reduce its own emissions where possible but will also leverage its skills and expertise to help customers and suppliers adapt to a net-zero society and reduce their climate footprint.

90% of the greenhouse gas emissions associated with Veidekke's operations occur in scope 3, i.e. up-stream and downstream in the value chain. To meet its own targets, the group must therefore work more closely with the partners that have the greatest impact on emissions. In Sweden, Veidekke has initiated "green conversations" with customers and with suppliers, to encourage the development of more sustainable products and services in cooperation with Veidekke.

Sustainability, climate transition plans, and risks and opportunities are recurring topics in dialogues with the group's investors. Investor initiatives such as CDP and direct investor dialogue help shape Veidekke's efforts to reduce greenhouse gas emissions, for example through targets, commitments, and surveys.

To influence the industry's framework conditions, Veidekke seeks dialogue with industry organisations, authorities and NGOs, with the intent that the whole industry should be able to apply known solutions with the lowest possible climate footprint and should have access to schemes that ensure innovation.

The group participates in organisations and collaborative projects with the aim of reducing greenhouse gas emissions in the construction sector. Veidekke is a strategic partner of the Zero Emission Resource Organisation (ZERO) and Skift – Business Climate Leaders and holds board positions in such organisations as the Green Building Council, which promotes more climate and environmentally friendly construction and civil engineering projects in Norway. At the Norwegian Contractors Association – Building and Construction (EBA), Veidekke chairs the climate, energy, and environment committee. EBA is an active contributor to the Norwegian government's climate partnership with business and industry.



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Biodiversity and habitats

Why is the topic material?

Nature is the basis for all life on earth. It provides us with vital products and services, including food, energy, clean air, clean water, materials and natural protection against phenomena such as flooding. A diverse and robust natural environment is the best insurance against the consequences of climate change, and a key prerequisite for the global economy.

Deforestation, land use change and loss of biodiversity show that several of the earth's tolerance limits have been exceeded. Together with climate change, these developments constitute the greatest current global environmental challenges. Industry stakeholders like Veidekke have a responsibility to manage nature sustainably, and to help limit and preferably reverse nature losses.

Indicators

GRI 304: Biodiversity

304-2 Significant impacts of activities, products and services on biodiversity

The 2019 first main report of IPBES, the Intergovernmental Platform on Biodiversity & Ecosystem Services, which collates the most important scientific evidence on biodiversity, sounded the alarm about large and rapid losses of biodiversity. In December 2022, the UN Biodiversity Conference in Montreal adopted the Kunming-Montreal Global Biodiversity Framework on the use and management of biodiversity. The purpose of the agreement is to save and preserve the world's natural and biological diversity. Preserving natural forests, and tropical rainforests in particular, is crucial to limiting global warming and preserving natural biodiversity.

In 2023, the European Parliament and the EU member states approved a new law designed to safeguard biodiversity and secure nature restoration within the European Union. The law requires EU member states to restore nature totalling at least 20% of the EU's land and marine areas by 2030.

Veidekke's activities both impact and depend on nature. Loss of biodiversity entails risks related to resource availability, ecosystem services and price increases. Veidekke's decision to develop a circular business model is based on both consideration for nature and the desire to reduce business risk.

Impact of Veidekke's operations

The primary drivers of nature loss are land use change and over-harvesting. The construction and civil engineering industry impacts biodiversity directly through land use changes and infrastructure development, and indirectly in the form of the environmental impact of resource extraction for construction purposes. For example, forests – a particularly important resource for the construction and civil engineering industry – are affected by the purchase of wood products and through land seizure in connection with infrastructure and other projects. In the Nordic region, unmanaged and seemingly unproductive ecosystems, such as alpine habitats and wetlands, have a significant capacity to capture and store carbon. Removing or relocating soil and crops during construction may entail the release of significant amounts of carbon into the atmosphere.

In the Nordics, degradation, fragmentation and overgrowth of natural areas are the main reasons why habitats and species are in danger of disappearing. Of land areas being degraded in Norway, forests account for 75%, cultivated land for 14% and inland pasture for 7%. The two main drivers of degradation are the construction of buildings such as houses and cabins (43%) and roads (26%). Power lines, sports arenas, gravel pits and quarries, landfills, storage sites, etc. also play a role.

Veidekke owns sites where it operates asphalt plants and produces aggregates. In addition, customer sites are used during the execution of construction and civil engineering projects. It is the group's industrial and infrastructure operations which have the greatest direct negative impact on land, for example through road construction, which usually requires major land use changes. Veidekke uses and impacts land throughout its value chain: upstream through the procurement of products for use in projects, during project execution, and downstream through the further use of buildings and facilities after delivery to the customer.

The handling of excavated material involves a risk of a negative impact on native nature through the spread of invasive alien species. The Scandinavian countries in which Veidekke operates have strict laws on alien species. The Norwegian Nature

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Diversity Act and regulations relating to alien organisms require care to be taken to avoid undesirable spreading and biodiversity damage.

Not all impacts are negative. Some projects offer an opportunity to increase the ecological value of an area, for example when ecological value is added to previously "grey" areas.

Guidelines and obligations

Veidekke's policies state that group is to be an industry leader in reducing greenhouse gas emissions and protecting the environment, including by safeguarding biodiversity. Veidekke already has group climate/environment and zero-deforestation policies in place, which will be expanded to include biodiversity and ecosystems. The group policies are adopted by group management and apply throughout the company's value chain.

In line with the principles of the UN Global Compact, the climate/environment policy emphasises a precautionary approach to environmental challenges, active promotion of environmental responsibility and the development and use of environmentally friendly technologies.

The group zero-deforestation policy states that Veidekke shall help stop deforestation and the conversion of natural ecosystems in its production and purchasing of goods and services. This involves both setting strict requirements when purchasing wood products and raising awareness of the consequences of deforestation among the company's stakeholders. When purchasing wood products, Veidekke seeks to

- use solutions and working methods which ensure efficient resource use
- prioritise reuse and recycling rather than products entailing virgin resource use
- buy third-party certified products
- prioritise locally produced materials, i.e. from the Nordic region rather than Europe and from Europe rather than other parts of the world.

The policies' obligations also include safeguarding the rights of indigenous peoples.

All business areas must take steps to achieve the targets set out on page 123 when purchasing timber and fuel.

Veidekke's biodiversity efforts

The board of directors has the ultimate responsibility for the group's work regarding biological diversity, while day-to-day follow-up lies with the executive management team. Compliance with the zero-deforestation policy is a management task, with the Group CEO bearing ultimate responsibility. In view of the aim of improving environmental performance, it is vital that the group's management system provides an overview of the environmental impact of Veidekke's operations throughout product value chains and lifecycles. Environmental considerations are integrated into the business areas' management systems. The entire Norwegian operation and parts of the Swedish operation are ISO 14001 certified. Environmental concerns are taken into account throughout the chain of production, during project planning and execution, and in the purchasing of products and materials.

Veidekke is developing expertise in conducting assessments in line with the mitigation hierarchy and undertakes construction work in accordance with the projects' certifications and environmental monitoring plans. Conducting assessments in line with the mitigation hierarchy means seeking to avoid damage to the climate and nature. Where this cannot be avoided, damage must be limited and affected areas must be restored. Compensation is only relevent if alternative measures cannot be implemented or are insufficient.

An increasing share of the construction and civil engineering portfolio are sustainability-certified, and Veidekke expects certified projects to account for an even larger share of its revenue in future. As regards land use, the BREEAM-NOR standard encourages the use of land which has already been developed and seeks to avoid the use of land with ecological qualities. Moreover, construction projects which affect untouched nature are inconsistent with the EU taxonomy.

Impact on biodiversity and ecosystems is one of the factors assessed in the certification of construction and civil engineering projects. Certification involves identifying the ecological value of the particular area, in the form of priority natural areas and red list species, and drawing up plans to preserve existing values and compensate for or increase biodiversity in the project.

More and more of Veidekke's projects are surveying ecological value and developing plans to minimise negative impacts and maintain – or preferably increase – this value. Veidekke does not permit the introduction of alien species in its projects, and ensures a strong focus on this issue in connection with materials handling and planting, above and beyond statutory requirements. Many key materials used by the company, such as timber and kitchen and flooring materials, stem from forests. The harvesting of raw materials and the manufacture of products and packaging must be carried out sustainably.

Nature risk will be higher up on the company's

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agenda going forward, as both a financial risk and an opportunity. Veidekke is currently analysing its dependence and impact on nature in accordance with recognised frameworks such as those of the Taskforce on Nature-related Financial Disclosures (TNFD), the International Union for Conservation of Nature (IUCN) and the Science Based Targets Network (SBTN), as well as corresponding requirements under the Corporate Sustainability Reporting Directive (CSRD). The group will consider the possibility of defining science-based targets, for example using the SBTN framework. See further the overview of natural risks on page 191.

In individual projects, Veidekke is already implementing measures which contribute positively to biodiversity, including infrastructure such as wildlife crossings, parks, green zones, ecological solutions in urban environments and nature restoration measures. In addition, the group's adoption of a circular approach is helping to safeguard biodiversity through the recovery and injection of resources into a waste-minimising cycle.

Impact of the measures

Veidekke is currently developing procedures for identifying its impact on nature and is analysing its activities by means of selected pilot projects.

The group will report regularly and transparently on matters relevant to biodiversity and ecosystems, including through CDP Climate and CDP Forest. The group's monitoring parameters include red list species and alien species. Group requirements related to deforestation are reported on annually and are incorporated into contracts with relevant suppliers. Environmental project certifications like BREEAM are monitored separately through third-party audits.

Veidekke's biodiversity targets are:

- net-zero greenhouse gas emissions (see page 119)
- halting deforestation (dedicated policy)
  - 100% third-party certified timber by 2025 (FSC certificate prioritised over PEFC, SFI with CoC, CSA)
  - 100% traceability by 2025
  - 100% sustainable biofuels without palm oil

The proportion of FSC- and PEFC-certified timber was 85% in 2023, compared to 77% in 2022. The group requires the sustainable biofuels it uses to be palm oil-free, and this requirement was met in 2023. Work on satisfying deforestation requirements is ongoing.

Going forward, biodiversity targets and indicators will be further developed.

The experience gained so far is being used to raise the level of knowledge within the group. Knowledge about natural diversity and biodiversity has been incorporated into Veidekke's management training in the form of the Horisont (senior management training) and Perspektiv (role-specific training) programmes..

Climate and nature were headline topics at Veidekke's annual Scandinavian Environment Day in 2023, which took the step from an internal digital webcast to a multi-channel customer event. Investors, customers and NGOs such as Sabima and ZERO gave presentations and shared their knowledge at the digital event, which was followed up on through local customer dialogues.

Cooperation with stakeholders

Veidekke maintains productive dialogue with suppliers and relevant interest groups. In a natural risk-focused project led by Sabima and PWC, Veidekke, customers and other companies have helped develop the publication "Nature-positive management" - a practical guide on addressing natural risk in business and industry.

Veidekke intends to incorporate natural diversity considerations into contracts and agreements going forward. Before a project starts, Veidekke and suppliers can work together to identify proactive steps suppliers can take to promote biodiversity. Suppliers can be pre-qualified with regard to biodiversity, and the group will continuously evaluate and monitor developments by raising the topic at regular supplier meetings.

Veidekke has signed up to the 10 immediate measures for contractors launched by the Norwegian Contractors Association - Building and Construction (EBA), which include safeguarding and enhancing biodiversity. Both national and municipal land use planning must facilitate the avoidance or minimisation of biodiversity loss, for example in connection with road construction which fragments wildlife and plant habitats. While many mitigation measures have to be implemented during the planning phase, much can also be done during execution, preferably in consultation with the construction client.

Veidekke is a strategic partner of the environmental foundation Zero Emission Resource Organisation (ZERO), as well as Skift - Business Climate Leaders. Sustainability, including natural risks and opportunities, is a recurring theme in the company's dialogue with investors. Investor initiatives such as CDP and direct dialogue with investors influence Veidekke's work on the topic, for example in the form of targets, commitments, and surveys.

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Materials consumption and circular economy

Why is the topic material?

The circular economy is about reworking the linear economy into a system which eliminates waste, keeps resources in use and regenerates natural ecosystems. Today, recycling rates are low and the potential for improvement is correspondingly high. Narrowing, slowing, closing and regenerating resource flows will enable us to consume fewer resources and reduce emissions to soil, water and air.

Indicators

GRI 301: Materials

301-1 Materials used by weight or volume

301-2 Recycled input materials used

GRI 306: Waste

306-1 Waste generation and significant waste-related impacts

306-2 Management of significant waste-related impacts

306-4 Waste diverted from disposal

306-5 Waste directed to disposal

GRI 308: Supplier Environmental Assessment

308-1 New suppliers that were screened using environmental criteria

Ever since the industrial revolution, economic development has been built on abundant access to natural resources, which were traded in linear value chains through extraction, production, use and disposal. Globally, more than 100 billion tonnes of minerals, metals, fossil fuels and biomass are used each year, of which only a small proportion is recycled.

The extraction and processing of natural resources has tripled in the last 50 years, according to the Global Resources Outlook 2019 report from the International Resource Panel (IRP). The panel collates existing knowledge from international research communities related to resources such as biomass, fossil fuels, metals, minerals, water, and land. To reduce the depletion of natural resources, the resource panel recommends transitioning to a circular economy in which natural resources and products are used efficiently and for as long as possible in a cycle which minimises resource loss.

The transition to a circular economy is a key policy instrument in the EU and constitutes one of the EU taxonomy's six environmental objectives. The construction and real estate sector is one of seven areas identified by the EU for circular restructuring. In the Nordic region, the Nordic Council of Ministers has appointed a working group for the circular economy, mandated to support a new vision for the Nordics to become the world's most sustainable region by 2030. Sweden's national strategy for the transition to a circular economy (published in 2022) reflects these priorities. The Norwegian government has also launched an action plan for the circular economy. At present, however, the economies in which Veidekke operates are far from circular, with rates totalling just 2.4% for Norway, 3.4% for Sweden and 4% for Denmark (compared to 7.2% globally). In other words, the vast majority of resources used to meet societal needs in Scandinavia are not reintroduced to the cycle.

To stay within the planet's tolerance limits, the transition must accelerate in all parts of the economy. Veidekke operates in an industry with particularly high consumption of materials and other resources. According to Circular Report Norway, the construction and civil engineering industry accounts for 18.3% of the entire Norwegian materials footprint, and the industry generates 20% of all waste, of which only 40% is recycled. Nevertheless, there are clear trends towards greater circularity in the Scandinavian construction and civil engineering industry. Going forward, the industry must focus on refurbishment rather than new-builds and seek to incorporate recycled materials into buildings and infrastructure projects which are of good quality, have a long lifespan and can be maintained, refurbished and reused. BREEAM-NOR, the most common environmentally-focused certification scheme for construction and civil engineering projects in Norway, has updated its requirements in line with the EU taxonomy and now rewards projects which not only sort, but also recycle, reuse and minimise waste.

Impact of Veidekke's operations

Veidekke currently uses large quantities of raw materials and other supplies. Its aggregates operation extracts high volumes of non-renewable virgin resources. The construction business uses large amounts of concrete and structural steel, while the asphalt business has a heavy consumption of input factors like bitumen.

Veidekke is working to recycle or reuse asphalt, concrete, bricks, aggregates and plastics, but would note that the transition from a linear to a circular economy is still in its early stages. Although materials reuse is increasing in new projects, the proportion of reuse is small when old buildings and structures are demolished. While it is technically possible to recycle all asphalt, transport and other considerations mean that doing so is not always

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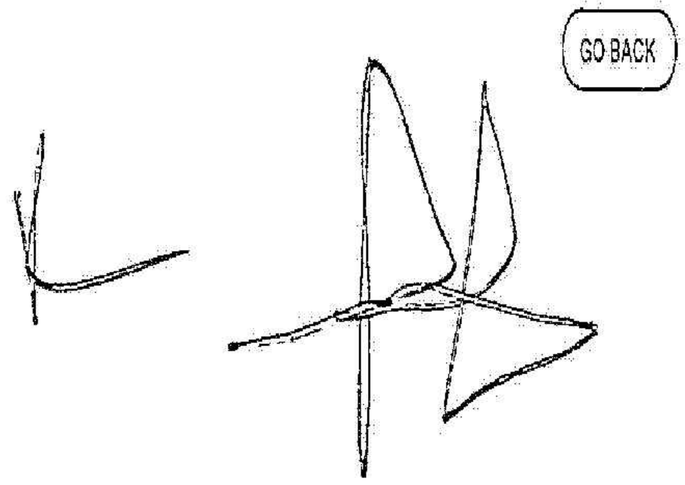

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practicable. Moreover, when reusing aggregates account has to be taken of the risk of spreading or increasing the concentration of environmental pollutants. Soil, dredged material, and construction and demolition waste currently account for 90% of waste generated by the Swedish construction and civil engineering sector. New construction projects also generate large amounts of waste, with aggregates, concrete, timber and gypsum accounting for the largest percentages. The majority of waste generated by construction and civil engineering projects is separated at source (i.e. on the project site) for – in order of priority – reuse, materials recycling, energy recovery and landfill.

Guidelines and obligations

The company seeks to make efficient use of renewable and sustainable materials, energy, water, land and other resources, and to limit or eliminate emissions, pollution and waste.

Veidekke intends to be an industry leader in the green shift in terms of reducing greenhouse gas emissions and protecting the environment. The company supports the UN Global Compact, which requires it to take a precautionary approach to environmental challenges, promote increased environmental responsibility, and encourage the development and use of environmentally friendly technologies. Veidekke's ethical guidelines and policies on climate-related, environmental and deforestation issues require the group to prevent and control pollution, protect biodiversity, reduce resource consumption and take an active role in promoting the circular economy. These documents guide both Veidekke and its suppliers.

The company anticipates an increased focus on reuse going forward, both in certification schemes and as a consequence of the EU taxonomy and individual national legal requirements.

Veidekke's efforts related to the circular economy

The board of directors has the ultimate responsibility for the group's work regarding resource use and the circular economy, while day-to-day follow-up lies with the executive management team. All of Veidekke's Norwegian operations, and some of its Swedish operations, are ISO 14001-certified. Environmental considerations are taken into account throughout the chain of production, in the planning and execution of projects, and in the purchasing of products and materials.

As a manufacturer of products such as asphalt and prefabricated concrete elements, Veidekke has a substantial impact on material consumption and the circular economy. In construction and civil engineering projects, such forms of contract as collaborative contracts, design and build contracts and public-private partnerships (PPPs) give Veidekke the best opportunity to influence the choice of materials. Instead of always buying new, Veidekke can request a degree of reuse in all purchases. The company is also engaging in dialogue with start-ups focused on exchanging materials between construction sites.

Veidekke's group policy on climate and the environment states that the company will use its environmental expertise to create added value and encourage and advise clients to reduce their impact on the external environment. The topics of sustainability and the circular economy are included in courses taught by the Veidekke School, as well as in the Perspektiv and Horisont management training programmes.

Choices made when designing a project have an impact throughout the project life cycle. To allow buildings and facilities to be modified, scaled up or reused in the future, emphasis is given to tracking disassembly properties and opportunities. By designing circularity into processes and products, Veidekke can help ensure that buildings last longer and are easier to maintain, repair, upgrade or recycle. In addition, the company favours renewable resources and materials which are non-toxic, bio-based and recyclable.

Veidekke is supporting:

Reduced consumption

- Securing amendments to the Norwegian concrete regulations in order to minimise concrete use.
- Reducing material use through conscious construction choices, for example relating to roofing and floor partitions.

Longer use

- Investing more in groundworks and innovation to increase the lifespan of roads and pavements in projects where Veidekke is responsible for extending lifespan, such as PPPs.
- Offering extraction of sheet pilings which would otherwise be left in the ground.

Reuse

- Making extensive use of recycled steel.
- Reusing aggregates.
- Requesting and monitoring reuse ratios during purchasing.
- A method developed by the group for the use of fully recycled aggregates in concrete, is now in use in three projects, including the new head office at Ulven in Oslo.

Other examples of measures implemented by Veidekke are:

- Veidekke's new head office will be classified as a green building in line with the EU taxonomy and will be certified according to BREEAM Excellent. Examples of circular measures in the building include a concrete supporting structure made with 100% recycled aggregate, reduced use of materials in the construction of the roof and floor partitions, and reuse of furniture and fixtures from the old head office.
- With support from Enova, the Research Council of Norway and others, Veidekke is working on several R&D projects aimed at reducing the negative

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impact of the group's asphalt operations. One example is reducing greenhouse gas emissions from asphalt production by using renewable biogenic materials instead of oil-based bitumen.

Timber products are renewable, can be reused or recycled, and are increasingly sourced more locally. Solid wood binds carbon, requires little fossil energy during production, and can largely be produced using bioenergy and with biogenic emissions. In 2023, Veidekke's portfolio of solid wood buildings under construction included Kallerud student village in Gjøvik and Kvam school in Norheimsund.

At the same time, deforestation is a major source of greenhouse gas emissions. Working to protect preservable natural forests and avoiding the use or manufacture of products which entail deforestation therefore contribute to achievement of climate goals. Veidekke does not allow the use of tropical timber in its own projects and advises customers against such use. FSC, PEFC or equivalent certificates are requested for all timber and timber products. See page 123.

Veidekke has measures in place to reduce waste, as well as robust systems for waste management and at-source separation. All projects draw up and monitor waste management plans. Veidekke generally has a high at-source separation rate.

Veidekke's strategy is to invest selectively in innovation and solutions which support the green shift. The subsidiary Veidekke Sirkulær focuses on reuse, repurposing, recycling and other complex issues related to circularity. The objective is to develop more resource-efficient and circular business models which make it easier for customers to make sustainable choices, improve the group's competitiveness and refine Veidekke's profile.

Impact of the measures

The impact of measures to boost the circular economy is measured annually using the following indicators:

- proportion of recycled materials in the most important materials purchases
- recycling rate in asphalt production (Norway, Sweden)
- proportion of roads paved with environmental asphalt (Norway, Sweden)
- percentage of renewable energy (scopes 1 and 2, location-based methodology)
- number of fossil-free/emission-free construction sites
- volume of waste going to materials recycling, energy recovery and landfill.

Responsibility for analysing the figures and taking necessary steps lies with the individual operations.

Resource scarcity can affect the opportunities and future of businesses which use finite, non-renewable resources. Veidekke recognises that circular business models can have great upside and is working to understand and exploit the opportunities offered by key circular principles.

Although the group has robust waste management processes and procedures in place for its projects and facilities, Veidekke recognises the need to improve its overview further and to increase reporting frequency. All of Veidekke's waste suppliers are pre-qualified to ensure that they fulfil minimum criteria.

Cooperation with stakeholders

Veidekke has signed cooperation agreements with Skift – Business Climate Leaders and the Zero Emission Resource Organisation (ZERO). These collaborations relate e.g. to framework conditions laid down by authorities and customers, which have a strong focus on the circular economy. Going forward, Veidekke will intensify its recycling cooperation with suppliers, including on the use of recycled aggregates in concrete, which has enormous potential.

Veidekke has signed up to the 10 immediate measures for contractors launched by EBA, the Norwegian Contractors Association – Building and Construction. One of the measures is to recommend and facilitate reuse and materials recycling, preferably with defined targets. The group's collaboration with the EBA also encompasses facilitation for later disassembly of buildings and joint utilisation of waste streams. Veidekke is also supporting the circular initiatives Ombruk.no and Sirkulær Ressurssentral in Oslo through the EBA. Finally, Veidekke Logistikkbygg has developed construction kits containing reuse instructions and tools for customers to use when buildings have served their purpose and are to be disassembled and re-erected elsewhere.

Veidekke Sirkulær has entered into a collaboration agreement with AION under which plastic from construction sites is collected and sent directly to AION for use in the manufacture of new products.

Veidekke is seeking to utilise workwear more efficiently by swapping clothes between projects and repairing rather than buying new, and through creative reuse. Collaboration with Sisters in Business, a social enterprise which creates jobs for immigrant women through local textile production, has thus far resulted in the transformation of used workwear, rollups and tarpaulins from Veidekke into computer satchels, handbags and toiletry cases.

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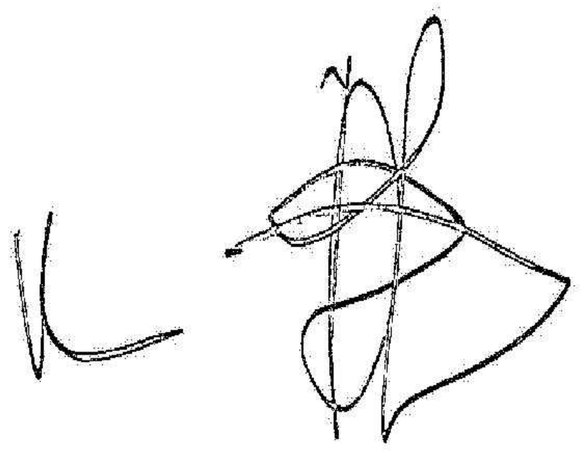

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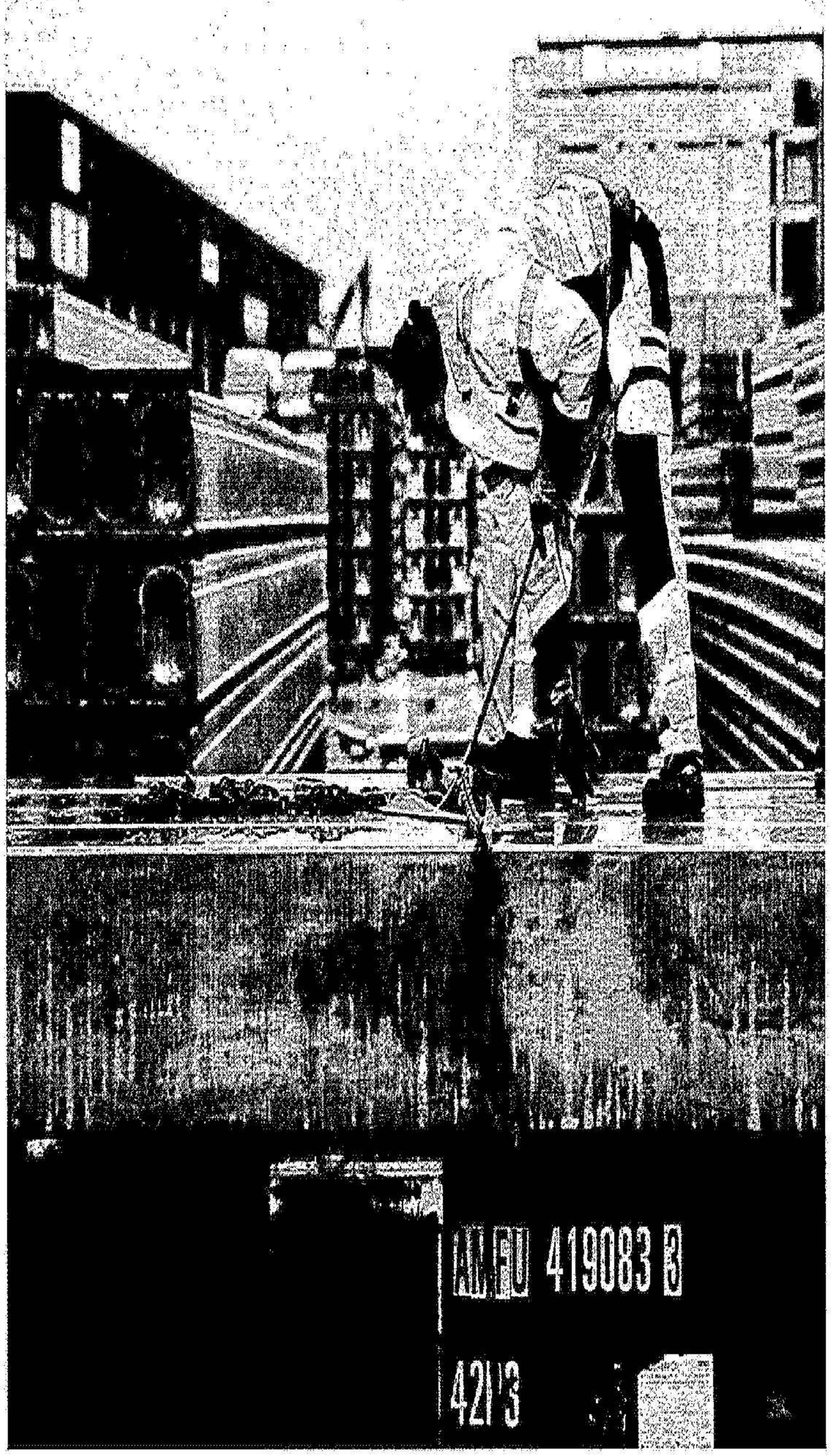

Social impact

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.

Work-related injuries

Why is the topic material?

Robust, systematic occupational health and safety (OHS) efforts reduce injuries and sickness absence, ensure safety, boost productivity, and strengthen trust and reputation. Moreover, OHS documentation and results form part of the basis on which contracts are won. The construction industry has known risks linked to specific work operations. Veidekke also has to manage risks associated with sub-contractors working on the group's projects and work sites. Regulation and monitoring are laid down as legal requirements in the Working Environment Act, the Internal Control Regulations and the Public Procurement Act.

Veidekke's position as a major player in the Scandinavian construction industry entails responsibilities. It must be safe to work for Veidekke, and customers must be confident that Veidekke complies with its obligations. The group works systematically to monitor the health, safety and working environment of both its own employees and sub-contractors.

Impact of Veidekke's operations

Injuries and serious accidents are reported to the relevant supervisory authorities in the affected countries and may result in fines or other legal penalties if a supervisory authority concludes that Veidekke has breached its obligations. Since any penalties may be recorded in the police certificate Veidekke submits along with its tenders, injuries and serious accidents can ultimately result in Veidekke failing tender pre-qualification. Failure to follow up on such incidents can also have negative consequences for the group's reputation.

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Guidelines and obligations

The group's OHS work is governed by principles defined in its OHS policy and in safety plans based on the OHS strategy. The business areas are responsible for achieving targets. The group OHS policy reflects Veidekke's values and ambitions and is in line with regulatory requirements.

Indicators

GRI 403: Occupational Health and Safety

403-1 Occupational health and safety management system

403-2 Hazard identification, risk assessment, and incident investigation

403-3 Occupational health services

403-4 Worker participation, consultation, and communication on occupational health and safety

403-5 Worker training on occupational health and safety

403-6 Promotion of worker health

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

403-8 Workers covered by an occupational health and safety management system

403-9 Work-related injuries

Managers and employees working for Veidekke must comply with the following principles in their daily work:

- We care about and for each other.
- We speak up when we discover situations that could endanger life and health.
- We work proactively to prevent injuries and health problems.
- We stop work when life and health are at risk.
- We actively gather experience and plan our work to minimise the risk of injuries and health problems.
- We know and comply with laws and regulations.
- We are role models for others in the area of OHS.

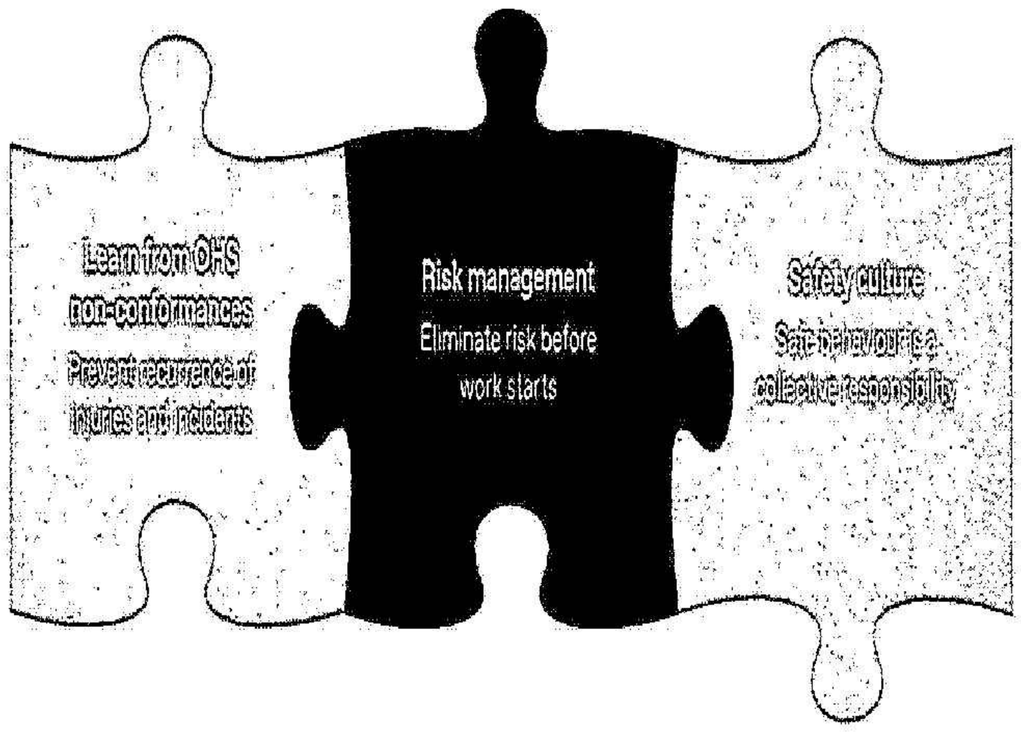
Veidekke's efforts regarding work-related injuries

Every project and contract must ensure that all employees, including sub-contractors, can work safely and efficiently. The OHS strategy adopted in 2021 describes the measures to be implemented in the period to 2025 in order to achieve the goal of zero serious injuries and a 20% annual reduction in injuries. The strategy applies throughout the group.

TARGETS	RESULTS		
Targets to 2025	2023	2022	2021
0 serious injuries	2	2	0
20% annual reduction in total injuries	10.1%	9.8%	8.9%

Veidekke's OHS targets 2021–2025

Veidekke's three strategic OHS priorities



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In 2020, with the 2025 targets in mind, Veidekke adopted three programme 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.
- *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.

In 2023, Veidekke introduced several new measures, in addition to those already implemented. The group notes results from these measures but is not satisfied with target achievement. All three programme areas, with dedicated measures, will be continued to 2025, but the Learning programme area will be revitalised in 2024 to bolster learning from the most serious incidents.

The LTI (lost time injury) rate is calculated for group employees and shows the frequency of workplace accidents resulting in injury. Injury frequency is defined as the number of workplace accidents resulting in injury per million hours worked. The LTI-1 value is calculated based on the number of injuries resulting in absence from work. The LTI-2 value is calculated based on the number of injuries resulting in absence + the number of injuries requiring medical treatment but not resulting in absence + the number of injuries resulting in a need to assign alternative work. The LTI-1 value for 2023 was 4.8, while the LTI-2 value was 9.9.

The injuries most commonly recorded by Veidekke are caused by crushing incidents, cuts, falls from lower heights, and foreign objects in the eye. The group has established barriers to prevent unwanted incidents from resulting in injuries. But for these barriers to be effective, they must be respected, and ensuring this requires continuous effort.

Since 2019, Veidekke has worked to digitalise its risk management process. As part of a comprehensive OHS risk management process, a hazard management tool has been implemented as a digital platform for continuous experience-sharing and improvement. The platform will be gradually implemented in the period to 2025, in line with the group's risk management strategy for the period 2020–2025. Parallel with the implementation, all manual risk management tools are being phased out.

All staff, whether employed by Veidekke or sub-contractors, can report undesirable incidents, and Veidekke has introduced tools and activities to facilitate reporting. Incidents are reported through a digital platform via the Veidekke entity by which a staff member is employed or engaged. All reports are followed up on by the relevant entities, and measures are implemented based on severity (as defined in the procedure "Standard for investigation and follow-up of OHS non-conformances"). It is clearly communicated that undesirable incidents must be reported for learning and improvement purposes, and that making a report will not have negative consequences for the reporting person. Internal and external audits are carried out to ensure that established systems and activities work and are complied with.

Common safety requirements are described in the group's governing documents. Each business area has its own management systems designed to ensure that group requirements are implemented and complied with in projects.

The fact that construction is a higher-risk industry is clearly documented in the annual reports of supervisory authorities, and Veidekke takes the results of both internal and industry investigations seriously. Most undesirable incidents are attributable to behaviour. In safety training, emphasis is therefore given to preventing injuries by building a robust safety culture in which people take personal responsibility for their own and their colleagues' safety. At Veidekke, this is specified in the Conversation about safety tool and the OHS agreement. Safety culture has on several occasions been a priority topic during the group's annual OHS week. See more on page 165. GRI 403-5.

Several scientific studies show that systematically implementing the right knowledge-based working environment measures into a company secures a positive working environment and boosts productivity and profitability. Doing so also serves Veidekke's vision of a longer and healthier working life for all staff.

Impact of the measures

Veidekke uses the following targets and indicators to evaluate progress:

Target: 0 (zero) serious injuries and 20% reduction in total number of injuries per year

Indicators:

- reporting of undesirable incidents
- pre-job discussion/morning meetings/ conversations about safety/barracks meetings
- follow-up of OHS non-conformances
- comprehensive risk management.

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For the injury frequency to continue to decline, measures that are introduced must be continuously monitored and assessed as to whether they are having the desired effect.

Achieving a favourable OHS development over time is a continuous process, where new experience, good measurement parameters and systematic follow-up of trends etc. become indicators of whether measures are having the desired effect.

Since 2019, Veidekke has been developing a Power BI experience database containing data from the non-conformance reporting systems of all business areas. The database provides a comprehensive overview of progress made in the area of OHS and permits searches all the way down to project level. The overview helps determine which activities need further central or local follow-up, and highlights scope for adjustments in response to trends in registered data categories.

The experience database provides a comprehensive overview of trends and developments related to injuries and serious accidents, making it easier to identify relevant entities and support them in their response. By building commitment to data collection among local OHS resources, the experience database is helping to improve the quality of reported data.

In line with the group's current OHS strategy, the following measures have been implemented under the "Learning" programme area:

- shared digital tools for effective experience-sharing
- common standard for accident investigation
- joint comprehensive learning process
- safety messages
- responsibility matrix for management follow-up and clear decision-making structure for the response to OHS non-conformances.

Cooperation with stakeholders

Construction is one of the most injury-prone industries. The industry must take into account that safety is a perishable commodity that has to be built and rebuilt every day. This is why the Norwegian construction industry has established the collaborative safety organisation SfS BA, through which construction industry stakeholders promote the common goal of an injury-free construction industry. The participants – construction clients, advisers, contractors, trade unions, trade associations, the Norwegian Labour Inspection Authority, etc. – are organised into broad-based working groups that focus on specific issues important for individual companies and society more generally. Examples of such issues include common basic safety training, falling accidents, safe lifting, and safe element assembly.

Veidekke was an active participant in the establishment of SfS BA and is represented on several working groups. In 2019, the industry jointly developed a mandatory safety course covering the six major hazard areas in construction. The course makes it easier for subcontractors to complete safety training, as they no longer have to take many different courses depending on who they are working for.

A particular priority in the Risk Management programme area is requirements for lifting operations. These operations are associated with known risks and have high injury potential, and Veidekke has developed a skills test for all roles involved in lifting operations. This has been shared with SfS BA, and the skills test is in the process of becoming an industry-wide requirement. A lifting guide for the industry was launched in June 2023.

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Workers' rights

Why is the topic material?

Employment-related crime involves violations of human rights, such as the exploitation of workers and breaches of laws regulating pay, working conditions and taxes. Further examples include undeclared work, child labour, forced labour, restriction of the free movement of labour and social dumping.

Veidekke is helping to perform important – and often societally critical – tasks in the private and public sectors. Anyone who builds for society is reliant on society's trust. Promoting workers' rights is a prerequisite for earning such trust.

Indicators

GRI 409: Forced or Compulsory Labour

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour

GRI 414: Supplier Social Assessment

414-1 New suppliers that were screened using social criteria

414-2 Negative social impacts in the supply chain and actions taken

Impact of Veidekke's operations

As a major construction industry stakeholder, Veidekke is in a position to set requirements and lead the industry in a positive direction, for example by challenging and advising suppliers and partners. Veidekke has identified the following areas in which the company has particular influence on its own operations, sub-contractors, and suppliers:

- promoting fair and good terms of employment, including safe and healthy working conditions (such as the right to rest, leisure time and holidays)
- preventing discrimination in working conditions and during recruitment
- promoting freedom of association, freedom to organise and the right to strike
- OHS at the workplace
- preventing child labour, forced labour and slavery.

Going forward, risk assessment will be updated and Veidekke will consider additional measures.

Guidelines and obligations

As a responsible company, Veidekke respects human rights throughout its own operations and its supply chain. Operations must be run in compliance with the UN Guiding Principles on Business and Human Rights and the 10 principles of the UN Global Compact. Veidekke supports the ILO Declaration on Fundamental Principles and Rights at Work, which include freedom of association, the right to collective bargaining and measures to combat discrimination, forced labour and child labour.

Board and group management support for Veidekke's human rights work is ensured through governing documents such as ethical guidelines, a policy on respect for human rights, and a sustainability and social responsibility policy. Veidekke strives to be a driving force for compliance with human rights and works continuously to build support for this objective within the group.

Veidekke's efforts related to workers' rights

The group has established a process for assessing the risk of human rights violations and breaches of decent working conditions among all categories of suppliers, based on the OECD Due Diligence Guidance for Responsible Business Conduct. As the risk of employment crime is considered to be high in the construction industry, the group prioritises measures directed at and follow-up of sub-contractors.

Veidekke's business relationships are founded on trust and transparency. While suppliers and partners are crucial to the group's business, they may also entail a risk of human rights violations. This risk is managed by developing thorough knowledge of partners and markets. The group expects suppliers and partners to share Veidekke's approach to ethics and compliance, and to comply with applicable legislation, respect human rights and fulfil ethical requirements. The group has implemented the following requirements:

- All sub-contractors and suppliers must accept and sign Veidekke's supplier code of conduct. The code requires compliance with human rights in areas such as working conditions, pay, prohibition of forced labour and freedom of association. Veidekke also imposes requirements on its suppliers through contractual reputability provisions.
- All of Veidekke's sub-contractors and suppliers are pre-qualified before they are engaged. The pre-qualification process assesses various criteria, including OHS, quality, taxes, etc.
- Materials suppliers that present a particular risk are regularly screened by reference to social criteria. On-site visits are also carried out when assessing certain new suppliers.
- Veidekke checks sub-contractors based on annual risk assessments. The risk areas are defined

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by organisations such as the Norwegian Tax Administration, the Norwegian Labour Inspection Authority, Fair Play, the Federation of Norwegian Construction Industries (BNL), the Norwegian Contractors Association – Building and Construction (EBA) and the Norwegian Association of Heavy Equipment Contractors (MEF). The basis for the risk assessments also includes an analysis of on-site audits of sub-contractors.

- Sub-contractors and suppliers are required to rectify any deficiencies or breaches of laws, regulations or Veidekke's ethical standards. Companies that are unwilling or unable to do so are not allowed to continue as a sub-contractor or supplier.

Veidekke has established a whistleblowing mechanism for employees and others to report censurable conditions of any kind. See pages 138 and 141.

Veidekke aims to engage only reputable sub-contractors and suppliers that respect human rights. In accordance with board-approved ethical guidelines and policies, requirements regarding the monitoring of sub-contractors and suppliers are documented in various processes at different levels of Veidekke's management systems. Training is conducted at business-area level. All Veidekke employees must complete mandatory e-learning on topics including the handling of sub-contractors.

Veidekke uses services provided by Dow Jones to screen suppliers for negative media coverage concerning breaches of workers' rights. Major new suppliers undergo due diligence that includes an assessment of workers' rights.

Impact of the measures

The group uses the following metrics to evaluate its progress on compliance: the number of pre-qualified subcontractors and suppliers, implemented training measures, the number of whistleblowing cases and the number of court cases. Internal audits are also incorporated into the progress assessment.

In the Norwegian operations, 130 audits of subcontractors were carried out in 2023. 66 subcontractors were compliant. 13 subcontractors were reported to the authorities for employment crime and blocked in StartBANK, five showed serious non-compliance and 46 showed less serious non-compliance. When an audit reveals that a subcontractor is not complying with Veidekke's requirements, the subcontractor is either helped to improve their processes or excluded from future projects.

In Sweden, approximately 480 subcontractors were audited. 15–20% of the audited companies were not approved.

An internal audit conducted in November 2023 and focused on the company's processes linked to human rights, revealed some minor improvement needs which will be addressed in 2024. In addition, some workers' rights violations were notified in 2023, mainly concerning breaches of the Working Environment Act.

The compliance function has identified potential improvements to employee training, and the group has developed e-learning which addresses workers' rights, among other topics. The training aims to raise awareness of applicable rules and regulations, and to prevent breaches. Moreover, the internal audit function has reviewed governing documents in the area, and the recommended actions have been implemented.

Cooperation with stakeholders

Veidekke engages in productive dialogues with customers and suppliers regarding workers' rights. Construction client demands are incorporated into Veidekke's operations and communicated to suppliers through agreements and the supplier code of conduct. Veidekke's whistleblowing mechanism is open to all parties and allows all stakeholders to report suspected rule breaches.

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Diversity and equality

Why is the topic material?

Veidekke is working to improve both gender balance and general diversity in a very male-dominated industry. Systematic, thorough promotion of diversity and gender equality are a prerequisite for attracting vital human resources to the company and helps build a positive and inclusive working environment.

Equal treatment is enshrined in the legal frameworks of all three Scandinavian countries, with legislation addressing the working environment, equality and anti-discrimination, and breaches of relevant principles may result in criminal penalties and damage to Veidekke's reputation as an employer. Both employees and shareholders expect Veidekke to be diverse and to treat staff equally. Also, customers are increasingly raising these topics in project pre-qualification processes. Diversity and equality are also addressed in global surveys used by investors.

Discrimination and harassment have negative consequences for victims, damage the working environment and can make the workplace both less attractive and less productive.

Indicators

GRI-401 Employment

401-1 New employee hires and employee turnover

401-3 Parental leave

GRI 405: Diversity and Equal Opportunity

405-1 Diversity of governance bodies and employees

405-2 Ratio of basic salary and remuneration of women to men

GRI 406: Non-discrimination

406-1 Incidents of discrimination and corrective actions taken

Impact of Veidekke's operations

The challenges in recruiting female employees are present throughout Veidekke's business but are most evident in the civil engineering and industrial operations. The likely causes include the fact that these operations have both the highest proportion of men and more shift work. Although the proportion of women is somewhat higher in the construction operations, the same challenges arise. Veidekke recognises that the group's effort to date have not had sufficient effect. Therefore, this year's leadership evaluations focused on female managers and on highlighting opportunities. Also, several women's networks were started.

Guidelines and obligations

Veidekke's ethical guidelines state that everyone should be treated with courtesy and respect, and that there is zero tolerance for discrimination, harassment, bullying and threats. Actions that could reasonably be perceived as offensive or intimidating, including any form of sexual attention, are unacceptable.

For Veidekke, equality and diversity are about fairness, equality and sound values, and the fact that diversity brings different perspectives to teams and supports better decision-making and better solutions for customers, Veidekke and society. These attitudes are rooted in the conviction that different skills and characteristics contribute to growth, development, innovation, and value creation, that inclusive and participatory leadership fosters a working environment characterised by respect, security and trust, and that diversity helps secure good performance.

The Veidekke leadership compass, an overall management guide which has been adopted by group management, clearly expresses the group's expectation that managers engage staff, demonstrate trust, build security and value people's differences, and develop staff and other managers around them. The leadership compass has been designed as a policy and is being incorporated into all processes related to the recruitment and development of staff and managers.

Veidekke's board of directors has adopted a policy on diversity and gender equality, and the diversity perspective is also incorporated into the group's recruitment policy. The diversity policy emphasises equal opportunities. Veidekke is working on strengthening diversity in the group as a whole and on building an equal and inclusive culture in which all staff are respected and safe. Since the industry is male-dominated, particular emphasis is being given to increasing the proportion of women. The group's recruitment policy states that Veidekke will use competence-based recruitment processes, work to encourage more women to apply to the company and strive for gender balance in final interviews.

Veidekke's efforts related to diversity and gender equality

All Veidekke staff are expected to comply with the group's ethical guidelines in internal and external contexts. Training occurs through e-learning, in

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physical arenas and in individual conversations. Senior executives have completed courses in unconscious bias awareness, and this work has been rolled out to the broader organisation in physical and online learning arenas. Governing documents and associated processes have been developed for recruitment, leader development and remuneration.

The measures implemented to increase diversity and strengthen gender equality include:

- setting targets to increase the share of women operative managers
- implementing recruitment campaigns linked to women in vocational subjects
- ensuring that staff recruitment and development processes are competence-based
- displaying more diversity in texts and images used in advertising and marketing
- preventing unconscious discrimination by using deliberate, objective selection methods in the early stages of the recruitment process and in the evaluation and selection of managers
- establishing women's networks in several units
- offering free sanitary protection in all permanent offices, and piloting the offer at selected project sites
- monitoring remuneration systems with a view to ensuring equal treatment and avoiding discrimination.

The group's ethical guidelines encourage the reporting of actions that may be in violation of laws, regulations, and internal procedures. In addition, procedures have been drawn up for reporting, processing, and following up on censurable conditions. Reports can be submitted internally or via an established external, online whistleblowing portal. In 2023, one report relating to bullying and harassment was made and was processed in the group's whistleblowing portal. Reports made to individual business units are processed locally in the units.

The measures Veidekke has implemented to combat discrimination include:

- ensuring that staff recruitment and development processes are competence-based and deliberate
- providing training to raise managers' awareness of prejudice and unconscious discrimination
- raising the topic of bullying and harassment in management meetings and at employee representatives' conferences
- ensuring, through automated processes, that employees are interviewed before, during and after parental leave
- ensuring that bonus amounts are not truncated for persons on parental leave
- replacing the job title "foreman" with "supervisor"
- providing separate changing facilities for men and women on all projects
- introducing a women's line of workwear.

If undesirable incidents related to diversity and gender equality in the working environment occur, they are handled in accordance with internal guidelines. For example, Veidekke has procedures for conflict management that state that measures should be implemented at the lowest possible level. Some non-conformances can also be resolved through training. The Diversitas network is a key arena for experience-sharing in the industry.

Qualification of skilled manual workers is important for realising Veidekke's self-production strategy, and the recruitment of young people also has a positive impact on society. Veidekke recruits skilled manual workers primarily through the group's apprenticeship schemes, which encompassed 310 apprentices in a wide range of construction trades as at the end of 2023. In the late 1990s, Veidekke initiated a still ongoing collaboration with the public school system. This programme offers young people who have dropped out of school the opportunity to complete vocational upper secondary education, and the possibility of an apprenticeship.

Veidekke also contributes to the development of future leaders through its internal training programme for new engineering graduates. The programme had 88 participants as at the end of 2023.

Impact of the measures

Veidekke applies different methods to assess the progress and effect of the various measures. Regular working environment surveys are conducted, in the form of questionnaires sent to all employees. The surveys show that the psychosocial working environment is generally good. However, there are indications that women feel they have somewhat fewer opportunities than men. This is being addressed at both a general and a specific level by the individual operations.

The development of adopted key performance indicators is measured quarterly. Responsibility for analysing the figures and taking necessary action lies with the individual operations.

Group management has adopted gender balance targets for operational managers, summer students and recent graduates, as shown below:

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Target figures – proportion of women	2023	2022	2021
Students in summer jobs: 50%	22%	26%	35%
Graduates: 40%	43%	49%	39%
Operational managers: 20%	12.7%	10.1%	9.8%

The implemented measures have not yet had a satisfactory effect. Veidekke is dissatisfied with the development of the proportion of women in operational positions, which indicates that the target of a ratio above 20% by 2025 may be difficult to achieve. New measures must therefore be considered. With a lower growth and turnover, there is less room for new hires in these groups. The proportion of women new graduates has developed positively in recent years and is in line with the target figure. This group is very important to the company's future, and Veidekke is highly focused on ensuring that these employees want to continue their careers at Veidekke. Veidekke also expects to recruit a large proportion of its operational managers from this group in the years ahead. To increase the proportion of women students in summer jobs, efforts must be aimed at raising awareness in the various units. Veidekke believes that the structural measures implemented to strengthen diversity and gender equality are important and correct but recognises that more work is required with regard to cultural aspects and to internal initiatives to qualify women for operational management roles, and to retaining the women who have been hired. In 2023, this was addressed through the business areas' management evaluation process.

The challenges identified above are common to most companies in the construction industry and need to be addressed through both long-term efforts within individual companies and joint, industry-wide efforts.

Cooperation with stakeholders

Veidekke participates in trade associations and cooperation projects to promote diversity and gender equality in the construction industry. In Norway, the group contributed to establishing the Diversitas industry network, which is working for greater diversity and better gender balance in the construction sector. For the third time, Veidekke sent participants to the Fiftyfifty programme, which aims at having more women reach top business positions. The programme is organised by the consultancy AFF.

Over many years, Veidekke has worked to change attitudes towards vocational trades. The group conducts targeted campaigns to increase recruitment to vocational fields of study and has made gender balance a priority topic in these recruitment campaigns in recent years.

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Governance impact

Combating corruption and other financial crimes such as breaches of competition law is a priority for Veidekke. Corruption and financial crime undermine competition on purely commercial terms, are harmful to society and are in direct conflict with healthy economic development. Compliance with competition rules is an important prerequisite for the functioning of society and the construction industry. Violating such rules means violating Veidekke's core values.

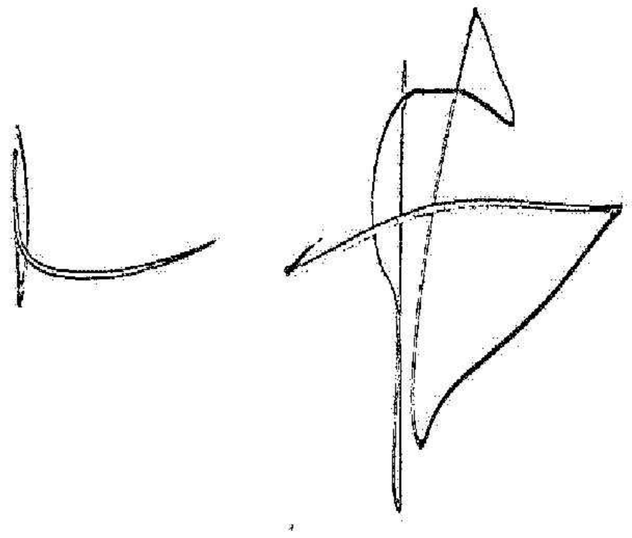
Corruption and financial crime

As a major construction industry stakeholder, Veidekke seeks to support the fight against financial crime both by preventing corruption and breaches of competition rules within Veidekke and by imposing requirements and giving guidance to suppliers, sub-contractors, and other partners.

Why is the topic important?

Corruption is a serious criminal offence that could have far-reaching consequences for Veidekke in the form of penalties ranging from heavy fines to imprisonment for individuals. Corruption could also cause significant harm to Veidekke's reputation. The group's annual risk assessments show that corruption risk is greatest in dealings between suppliers and sub-contractors, and in Veidekke's interactions with current and potential customers. Corruption risk is considered to be relatively similar in the three countries in which the group operates, and Veidekke therefore concentrates its anti-corruption efforts on improving internal processes and training.

With regard to financial crime, it is particularly violations of competition law that pose a risk in the construction industry. Veidekke's core values of professionalism and honesty dictate that the company, its employees, and others acting on its behalf must always act in accordance with applicable competition rules.



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The construction industry is particularly vulnerable to competition law infringements, as projects employ various project collaboration and joint venture models. Veidekke's risk assessments also show that risk is greatest where the group engages in lawful interactions with competitors, for example in the asphalt operation. In this context, it is particularly important to be clear about what type of information is exchanged. The highest risk level arises in tenders where price is the decisive criterion. The inclusion of sustainability parameters in tender evaluation metrics in recent years has resulted in differentiation and reduced the risk of competition law breaches.

Indicators

GRI 205: Anti-corruption

205-1 Operations assessed for risks related to corruption

205-2 Communication and training about anti-corruption policies and procedures

205-3 Confirmed incidents of corruption and actions taken

GRI 206: Anti-competitive behaviour

206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices

In Norway, Veidekke is a major industry player and needs to be aware of issues relating to market dominance. These considerations do not apply to the operations in Sweden and Denmark. Participation in trade associations may entail a particular risk of regulatory breaches, and Veidekke's representatives in such bodies therefore have a particular responsibility to familiarise themselves with the group's compliance requirements.

Impact of Veidekke's operations

As a significant industry player, Veidekke is in a position to make demands and lead the industry in a positive direction, for example by challenging and advising suppliers and partners.

Guidelines and obligations

Veidekke's board of directors has adopted group policies on anti-corruption and competition law. These are supported by corporate documents, such as groupwide anti-corruption requirements to ensure compliance with competition rules. The topics of corruption and competition law are addressed in Veidekke's ethical guidelines, and the requirements in the code are passed on to suppliers through the supplier code of conduct.

All Veidekke staff are expected to comply with the anti-corruption provisions of the Penal Code in dealings with clients, sub-contractors, and suppliers. Accordingly, all staff are prohibited from offering or accepting benefits that are or could be suspected of being improper. The supporting corporate documents further describe various forms of corruption. All of Veidekke's business transactions must comply with international standards and be clearly specified in the group's accounts.

Similarly, any kind of cooperation that restricts or may restrict competition is prohibited. The prohibition applies to both cooperation between entities within the group and cooperation with one or more competitors, including other nationwide contractors and – in some cases – sub-contractors. Potential competition issues must be evaluated before the start of all project cooperation and market-related work, including marketing and sales, strategic decisions, production decisions, acquisitions/mergers and information-exchange and cooperation with third parties.

Veidekke's compliance work

All compliance work within the group is governed by board-approved policies on compliance, internal audits, competition law and anti-corruption. The policies serve the purpose of minimising Veidekke's compliance risk. The group has zero tolerance for corruption and breaches of competition law, and any breaches that do occur are reported to the police.

The internal audit function conducts audits to verify compliance with requirements and guidelines. All Veidekke suppliers and partners must sign the group's supplier code of conduct, which includes measures to prevent corruption and breaches of competition rules. No breaches of anti-corruption legislation or competition law were reported in 2023.

Veidekke uses services provided by Dow Jones to screen suppliers for negative media coverage concerning corruption or breaches of competition rules. Major new suppliers undergo due diligence that includes an assessment of corruption risk.

The group uses the number of completed training measures, the number of whistleblowing reports, and the number of court cases to measure the progress of its compliance work. The work of the internal audit function is also used to assess progress.

In line with group policy, Veidekke has established a comprehensive compliance programme which encompasses anti-corruption and competition-related efforts. As part of monitoring compliance with the rules, all managers and supervisors are required to ensure that all employees are familiar with the content of Veidekke's ethical guidelines and associated documents, and that they comply with the rules. Similarly, all employees have a duty

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to familiarise themselves with governing documents and to report any breaches of the rules.

Veidekke has established a whistleblowing mechanism through which employees and others can report censurable conditions of any kind, including breaches of statutory rules, internal rules or ethical standards, circumstances that threaten the life or health of individuals, dangerous products, embezzlement, corruption, breaches of competition rules, theft, fraud, and breach of financial trust, etc. The whistleblowing guidelines stipulate that a report should be made even where an incident has not yet occurred, when life or health, or climate and the environment are in jeopardy. The whistleblowing mechanism is open to both Veidekke employees and external parties.

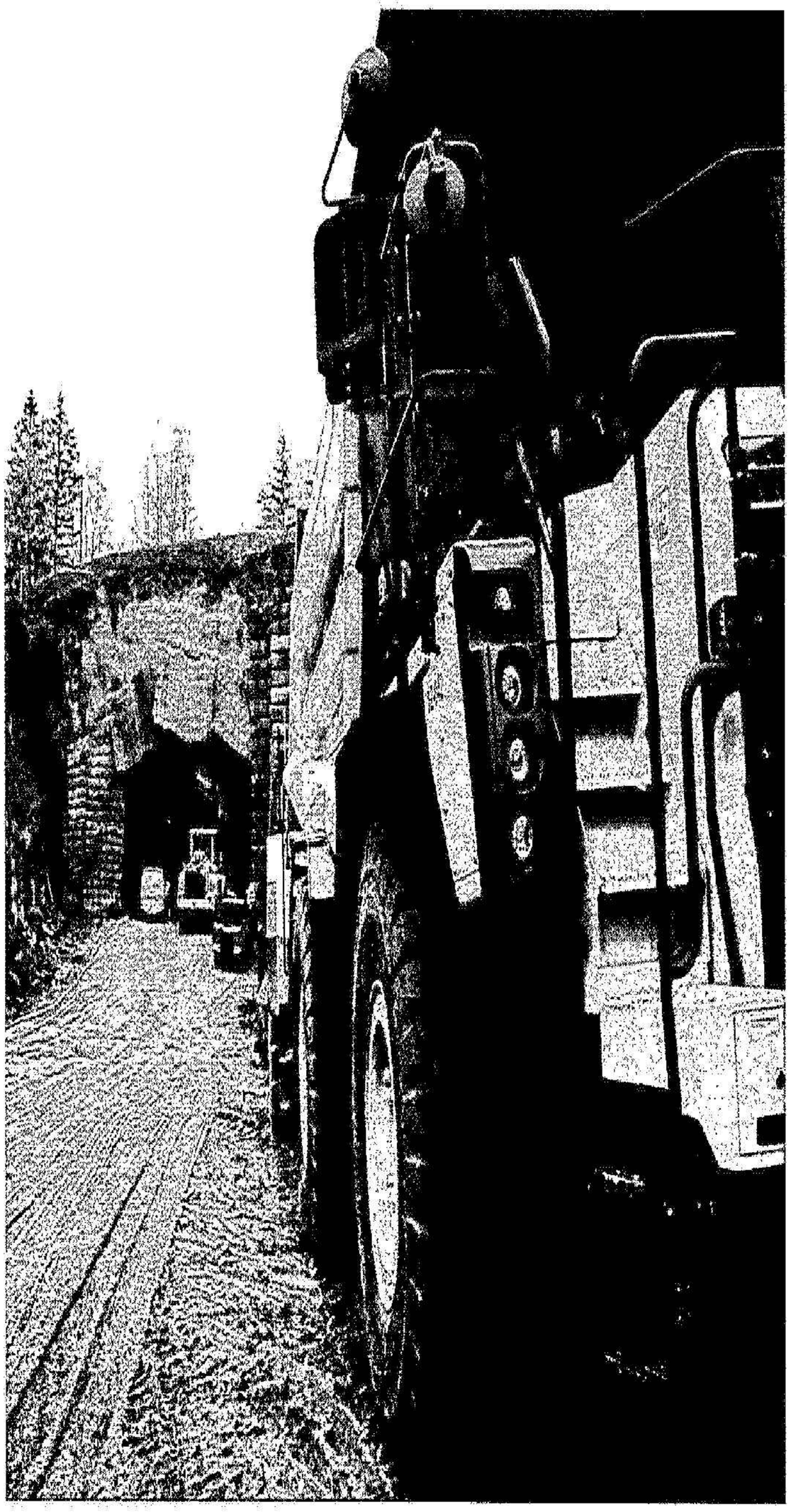
All new employees undergo mandatory training on anti-corruption and competition law, and courses and other training are provided to selected groups. During the year, Veidekke prepared a new e-learning course, "Velg rett" (Make the right choice), which focuses on topics from the group's ethical guidelines, such as anti-corruption and competition regulations. The course is compulsory for Veidekke employees.

Impact of the measures

Compliance reviews conducted after the implementation of measures have not identified risk exceeding the board's risk appetite. No instances of corruption or breaches of competition rules were identified in 2023, and consequently no action was taken against any employees or partners. There were no legal cases involving corruption or breaches of competition rules in 2023, and Veidekke did not receive any reports on such matters.

Cooperation with stakeholders

Veidekke is engaged in positive dialogues with customers and suppliers regarding anti-corruption work and competition rules. The group incorporates construction client requirements into its operations and communicates them to suppliers through agreements and the supplier code of conduct. Veidekke's whistleblowing mechanism is open to all parties and allows all stakeholders to report suspected violations.



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Sustainability fact book

In the following, Veidekke reports on sustainability impacts from its operations in accordance with GRI 2021 from the Global Reporting Initiative. The report starts with GRI 2, followed by indicators per material topic, in the order Environmental, Social and Governance impacts.

General information

2-1 Organisational details

Veidekke ASA is a public limited company headquartered in Oslo, with operations in Norway, Sweden and Denmark. See page 192.

2-2 Entities included in the organisation's sustainability reporting

The sustainability reporting covers, with few exceptions, the same companies as the financial reporting (see note 37), and acquired businesses are normally included in Veidekke's reporting from the takeover date. A major exception in the reporting for 2023 was BRA (a Swedish subsidiary acquired by Veidekke in 2018), for which GHG emissions have been estimated. Other exceptions, listed by indicator:
401-3 The reporting covers fully integrated subsidiaries in Norway and Sweden only.
405-2 The reporting covers fully integrated subsidiaries in Norway and Sweden only.

Activities not covered by the report are of the same type as those covered by the report. In future, the company plans to report according to the same principles for consolidation as in the financial accounts and to incorporate all businesses owned by the group in the sustainability reporting.

2-3 Reporting period, frequency and contact point

Veidekke reports annually about sustainability and financial affairs. This report was published 25 March 2024 and covers the period 1 January to 31 December 2023. Questions about the report may be directed at firmapost@veidekke.no or lars.lund@veidekke.no.

2-4 Restatements of information

In this year's report, the reporting on scope 3 upstream has been extended to cover almost the entire purchase volume, and previous years' emissions in the sustainability report were recalculated accordingly. See page 110.

2-5 External assurance

Veidekke's greenhouse gas accounts for 2023 and the report's chapter on climate impact have been verified by EY in accordance with GRI 2021, to "limited assurance" level. In previous years, verification was conducted by DNV.

From the financial year 2024 on, the sustainability report as a whole will be verified by a third party, in line with CSRD requirements.

2-6 Activities, value chain and other business relationships

See pages 6-12 in the annual report.

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2-7 Employees

	Norway			Sweden			Denmark			Group		
Category	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full time	4 714	613	5 327	1 834	349	2 183	393	37	430	6 941	999	7 940
Part time	62	47	109	20	15	35	0	0	0	82	62	144
Total number of permanent employees	4 776	660	5 436	1 854	364	2 218	393	37	430	7 023	1 061	8 084
Temporary employees	207	45	252	10	1	11	9	3	12	226	49	275
Total number of employees	4 983	705	5 688	1 864	365	2 229	402	40	442	7 249	1 110	8 359

Veidekke has temporary employees but does not use contracts with non-guaranteed hours. The group bases its operations on permanent employees and considers the share of temporary employees to be acceptable.

Method

Veidekke reports the number of employees at year end.

Context

The group operates contracting activities with a high degree of in-house production in the core skills, which include carpentry, concrete works, and asphalting. A moderate number of employees are hired on a temporary basis during periods of unusually high revenue. Services are also acquired from subcontractors and other partners. The total number of employees has remained relatively unchanged in recent years, corresponding to a stable turnover.

The fluctuations in the number of employees throughout the year are small, with the exception of the asphalt operation, which employs seasonal workers during the months when asphalt laying is possible.

2-8 Workers who are not employees

Number of workers hired	
Norway	720
Sweden	49
Denmark	10
Estimated number	779

During periods of higher-than-normal revenue, temporary hiring occurs in Veidekke's core skills, especially carpentry and concrete works. Temporary staff are hired from other contracting companies or from pre-qualified staffing agencies. They carry out ordinary work tasks as part of Veidekke's ordinary teams of skilled manual workers. Temporary staff work under Veidekke management and are looked after accordingly.

The number of hired workers is estimated based on average hours worked during the period. The length of hire varies from one day to longer periods. The lower number of hired workers in Norway compared to previous years, is due to the introduction of a hiring ban in parts of the country in 2023. In Sweden, lower activity in the construction operation contributed to a lower number of hired workers.

Considerable fluctuations may occur during the year, as the number of projects and the revenue of the various geographical areas vary. The share of production by permanent employees is higher in the infrastructure operations than in the construction operations.

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2-9 Governance structure and composition

See Annual report, chapter Corporate governance, item 9 on pages 96–97.

2-10 Nomination and selection of the highest governance body

See Annual report, chapter Corporate governance, items 7 and 8 on page 96.

2-11 Chair of the highest governance body

See Annual report, chapter Corporate governance, items 8 and 9 on pages 96–97.

2-12 Role of the highest governance body in overseeing the management of impacts

See Annual report, chapter Corporate governance, item 9 on pages 96–97.

2-13 Delegation of responsibility for managing impacts

See Sustainability report, page 110.

2-14 Role of the highest governance body in sustainability reporting

See Annual report, chapter Corporate governance, item 9 on pages 96–97 and description of the materiality analysis on page 111.

The board contributed to a double materiality analysis conducted in connection with the transition to CSRD reporting from the reporting year 2024.

2-15 Conflicts of interest

See Annual report, chapter Corporate governance, items 7 and 8 on page 96.

2-16 Communication of critical concerns

Veidekke has established a compliance function that reports annually to the group's board of directors. The compliance report states the number of critical concerns which have been handled and what they pertain to. During 2023, the compliance function handled 13 critical concerns, which dealt with issues related to the working environment, fraud, and the environment. None of the concerns reported were considered as critical.

2-17 Collective knowledge of the highest governance body

See Annual report, chapter Corporate governance, item 9 on pages 96–97.

2-18 Evaluation of the performance of the highest governance body

See Annual report, chapter Corporate governance, item 9 on pages 96–97.

2-19 Remuneration policies

The current "Guidelines on the setting of remuneration for the CEO and other senior executives at Veidekke ASA" is published on the company's website.

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2-20 Process to determine remuneration

The design of and decision on salaries and other compensation schemes for the CEO and group management takes place as follows:

The board's remuneration committee handles all matters concerning salaries and compensation to the group management and submits proposals for board decisions based on the following mandate:

- Make recommendations to the board regarding the CEO's remuneration
- Advice the CEO on remuneration of the company's managers, primarily the group management
- Know the conditions and principles for remuneration of the company's management group

The shareholders submit their input on salaries and compensation to board members or at the Annual general meeting.

On recommendation from the board, the general meeting adopts "Guidelines on the setting of remuneration for the CEO and other senior executives at Veidekke ASA" and the annual "Report on remuneration to senior executives". The latter report is approved by the auditors before it is presented to the Annual general meeting. Both documents are available on veidekke.com.

Veidekke does not hire consultants to help determine salaries and remunerations, but may use consultancy services in the benchmark surveys, which are undertaken on a regular basis.

"Guidelines on the setting of remuneration for the CEO and other senior executives at Veidekke ASA" and "Report on remuneration to senior executives" were unanimously approved by the Annual general meeting.

2-21 Annual total compensation ratio

The latest "Report on remuneration to senior executives" is available from the company's website.

Veidekke's calculations of the ratio and percentage increase of total compensation are based on averages, rather than medians. See "Report on remuneration to senior executives" for further context.

2-22 Statement on sustainable development strategy

See Annual report, pages 13-14 and page 24.

2-23 Policy commitments

Anyone employed by Veidekke is responsible for behaving ethically. The group's ethical guidelines specify rules and set frameworks to help employees make good judgments and ethically wise choices in their daily work. The board and group management are responsible for Veidekke's human rights efforts through ownership of the group's governing documents, which require that Veidekke respects and promotes compliance with human rights. The governing documents include, i.a., Veidekke's ethical guidelines, policy for respect for human rights and policy for sustainability and social responsibility. Continuous efforts are ongoing to ensure compliance with the governing documents throughout the organisation.

Governing policies are published on Veidekke's website.

Human rights as expressed in workers' rights is among the topics Veidekke has identified as of material importance to the business. The topic is outlined in more detail in the chapter "Workers' rights" on page 131 of this report.

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2-24 Embedding policy commitments

Veidekke has a decentralised form of management, where the various business areas draft their own strategies and have their own management systems. At the same time, a decision can affect all business areas. Veidekke ASA has a board-approved group strategy, and all business areas have procedures to implement and operationalise the parts of the group strategy that are of relevance to their business.

Veidekke ASA has its own set of governing documents as part of the group's management system. These documents apply to all business areas and consist of e.g., ethical guidelines, group policies, group requirements and process requirements. The documents must be implemented in the business areas' own management systems, further operationalised where necessary, and complied with. Complying with the requirements and guidelines in the group's governing documents is a management responsibility, and a process for management confirmation has been established, whereby operational managers must confirm compliance status to the CEO.

Training is an important part of the implementation process and should ensure that all employees are aware of and comply with the group's governing documents. While the training mainly takes place in the business areas, business areas are provided guidance and training from Veidekke's compliance function. For example, e-learning has been prepared to ensure that all Veidekke employees are aware of and know how to comply with the group's ethical guidelines. See GRI 205-2 on page 173.

Several types of audits are carried out in the group, e.g., ISO audits, compliance checks etc. Additionally, an internal group level audit function has been established which reports twice a year to the audit committee. The internal audit function undertakes audits in areas that pose particular risk for the group and provides a compilation of audits carried out in the various business areas.

2-25 Processes to remediate negative impacts

Through the materiality analysis process (see page 111), Veidekke received good feedback from stakeholders regarding material issues. The analysis and the corresponding stakeholder dialogue have, e.g., identified which topics Veidekke has the greatest negative impact on, and which measures are required to reduce the negative impact. The results of this work are described in more detail in the chapters concerning the respective material topics.

Veidekke has set up an online portal for reporting of critical concerns and complaints. The portal can be accessed from the company's website, veidekke.com. There, any person can inform or complain about negative impacts. Complaints are processed, followed up on and measured by the business areas concerned.

2-26 Mechanisms for seeking advice and raising concerns

Veidekke has a group-wide compliance policy, and compliance and process requirements for internal reporting of critical concerns. These documents describe how Veidekke employees can in various ways obtain advice and guidance on questions related to the ethical guidelines, the underlying policies, and other governing documents. The governing principle is that employees should seek advice from their immediate manager. But Veidekke's compliance function has an independent position, and any employee may approach the function for advice.

A channel for reporting critical concerns has also been established, in line with the requirements of the Working Environment Act.

2-27 Compliance with laws and regulations

Veidekke has not identified or been involved in significant cases of non-compliance with laws and regulations during 2023.

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2-28 Membership associations

Veidekke participates in industry and environmental organisations and initiatives that promote industry interests and sustainable development goals, including:

- The Norwegian Contractors Association – Building and Construction (EBA), which is affiliated with the Federation of Norwegian Construction Industries (BNL) and the Confederation of Norwegian Enterprise (NHO). Veidekke's group CEO chairs the EBA board and is a BNL board member. Veidekke's sustainability director chairs the EBA's climate, energy, and environment committee.
- The Swedish Construction Federation, which is affiliated with the Confederation of Swedish Enterprise.
- DI Construction, which is affiliated with the Confederation of Danish Industry.
- UN Global Compact – Veidekke is a member and complies with the UN Global Compact's 10 principles for responsible business conduct. Veidekke's EVP for strategy and sustainability chairs the board of directors.
- Skift – Business Climate Leaders – Veidekke is a member, has signed the Anti-Greenwashing Charter and participates in other initiatives that promote sustainable development goals.
- Färdplan 2045 – Veidekke has adopted and committed to the Swedish roadmap.
- Zero Emission Resource Organisation (ZERO) – Veidekke is a strategic partner of this environmental foundation.
- Diversitas – Veidekke is a contributor to the leading network promoting diversity and gender balance in the construction industry.

To ensure that stakeholder dialogue is meaningful, Veidekke practices transparency about agendas, objectives, and participation.

2-29 Approach to stakeholder engagement

See Sustainability report, pages 113–114.

2-30 Collective bargaining agreements

Approximately 95% of employees in Veidekke and subsidiaries are covered by collective bargaining agreements.

Employees who are not subject to collective bargaining agreements are treated according to the same regulations and principles as other employees.

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Material topics

3-1 Process to determine material topics

See Sustainability report, page 111.

3-2 List of material topics

See Sustainability report, page 111.

ENVIRONMENTAL IMPACTS

Climate impact

3-3 Management of material topics

See pages 115-120 in the Sustainability report.

201-2 Financial implications and other risks and opportunities due to climate change

For Veidekke's analysis of risks and opportunities related to climate change, based on the Taskforce for Climate-related Financial Disclosures (TCFD) framework, see pages 186-190.

302-1 Energy consumption within the organisation

The energy reporting comprises all business operations as well as subsidiaries and jointly controlled companies with >50% ownership. Period 1 January–31. December (12 months).

The renewable share of electricity, district heating and district cooling is according to the location-based method.

The source of energy factors is Defra. The source of the renewable share of electricity is the International Energy Agency. The source of the renewable share of district heating is Swedenergy (Sweden), Fjernkontrollen (Norway) and Danish District Heating Association (Denmark). The source of remote cooling is manufacturer specific.

Veidekke does not sell energy.

Energy consumption has been reduced every year since 2021. At the same time, the renewable share increased from 37% in 2021 to 39% in 2022 and 43% in 2023. HVO and biofuel oil have replaced fossil fuels in several projects and asphalt factories.

The table shows the consumption of the various energy sources in the years 2021-2023.

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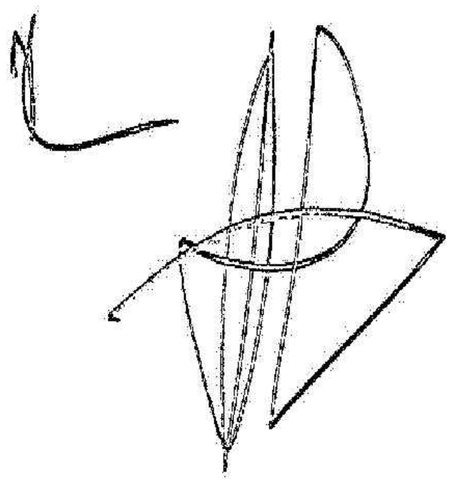

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Energy consumption from renewable and non-renewable sources, MWh	2023	2022	2021
Total MWh from renewable sources			
Fuel consumption	82 649	76 909	63 647
Biodiesel HVO	46 374	32 770	26 569
Biofuel oil	16 128	23 388	20 576
Wood pellets	694	1 148	641
Share of biofuels in fuel blends	19 255	19 603	15 862
Hydrogen	198	-	-
Consumption of purchased or acquired electricity	102 165	97 812	123 220
Consumption of purchased or acquired heat	2 182	3 178	4 645
Consumption of purchased or acquired cooling	-	-	59
Total MWh from renewable sources	186 996	177 899	191 570
MWh from non-renewable sources			
Fuel consumption	234 084	259 555	307 490
Dyed diesel (100% fossil)	24 370	106 005	137 838
Petrol	1 106	1 174	813
Share of fossil fuels in fuel blends	118 344	52 078	49 753
Fuel oil	-	12	1 736
Light fuel oil	-	45	-
LNG (liquid natural gas)	-	2 480	9 388
LPG (propane, liquid petroleum gas)	87 459	97 105	103 973
Natural gas	2 804	657	3 989
Consumption of purchased or acquired electricity[1]	10 279	9 381	9 735
Consumption of purchased or acquired heat	2 792	4 521	9 000
Consumption of purchased or acquired cooling	-	-	-
Total MWh from non-renewable sources	247 155	273 457	326 225
TOTAL (MWh)	434 152	451 356	517 795
Renewable share, %	43%	39%	37%

[1] Includes nuclear power

The following table shows the proportion of electricity (MWh) from renewable vs. non-renewable sources, in accordance with the market-based method.

Energy consumption, electricity, MWh (market-based method)	2023	2022	2021
Total, MWh from renewable sources	17 964	22 988	17 674
Total, MWh from non-renewable sources	94 479	84 205	115 281

302-2 Energy consumption outside of the organisation

Veidekke adheres to the GHG Protocol Corporate Standard (March 2004) and Technical Guidance for Calculating Scope 3 Emissions (2013). See GRI 305 for further explanation of categories.

Indirect energy consumption is based on a control approach, including operational control.

The reporting period is 1 January–31 December (12 months). The source of energy factors is Defra.

Energy consumption (MWh) outside Veidekke; in upstream and downstream value chains[1]	2023	2022	2021
3. Fuel- and energy-related activities	82 299	87 481	96 495
4. Upstream transportation and distribution	217 591	320 348	482 814
6. Business travel[2]	6 958	6 419	9 711
7. Employee commuting	22 464	23 654	18 874
8. Upstream leased assets	20 363	17 643	23 366
9. Downstream transportation and distribution	16 629	17 832	20 181
11. Use of sold products: Energy consumption in use phase of delivered construction projects, MWh[3]	1 803 683	2 367 223	1 822 015
13. Downstream leased assets	11 035	-	-
15. Investments	3 013	3 819	3 003

[1] Categories according to the Greenhouse Gas Protocol scope 3.

[2] Kilometres driven by car only. Flights are not included.

[3] Annual variations, such as the type of project and number of m² completed, will affect the result. 2021–2022 results have been updated due to a change in methodology.

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302-3 Energy intensity

Energy intensity	2023	2022	2021	Comment on development
Energy consumption per MNOK revenue	10.1	11.7	13.8	Energy consumption per MNOK revenue in 2023 was 10 MWh, which constitutes a reduction from the previous year.
- Energy consumption linked to Veidekke's total energy consumption corresponding to scopes 1 og 2	434 152	451 356	517 795	
- MNOK Veidekke	43 146	38 658	37 592	
Energy consumption per tonne of asphalt produced	86	89	84	Energy consumption per produced tonne of asphalt in Veidekke Norway and Sweden has seen little change over the past three years.
- Energy consumption linked to asphalt production corresponding to scopes 1 and 2	187 894	208 359	216 786	
- Tonnes of asphalt produced by Veidekke. (Norway and Sweden)	2 190	2 343	2 573	

Reference to ESRS disclosure requirement E1-5, Energy intensity based on net revenue, AR 37 and 38

Energy intensity per revenue, scopes 1 and 2	2023	2022	2023/2022
Total energy consumption per revenue from activities in a high climate impact sector (MWh/NOK)	10.1	11.7	-14%

Veidekke is a streamlined construction company which operates entirely in sectors with a high climate impact, ref. ESRS E1-5. Sectors with a high climate impact are those listed in NACE Sections A to H and L (as defined in Commission Delegated Regulation (EU) 2022/1288).

In 2023, energy consumption per MNOK revenue was 10 MWh, which is a reduction from the previous year.

Energy intensity per revenue	2023
Revenue from activities in sectors with a high climate impact	43 146
Revenue (other)	0
Total revenue (Financial statements)	43 146

All of Veidekke's revenue is linked to activities in sectors with a high climate impact.

305-1 Direct (scope 1) GHG emissions
305-2 Energy indirect (scope 2) GHG emissions
305-3 Other indirect (scope 3) GHG emissions

Veidekke adheres to the GHG Protocol Corporate Standard (March 2004) and Technical Guidance for Calculating Scope 3 Emissions (2013). Climate reporting is based on a control approach, including operational control. The source of emission factors is Defra for scope 1 and IEA for scope 2 and includes CO_2, CH_4, N_2O. GWP: IPCC Fifth Assessment Report (100-year GWPs). Source of emission factors for scope 3, see separate table under this indicator. The climate reporting comprises all business areas as well as subsidiaries and jointly controlled companies with >50% ownership share. Period 1 January–31 December (12 months). The base year is 2018 for scopes 1 and 2. The base year for scope 3 is 2020.

From 2023 onwards, Veidekke's climate reporting has been expanded to include emissions linked to land use changes (FLAG, i.e. Forest, Land and AGriculture), in addition to emissions from biogenic bioenergy.

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GHG accounting 2023, tCO_2eq (location-based method)	Emission source	Energy & industrial emissions (incl. fossil)	Emissions from biogenic bioenergy	FLAG emissions
Scope 1	Direct GHG emissions; fuel consumption	60 149	21 189	1 992
Scope 2	Electricity indirect GHG emissions; purchased energy	1 643	750	
Scope 3	Other indirect GHG emissions; in upstream and downstream value chains	956 786	11052	75412
	1. Purchased goods and services	722 324		779
	2. Capital goods	27 106		
	3. Fuel and energy related activities (not included in scopes 1 or 2)	14 900		
	4. Upstream transportation and distribution	58 346	1 760	
	5. Waste generated in operations	1 549		
	6. Business travel	4 294		
	7. Employee commuting	7 733		
	8. Upstream leased assets	960	7 046	
	9. Downstream transportation and distribution	4 459		
	10. Processing of sold products	N/A		
	11. Use of sold products	69 965	2 114	74 633
	12. End-of-life treatment of sold products	41 616		
	13. Downstream leased assets	3 507	119	
	14. Franchises	N/A		
	15. Investments	27	13	

GHG accounting, energy & industrial emissions, tCO_2eq (location-based method)	Emission source	2023	2022	2021	2020[1]	2018[2]
Scope 1	Direct GHG emissions; fuel consumption	60 149	56 927	78 730	94 034	111 707
Scope 2	Electricity indirect GHG emissions; purchased energy	1 643	1 406	2 560	3 333	1 653
Scope 3[3]	Other indirect GHG emissions; in upstream and downstream value chains	958 349	1 045 377	1 241 901	1 398 598	
	1. Purchased goods and services	722 324	781 071	894 140	1 000 420	
	2. Capital goods	27 106	24 980	20 710	18 660	
	3. Fuel and energy related activities (not included in scopes 1 or 2)	14 900	16 338	17 866	20 805	
	4. Upstream transportation and distribution	58 346	85 900	129 464	164 588	
	5. Waste generated in operations	1 549	8 863	4 886	4 227	
	6. Business travel	4 294	3 670	4 436	3 458	
	7. Employee commuting	7 733	7 407	4 709	6 952	
	8. Upstream leased assets	960	836	1 215	942	
	9. Downstream transport and distribution	4 459	4 781	5 411	4 254	
	10. Processing of sold products		N/A			
	11. Use of sold products	71 528	88 345	104 247	90 869	
	12. End-of-life treatment of sold products	41 616	23 145	54 796	83 407	
	13. Downstream leased assets	3 507	0	0	0	
	14. Franchises		N/A			
	15. Investments	27	41	20	14	

[1] The base year for scope 3 is 2020

[2] The base year for scopes 1 and 2 is 2018

[3] Scope 3 emissions for 2020–2023 have been restated with a significantly increase from the 2022 annual report. The main reason for the increase is that the calculation reflects Veidekke's total expenditure. Several subsidiaries have also been added. The base year for scope 3 is 2020, and the climate budget for 2021–2030 has been updated

Scopes 1 and 2: In 2023, CO_2 emissions from Veidekke's own operations amounted to 61 792 tonnes CO_2eq, which means that absolute emissions were reduced by 9.6% from 2022, and that Veidekke's climate budget was met. The reduction is linked to several fossil-free projects and increased use of biofuels in both the Norwegian and the Swedish operations, among other things.

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In 2023, for the sixth time, Veidekke obtained emissions figures for scope 3, which includes emissions in the entire value chain and amounts to approx. 94% of all emissions related to the group's operations. Veidekke has decided to use 2020 as the base year from which to measure further developments in scope 3 emissions.

GHG accounting, tCO_2eq (market-based method)	Emission source	2023	2022	2021
Scope 2	Electricity, district heating and district cooling	44 308	34 161	50 222

The table below shows Veidekke's emissions related to the consumption of biogenic bioenergy, such as HVO, bio-oil and wood pellets.

GHG accounting - biogenic bioenergy, tCO_2eq (location-based method)[1]	Emission source	2023[2]	2022	2021
Scope 1	Direct GHG emissions; fuel consumption	21 189	19 817	15 781
Scope 2	Indirect GHG emissions; electricity, district heating and district cooling	750	1 914	1 144
Scope 3	Other indirect GHG emissions; in upstream and downstream value chains	122 537	159 357	126 478
	4. Upstream transportation and distribution	1 760	1 535	N/A
	6. Business travel[3]	0	0	0
	7. Employee commuting[3]	0	0	0
	8. Upstream leased assets	7 046	6 165	8 164
	9. Downstream: transportation and distribution[3]	0	0	0
	11. Use of sold products[3]	113 599	151 657	118 314
	13. Downstream leased assets	119	0	0
	15. Investments	13	0	0

[1] Biogenic emissions comprise carbon dioxide resulting from bioenergy (HVO, bio-oil etc.) combustion, which is part of the carbon biological cycle. Veidekke requires suppliers to use palm-free bioenergy, with emissions that are considered sustainable and result in net-zero emissions.

[2] The 2023 biogenic bioenergy accounts have been expanded to include scopes 2 and 3.

[3] In these categories, calculation of biogenic bioenergy is not possible due to insufficient preconditions; the approach is conservative.

The table below shows Veidekke's FLAG emissions, i.e. greenhouse gas emissions related to land use changes on sites owned by the company and in projects handed over to customers in 2023. Data capture linked to FLAG has focused on CO_2 emissions resulting from construction on carbon-holding types of land such as forest, marsh and agricultural land. Reallocation of forests and peatlands and other carbon-holding areas for development purposes leads to greenhouse gas emissions and reduces the area's future absorption of greenhouse gases.

GHG accounting, FLAG (Forest, Land and Agriculture) emissions, tCO_2eq	Emission source	2023
Scope 1	Land use changes on Veidekke's own and leased sites	1 992
Scope 3	Other indirect GHG emissions; in upstream and downstream value chains	75 412
	1. Purchased goods and services	779
	11. Use of sold products – land use changes in infrastructure and construction projects	74 633

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The following table shows Veidekke's emissions scope categories and provides a description of the calculation method and emission sources.

	Energy and industrial emissions (including fossil)	Emissions from biogenic bioenergy	FLAG emissions
Scope 1	Includes direct emissions from fuel consumption. Data collection • Primary activity data Emission factor • Source: Defra • The emission factor includes fuel combustion (tank to wheel)	Includes direct emissions from the consumption of biodiesel. Data Collection • Primary activity data Emission Factor • Factor source: Defra • The emission factor includes the combustion of biodiesel (tank to wheel)	Land use change on the company's own plots. Data collection • The reporting applies to company-owned and long-term leased plots owned as of 31 December 2023. • Involves changes in land area from 2004 to 2023, but only for the years when Veidekke owned the plot. • Year of land seizure: if the interventions occurred over several years, the year of the most significant changes is recorded. Emission factor and calculation method • The emission factor for $kgCO_2eq/m^2$ of forest is derived from the Norwegian Environment Agency's 2022 report on land use changes (Methods for calculating greenhouse gas emissions from land use changes - report from a collaborative project between the Norwegian Public Roads Administration, Nye veier AS, Bane NOR SF, the Norwegian Railway Directorate, the Norwegian Coastal Administration, Avinor AS, and the Norwegian Environment Agency, recommendation dated 1 September 2022) • The LULUC (Land Use, Land Use Change, and Forestry) emission factors from the Norwegian Environment Agency are adapted to a national level to categorise five different types of land: Forest - low fertility, Forest - medium fertility, Forest - high fertility, Peatlands, and Agricultural land (including pasture). This includes above-ground biomass (AGB), below-ground biomass (BGB), dead organic matter (DOM), and soil organic carbon (SOC), covering all CO_2eq emissions over a 75-year period. • Emissions are allocated over a 20-year period using a linear discount rate in accordance with the Greenhouse Gas Protocol (GHGP) and Science-Based Targets initiative (SBTi) guidelines and requirements (note that GHGP's guidelines are still in draft). Emissions from land use changes on owned properties dating back 20 years are therefore included in the accounts, applying a discount rate for the year when the land change occurred.

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	Energy and industrial emissions (including fossil)	Emissions from biogenic bioenergy	FLAG emissions
Scope 2			
	Includes indirect emissions from the consumption of electricity, district heating, and district cooling. **Data collection** • Primarily activity data **Emission factor** • Source: IEA, Defra • The emission factor includes fuel combustion (tank to wheel)	Includes indirect emissions from the consumption of electricity, district heating, and district cooling. **Data collection** • Primarily activity data **Emission factor** • Factor source from Defra (out of scope) and IEA. • The emission factor includes only biogenic CO_2 from the direct combustion of biodiesel and biomass used for district heating	Not applicable
Scope 3			
1. Purchased goods and services	Purchased goods and services **Data collection** • Data is based on a spend analysis. • The result is a combination of activity data and estimates, with the respective share being specific per year. • The method is based on Veidekke's procurement data, which is a dataset that includes all incoming invoices for all majority-owned subsidiaries in the group, and emission factors that are either calculated based on activity data collected from Veidekke's largest suppliers or obtained from third-party databases such as Boverkets Klimatdatabas and Exiobase. • The dataset (purchases) is updated with varying frequency for different subsidiaries, but at least quarterly. The data is extracted from the subsidiaries' ERP systems or invoice management systems via API or manually based on an internal standard template **Emission factor and calculation method** • The emission factor covers the product phases A1-A3 in an EPD, including raw materials, transport to factory, and manufacturing, providing an emission intensity per currency unit ($kgCO_2eq$/NOK) for deliveries to Veidekke • The factor is calculated based on (1) activity data from Veidekke's largest suppliers, showing purchased quantities delivered in the reporting period with associated $kgCO_2eq$ greenhouse gas emissions, and (2) Veidekke's purchasing volume from the same suppliers in the same period, providing an emission intensity per currency unit ($kgCO_2eq$/NOK) for deliveries from a given supplier • If activity data (with EPD) from the supplier is not available, emissions are estimated from a weighted average emission factor for suppliers in the same procurement category who have provided activity data, or from generic emission factors obtained from Boverkets Klimatdatabas or Exiobase • Where purchasing data is not available, revenue-based emission estimates from an internal reference nearly identical to the business unit are used; this constitutes a small share (~10%) of the total greenhouse gas account	Not applicable	Includes relevant materials such as, e.g., wood and bitumen **Data collection** The data collection process is coordinated with scope 3, category 1 energy and industrial emission **Emission factor and calculation method** • Most emission factors are derived from the Ecoinvent database, version 3.9.1, (IPCC 2021, GWP100) • For Land Use Change (sLUC), the emission factor from Ecoinvent is based on the impact category "climate change: land use" • For Land Management CO_2, also from Ecoinvent, the emission factor is based on the impact category "climate change: biogenic"
2. Capital goods	Machinery, vehicles, real estate, factory, etc. **Data collection** • The result is estimated. • Data collection follows the same process as Category 1: Purchased goods and services. **Emission factor** • Source of factor: Exiobase; emissions per NOK	Not applicable	Not applicable

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	Energy and industrial emissions (including fossil)	Emissions from biogenic bioenergy	FLAG emissions
3. Fuel- and energy-related activities	Extraction, production, and transport of fuel and energy purchased or acquired by the reporting company in the reporting year, and not already accounted for in scopes 1 or 2. **Data collection** • The result is based on activity data. • The data includes direct emissions from fuel consumption and indirect emissions from the consumption of electricity, district heating, and district cooling **Emission factor** • The emission factor includes the production and combustion of energy sources used in the production of fuel, electricity, district heating, and district cooling. Greenhouse gas emissions from transmission and distribution are also included in the emission factor and constitute a small share • Source of factor: Defra and IEA location-specific	Not applicable	Not applicable
4. Upstream transportation and distribution	Transport and distribution of products purchased by the reporting company in the reporting year between Veidekke and level 1 suppliers and own operations (in vehicles and facilities not owned or controlled by Veidekke). **Data collection** • The result is a combination of activity data and estimates; the respective share is specific per year • Data collection follows the same process as category 1 Purchased goods and services Emission factor • Fuel type reported by selected transport services • Transport services: The emission factor includes the production and combustion of fuel (well-to-wheel). Source of factor: Defra • Transport of materials: Greenhouse gas emissions equivalent to A4 (Transport to market) in an EPD per product. Source of factor: EPD. If a specific emission factor is not available, generic sources are used	Transport and distribution of products purchased by the reporting company in the reporting year between Veidekke and level 1 suppliers and own operations (in vehicles and facilities not owned or controlled by Veidekke). **Data collection** • The result is a combination of activity data and estimates; the respective share is specific per year • Data collection follows the same process as category 1 Purchased goods and services Emission factor • Factor source from Defra (out of scope) • Emission factors include only biogenic CO_2 from direct combustion of biodiesel from transport services (tank-to-wheel)	Not applicable
5. Waste	Disposal and treatment of waste generated in the reporting company's operations in the reporting year. **Data collection** • The result is a combination of activity data and estimates; the respective share is specific per year • Data collection follows the same process as Category 1 Purchased goods and services. See Category 1 description **Emission factor** • The emission factor is specific to the type of waste and waste treatment method • Source of factor: Defra - Landfill: The emission factor includes transport to the landfill and emissions from the landfill "gate to grave" - Energy and material recycling: The emission factor includes transport to the waste treatment facility only	Not applicable	Not applicable

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	Energy and industrial emissions (including fossil)	Emissions from biogenic bioenergy	FLAG emissions
6. Business travel	Transport of employees for business-related activities in the reporting year using vehicles not owned or operated by Veidekke. Data collection • Primarily activity data • Sources of passenger kilometers, distance, etc. are Veidekke's payroll department and travel agency Emission factor • Specific emission factor, depending on the distance traveled, mode of transportation, and ticket type (applies to air travel only) and reimbursement paid per kilometer • The emission factor for air travel includes a climate forcing factor[1] • The emission factor includes the production and combustion of fuel (well-to-wheel) • Source of factor: Defra (Defra factor inclusive of climate forcing) [1] Climate forcing is a measure of climate impact used to compare the climate impact of different greenhouse gases. Source: Norwegian Environment Agency	The data to calculate biogenic bioenergy for this category is not available. Conservative approach.	Not applicable
7. Employee commuting	Transport of employees between home and workplace in the reporting year in vehicles not owned or operated by Veidekke. Data collection • Primarily activity data. • Reimbursement for use of private vehicle categorised as commuting, in kilometers. A significant portion of Veidekke employees receives compensation for commuting. The percentage is specific per year • A survey regarding commuting among office-based staff with a fixed workplace could provide a more comprehensive carbon footprint, but these employees constitute only a small percentage of Veidekke's workforce Emission factor • Source of factor: Defra. • The emission factor includes the production and combustion of fuel (well-to-wheel)	The data to calculate biogenic bioenergy for this category is not available. Conservative approach.	Not applicable
8. Leased assets	Operation of assets leased to Veidekke in the reporting year and not included in scopes 1 and 2. This includes, for example, the pellet burners used by the asphalt operations. Data collection and emission factor • Primarily activity data. • kWh/kg/liter per energy source * $kgCO_2eq$ per energy source (pellets, fuel, country-specific electricity, district heating, or district cooling) • The emission factor includes the production and combustion of fuel (well-to-wheel). Greenhouse gases from transmission and distribution are also included in the emission factor for electricity • Source of factor: Defra and IEA location-based country-specific	Includes direct emissions from the consumption of bioenergy such as pellets. Data collection • Primarily activity data Emission factor • Factor source from Defra (out of scope) • Emission factors include only biogenic CO_2 from the combustion of biodiesel (tank-to-wheel)	Not applicable

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	Energy and industrial emissions (including fossil)	Emissions from biogenic bioenergy	FLAG emissions
9. Transportation covered by the customer (downstream transportation)	Transport paid by the customer (applies if a business operation sells products picked up by the customer). Relevant products include landfill materials and aggregates. Data collection • The result is based on the number of tonnes of product transported and estimates of the type of transport and distance to the end customer Emission factor • If specific transport data is not available, generic data is used, equivalent to A4 in an EPD for a similar product	The data is not in place to calculate biogenic bioenergy for this category. Conservative approach.	Not applicable
10. Processing of sold products	No emission sources related to the treatment of sold products have been identified.	Not applicable	Not applicable
11. Use of sold products: Energy consumption in the use-phase of delivered construction projects, MWh	Related to energy consumption during the use-phase of delivered buildings in the reporting year. Data collection • Primarily activity data, the remainder is estimated. • Delivered buildings >50 million NOK / SEK / DKK, the remainder is estimated • Heated area • kWh/m² • Percentage distribution per energy source Data collection and emission factor • kWh per energy source * $kgCO_2eq$ per energy source (country-specific electricity, district heating, district cooling) • 50 year lifespan, in accordance with building regulations • The emission factor includes the production and combustion of energy sources used in the production of electricity, district heating, and district cooling. Greenhouse gases from transmission and distribution are also included in the emission factor and constitute a small share • Source of factor: The factor used is emission factor for the reporting year: IEA, location-based country-specific emission factor, and Defra. • The choice of emission factor is evaluated annually; several certification schemes, such as BREEAM NOR and FutureBuilt, use scenario-based emission factors. Reference EU-mix Scenario 2 in NS 3720	Related to the energy consumption during the use-phase for delivered buildings in the reporting year. Data collection • Primarily activity data; the remainder is estimated • Delivered buildings >50 million NOK/SEK/DKK; the remainder is estimated • Heated area • kWh/m² • Percentage distribution per energy source Emission factor • Factor source from Defra (out of scope) and IEA • The emission factor includes only biogenic CO_2 from the direct combustion of biodiesel and biomass used for district heating	Comprises land use change in delivered projects (construction and civil engineering) in the reporting year. Data collection Includes projects with revenue (final cost estimate) >50 million NOK/SEK/DKK only. Emission factors and calculation method • The emission factor for $kgCO_2eq/m^2$ for forests comes from the Norwegian Environment Agency's 2022 report on land use changes (Methods for calculating greenhouse gas emissions from land use changes – a report from a collaborative project between the Norwegian Public Roads Administration, Nye Veier AS, Bane NOR SF, the Norwegian Railway Directorate, the Norwegian Coastal Administration, Avinor AS, and the Norwegian Environment Agency, recommendation dated 1 September 2022) • sLUC (forestry and land use, Land Use Change) emission factors from the Norwegian Environment Agency have been categorised for five different land types and adapted to a national level: Forest – low fertility, forest – medium fertility, forest – high fertility, peatland, and agricultural land (including pasture). This includes aboveground biomass (AGB), belowground biomass (BGB), dead organic matter (DOM), and soil organic carbon (SOC), and all CO_2eq for a period of 75 years • A linear discount rate has not been applied to land use changes performed by Veidekke on plots not owned by the company. In scope 3, therefore, 100% of the emissions related to land use changes in the reporting year are reported

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	Energy and industrial emissions (including fossil)	Emissions from biogenic bioenergy	FLAG emissions
12. End-of-life treatment of sold products	Waste management and end-of-life treatment related to materials purchased by Veidekke in the reporting year. Data collection • The result is a combination of activity data and estimates, with the respective share being specific per year • Data collection and data are the same as for Category 1 Purchased goods and services. See Category 1 description Emission factor • Source of factor: Greenhouse gas emissions equivalent to C1-C4 in an EPD per product. If a specific emission factor is not available, a generic emission factor is used.	Not applicable	Not applicable
13. Downstream leased assets	Energy consumption in assets owned by Veidekke (lessor) and leased to others in the reporting year, not included in scopes 1 and 2. For Veidekke, this includes the lease of machines and vehicles. Data collection and emission factors • Primarily activity data • kWh/kg/liter per energy source * $kgCO_2eq$ per energy source (fuel) • The emission factor includes the production and combustion of fuel (well-to-wheel) • Factor source: Defra	Includes direct emissions from the consumption of the bioenergy component in the fuel Data collection • Primarily activity data Emission factor • Factor source from Defra (out of scope) • Emission factors include only biogenic CO_2 from the combustion of biodiesel (tank-to-wheel).	Not applicable
14. Franchises	Not applicable	Not applicable	Not applicable
15. Investments	Veidekke's share of energy consumption (corresponding to scopes 1 and 2) in joint ventures Data collection and emission factors • Activity data • Veidekke's share in the joint venture, e.g., in public-private partnerships (PPP). • kWh per energy source * $kgCO_2eq$ per energy source (e.g., fuel, country-specific electricity, district heating, district cooling) • The emission factor includes the production and combustion of energy sources used in the production of fuel, electricity, district heating, and district cooling. Greenhouse gases from transmission and distribution are also included in the emission factor and constitute a small share. • Source of factor: Defra and IEA country-specific emission factor for electricity	Includes indirect emissions from the consumption of district heating Data collection • Primarily activity data Emission factor • Factor source from Defra (out of scope) and IEA. • The emission factor includes only biogenic CO_2 from the direct combustion of biodiesel and biomass used for district heating	Not applicable

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305-4 GHG emissions intensity

GHG intensity, energy and industrial emissions	2023	2022	2021	Comments
tCO_2eq per MNOK revenue (location-based method)	1.4	1.8	2.2	The emissions amounted to 1.4 tCO_2eq per MNOK revenue, down from 1.8 tCO_2eq per MNOK revenue in 2022.
- Emissions: tCO_2eq corresponding to scopes 1 and 2	61 792	68 332	81 290	
-Total revenue in MNOK	43 146	38 658	37 592	
tCO_2eq per MNOK revenue (market-based method)	2.4	2.6	3.4	The emissions amounted to 2.4 tCO_2eq per MNOK revenue, down from 2.6 tCO_2eq per MNOK revenue in 2022.
- Emissions: tCO_2eq corresponding to scopes 1 and 2	104 457	101 088	128 952	
- Total revenue in MNOK	43 146	38 658	37 592	
tCO_2eq per MWh	0.14	0.15	0.16	The emissions from Veidekke's own operations amounted to 0.14 tCO_2eq per MWh, down from 0.15 tCO_2eq in 2022.
- Emissions: tCO_2eq corresponding to scopes 1 and 2	61 792	68 332	81 290	
- MWh corresponding to scopes 1 and 2	434 152	451 356	517 795	
tCO_2eq, tonnes per tonne of asphalt produced	13	15	15	Of Veidekke's own emissions, the asphalt operation in Norway accounted for 47% in 2023. The reduction in emissions per tonne between 2022 and 2023 can be attributed to changes in the consumption of renewable energy.
- Emissions linked to asphalt production: tCO_2eq corresponding to scopes 1 and 2	29 319	36 093	38 488	
- Asphalt (tonnes) produced by Veidekke (Norway and Sweden)	2 190	2 343	2 573	
Change in carbon productivity (ΔCAPRO)	17%	22%	21%	With a positive trend in carbon productivity over the past three years, Veidekke contributes to green growth according to the definition of CAPRO.
CAPRO[1]: Value creation/GHG emissions	0.17	0.14	0.12	
- Emissions: tCO_2eq corresponding to scopes 1 and 2	61 792	68 332	81 290	
- Value creation: EBITDA + salary costs (MNOK)	10 365	9 758	9 491	
				Carbon Productivity (CAPRO) indicates changes in the relationship between value creation (NOK) and greenhouse gas emissions (tonnes of CO_2 equivalents). With the purpose of decoupling GHG emissions from economic growth, CAPRO is a good indicator. Ideally, CAPRO would increase over time, indicating higher value creation per emission of CO_2 equivalents. When ΔCAPRO >7%, the company is showing green growth.

[1] Value creation is defined as the operating result (EBITDA) plus all salary and personnel costs (Haller, 2016; Haller, van Staden, & Landis, 2018), i.e., the difference between the company's sales revenue and external costs related to purchases, etc., and denotes the value the company creates for employees and shareholders before financial costs, depreciation, write-downs, taxes etc. Source: "Hvordan måle ekte grønn vekst og unngå grønnvaskingsfellen" (i.e. "How to measure true green growth and avoid the greenwashing trap"); article in issue #5 2019 of the Norwegian financial management journal Magma.

305-5 Reduction of GHG emissions (as a result of mitigating measures)

Measures to reduce GHG from energy and industrial emissions[1]	Change in tCO_2eq 2023–2022	Reduction in scope
More fossil-free projects, more use of biofuels in Norwegian and Swedish operations	-1 910	Scope 1
Other measures	-1 913	Scope 1

[1] Reduction calculated in relation to the previous year. Veidekke's base year for scopes 1 and 2 is 2018.

The number of fossil-free construction sites increased from 45 in 2022 to 56 in 2023. As Veidekke has several hundred active construction and civil engineering sites at any given time, this number is expected to increase in future.

The share of certified and renewable projects in % of the company's revenue was approx. 37% in 2023, compared to approx. 25% in 2022. The projects include buildings and structures that qualify for environmental certification standards as well as engineering services or projects related to renewable energy such as wind and hydro. The number of certified projects has increased, and their share of revenue is therefore expected to increase in the coming years.

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Reference to ESRS disclosure requirement E1-6, Scopes 1, 2 3 and total GHG emissions, AR 48

The table shows the development in Veidekke's GHG emissions from energy consumption and industrial activities in scopes 1, 2 and 3; reduction compared to the base year, as well as milestones and targets to 2045.

	Retrospectively				Milestones and target years		
	Base year 2018/2020	2022	2023	% 2023 / 2022	2025	2045	Annual % target[1]
Scope 1 GHG emissions							
Gross scope 1 GHG emissions (tCO_2eq)	111 707	66 927	60 149	-10%			
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%	-			
Scope 2 GHG emissions							
Gross location-based scope 2 GHG emissions (tCO_2eq)	1 653	1 406	1 643	17%			
Gross market-based scope 2 GHG emissions (tCO_2eq)	40 374	34 161	44 308	30%			
Scopes 1, 2 GHG emissions (location-based), SBTi – base year 2018 (tCO_2eq)	113 359	68 332	61 792	-10%	-50%	-90%	-4.2%
Significant scope 3 GHG emissions, SBTi – base year 2020 (tCO_2eq)[2]	756 293	472 224	398 117	-16%	-50%	-90%	-5.0%
Total gross indirect (scope 3) GHG emissions (tCO_2eq)	1 398 598	1 045 377	958 349	-8%			
1 Purchased goods and services	1 000 420	781 071	722 324	-8%			
2 Capital goods	18 660	24 980	27 106	9%			
3 Fuel and energy-related activities (not included in scope 1 or scope 2)	20 805	16 338	14 900	-9%			
4 Upstream transportation and distribution	164 583	85 900	58 346	-32%			
5 Waste generated in operations	4 227	8 863	1 549	-83%			
6 Business traveling	3 458	3 670	4 294	17%			
7 Employee commuting	6 952	7 407	7 733	4%			
8 Upstream leased assets	942	836	960	15%			
9 Downstream transportation	4 254	4 781	4 459	-7%			
10 Processing of sold products	N/A	N/A	N/A	-			
11 Use of sold products	90 869	88 345	71 528	-19%			
12 End-of-life treatment of sold products	83 407	23 145	41 616	80%			
13 Downstream leased assets	-	-	3 507	New activity[3]			
14 Franchises	N/A	N/A	N/A	-			
15 Investments	14	41	27	-34%			
Total GHG emissions (location-based) (tCO_2eq)		1 113 709	1 020 141	-8%			
Total GHG emissions (market-based) (tCO_2eq)		1 146 465	1 062 806	-7%			

[1] Annual reduction refers to Veidekke's climate budgets to 2030, based on the Science-based target initiative (SBTi), linear reduction, indicating annual reductions of -4.2% for scopes 1 and 2 and -5% for scope 3.

[2] Prioritisation of categories 1, 3, 4, 6 and 12 in the 2030 SBTi target

[3] Machine and vehicle rentals

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Veidekke's climate targets of halving greenhouse gas emissions by 2030 and reaching net zero by 2045 have been approved by the SBTi.

At the time the scope 3 climate budget was set in 2021, the largest emission sources were included, comprising approx. 80%. With the new method, a CO_2eq value has been set for all purchases of goods and services, which means that the prioritised categories/delineations cover approx. 50% of emissions. In 2024, the climate target and its scope will be updated to include all emissions and take into account emissions related to land use changes (FLAG emissions) (SBTi process).

Total scopes 1 and 2 greenhouse gas emissions (location-based method) were down 10% in 2023 compared to 2022. Total scope 3 emissions were down 8% and prioritised scope 3 categories were down 16% on the preceding year.

Reference to ESRS disclosure requirement E1-6 Total, scopes 1, 2, 3, and total GHG emssions, AR 54 and 55

GHG intensity per net revenue in MNOK, energy and industrial emissions	2023	2022	% 2023/ 2022
Total GHG emissions (scopes 1, 2 and 3, location-based method) per net revenue (tCO_2eq/MNOK)	23.6	28.8	-18%
Total GHG emissions (scopes 1, 2 and 3, market-based method) per net revenue (tCO_2eq/MNOK)	24.6	29.7	-17%

The table below shows net revenue used in the calculation of AR 37 and 54.

	2023	
Net revenue used to calculate GHG intensity	43 146	100% of Veidekke total net revenue
Net revenue (other)	0	0
Total net revenue (financial statements)	43 146	100% of Veidekke total net revenue

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Biodiversity and habitats

3-3 Management of material topics

See Sustainability report, pages 121–123.

304-2 Significant impacts of activities, products and services on biodiversity

The bulk of Veidekke's land properties is associated with the group's industrial operation in Norway. The tables below show the number of red-listed and invasive alien species linked to plots wholly-owned by Veidekke in the reporting year.

The Construction and Infrastructure business areas handle red-listed species and invasive species at project level, and as of today this work has not been aggregated at company level.

Land use change in 2023[1]	Affected area in m²
Company-owned plots[2]	
Forest, low fertility	1 544 788
Forest, medium fertility	240 516
Forest, high fertility	269 607
Agricultural area	57 328
Peatland	-
Projects delivered in the reporting year	
Forest, low fertility	67 700
Forest, medium fertility	158 400
Forest, high fertility	349 073
Agricultural area	421 079
Peatland	33 600
Total land use change	3 142 091

[1] 2023 is the first year the company reports on land use change and related greenhouse gas emissions.

[2] Operating properties 100%-owned by the company in the reporting year. Mapping includes land use changes registered by Veidekke over the past 20 years.

Most of the operating properties belong to the industrial operation in Norway.

The tables on the following page show red-listed and alien species linked to operating properties 100%-owned by the company in the reporting year. The plots belong to the industrial operation in Norway, which owns the majority of Veidekke's operating properties. Veidekke's Construction and Infrastructure operations handle red-listed species and alien species at project level. As of today, data are not aggregated at group level.

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IUCN's[1] Red List categorises the threat to the species' survival[2]		Number of registered red-listed species[3]
RE	Regionally extinct	0
CR	Critically endangered	0
EN	Endangered	1
VU	Vulnerable	5
NT	Near threatened	3
DD	Data deficient	0
Total		9

[1] International Union for Conservation of Nature

[2] Source: artsdatabanken.no

[3] Number of unique registered red-listed species, of which some species, such as the willow tit, may occur at several locations.

Red listed species are taken into consideration and are shielded from production activities during their most vulnerable periods. The species have been mapped, and plans for their protection have been drawn up.

Risk assessment of invasive alien species; categories[1]		Number of registered invasive species
SE	Very high risk	5
HI	High risk	0
PH	Potentially high risk	0
LO	Low risk	0
NK	No known risk	0
Total		5

[1] Source: artsdatabanken.no

In the survey of invasive alien species, only plants have been discovered. To prevent invasive species from spreading and flourishing, a control strategy is chosen, and an execution plan is drawn up.

A diversity of nature types are pivotal to safeguarding the diversity of species, the scope of variation and the ecological connections in nature. The table below provides an overview of sites operated by the Norwegian business in or near red-listed nature types and protected areas. The overview includes plots of land 100%-owned in the reporting year and is linked to Norwegian industrial operations only. The table is based on the IUCN Red List. Also included are nature types that, while not on the IUCN Red List, are protected by national authorities.

Categorising the extent to which nature types are in danger of disappearing, the Red List for nature types has been prepared by the Norwegian Artsdatabanken and experts. Nature types assessed in the categories critically endangered (CR), endangered (EN) or vulnerable (VU) are defined as endangered. Veidekke's Construction and Infrastructure operations handle protected nature types at project level. As of today, data are not aggregated at group level.

Red List-categorised nature types and protected areas[1]	Distance to the nearest red-listed nature types/protected areas	Number of registered sites[2]
Red-listed endangered nature type		14
IUCN - CR - Critically endangered	Up to 5 km	1
IUCN - EN - Endangered	Up to 5 km	4
IUCN - VU - Vulnerable	Located at or a part of the plot	1
IUCN - VU - Vulnerable	Borders on the plot	2
IUCN - VU - Vulnerable	Up to 5 km	6
Red-listed, but not endangered		9
IUCN - NT Near threatened	Borders on the plot	4
IUCN - NT Near threatened	Up to 5 km	5
Protected area		14
IUCN LC - Least concern	Borders on the plot	1
IUCN LC - Least concern	Up to 5 km	1
Protected area	Located at or a part of the plot	1
Protected area	Borders on the plot	3
Protected area	Up to 5 km	8
Number of registered plots (of 42 plots in total)		37

[1] Categorisation of nature type according to IUCN; source: artsdatabanken.no

[2] Plots owned 100% in the reporting year. The plots are linked to the industrial operations in Norway.

Red-listed nature types are taken into account, followed up on and shielded from production in zoning plans. Nature types have been mapped, and plans to protect nature have been drawn up for specific plots of land.

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Materials consumption and circular economy

3-3 Management of material topics

See Sustainability report, pages 124-126.

301-1 Materials used by weight or volume
301-2 Recycled input materials used

The table shows how much of the most significant materials were used in respective years.

Calculations are made on the basis of supplier-specific reporting from selected suppliers and are extrapolated from total costs to include the entire company. For more information about calculations, see GRI 305-3.

The proportion of materials from renewable sources and reclaimed materials is expected to increase as a result of Veidekke's circular economy activities.

Consumption of materials by weight or volume – and proportion of recycled input materials	Unit	2023	Percentage of recycled materials	2022	Percentage of recycled materials	2021	Percentage of recycled materials
Materials – non-renewable source							
Aggregates	tonne	6 036 525	0%	5 997 582	0%	5 199 892	0%
Concrete/cement							
Ready-mixed concrete	m^3	374 045	0-3%	455 600	0-3%	372 611	0-3%
Precast concrete components	tonne	245 838	0-8%	136 886	0-8%	225 505	0-8%
Cement	tonne	17 808	0%	8 156	0%	29 071	0%
Filler	tonne	16 993	0%	17 486	0%	26 358	0%
Mortar and screed	tonne	11 983	0%	3 868	0%	6 979	0%
Bitumen	tonne	263 995	0%	104 385	0%	135 768	0%
Steel products		73 067		116 671		151 122	
Reinforcement steel	tonne	32 796	99%	41 066	99%	54 239	99%
Steel components (nuts, washers, sleeves, etc.)	tonne	15 970	99%	N/A	N/A	N/A	N/A
Piles/sheet piling	tonne	15 462	65%	71 114	65%	93 416	65%
Structural steel	tonne	8 839	57%	4 491	57%	3 467	57%
Other							
Salt	tonne	46 497	0%	36 516	0%	38 541	0%
Windows	m^2	46 375	14%	44 916	14%	61 713	12%
Facade glazing	m^2	10 821	7%	215	7%	29 317	7%
Materials – renewable source							
Bitumen (biogenic)[1]	tonne	N/A	N/A	N/A	N/A	N/A	N/A
Wood[2]	MNOK	1 157	0%	525	0%	660	0%

[1] The amount of biogenic bitumen is confidential.

[2] Wood is a broad category of materials, which at Veidekke comprises anything from timber, solid wood and formwork materials to floors, kitchens, and other building furnishings.

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The table below shows the proportion of certified wood and palm-free biofuel in each year. For suppliers and subcontractors who can document that they use certified wood, the calculation is estimated. The proportion of certified wood is expected to increase, as a result of the requirements placed on all links in the value chain.

Veidekke participates in industry collaboration to develop standardised system support for the exchange of data regarding documentation and traceability in the value chain. Veidekke uses certifications to ensure traceability (zero deforestation). The work to fulfill the requirements related to deforestation is an ongoing process.

Materials – renewable source	2023	2022	2021
Total share of certified wood (FSC, PEFC, SFI med CoC, CSA), %	85%	77%	74%

Use of biofuels: Group requirements stipulate that sustainable biofuel cannot contain any element of palm oil.

Limitations, assumptions, and comments

Consumption of materials was limited to Veidekke's direct purchases of materials. Due to a lack of data, consumption of materials included in Veidekke's subcontracts were mostly omitted. For suppliers that did not report Veidekke's purchase volume directly in NOK, the purchase volume registered to the supplier in Veidekke's invoice management systems was used.

The percentage of reclaimed materials was based on data from EPDs related to products bought by Veidekke, which were largely identical in 2022 and 2023. The percentage of reclaimed materials per materials category was therefore assessed to be at the same level as in previous years. Where reclaimed materials are stated as an interval, the percentage of reclaimed materials will have varied across the product category, and the data will not have permitted a one-to-one link between volume and the associated EPD.

Aggregates are a combination of materials produced in-house and externally.

Bitumen volume is derived from Veidekke's asphalt operations' production statistics.

Veidekke will continue to work with suppliers to improve data.

306-1 Waste generation and significant waste-related impacts

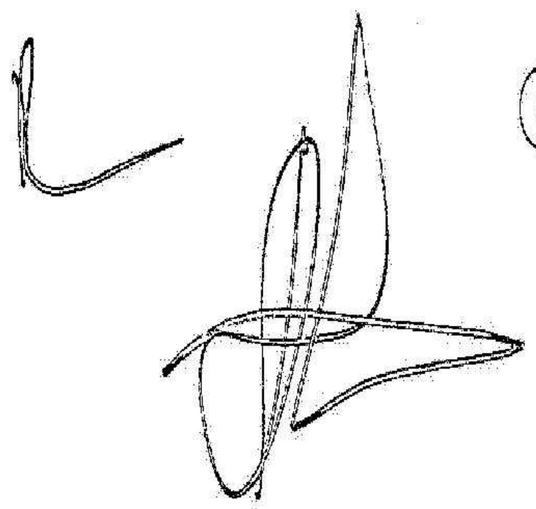
See description of impacts from Veidekke's operations in the Sustainability report, chapter Materials consumption and circular economy on page 124.

306-2 Management of significant waste-related impacts

All projects are required to have a waste plan. Below are extracts from a checklist used in all projects. The list is part of the waste plan that ensures that the amount of waste is reduced and goes, in order of priority, to reuse, reclaimed materials, energy recovery and landfill. Veidekke's procurement processes ensure that all suppliers comply with legal requirements and the requirement to regularly report waste data to projects. Projects are encouraged to use central procurement agreements with waste contractors.

- Project planning; use precast components.
- Project planning; specify and order finished sizes and pre-cut components, e.g. plasterboard, steel studs.
- Project planning; choose long-lasting materials.
- Project planning; choose materials that are easy to replace.
- Project planning; facilitate easy replacement of materials and components.
- Consider whether the packaging can be reduced or eliminated entirely.
- Consider weight and volume when choosing packaging.
- Plan production; improve quality of work performed (do it right the first time).
- Return waste materials for reuse/reclaiming of materials, e.g., as insulation, packaging, paint pails etc.
- Have materials delivered at the right time to reduce time in storage and the risk of goods being damaged during handling/moving, wastage, and moisture/weather damage.
- Establish a waste plan; the most common fractions that are sorted out are concrete/brick, timber planks, treated wood planks, metals, plaster, various types of hazardous waste, cardboard/paper and plastics.
- Cooperate closely with approved carriers.
- All hazardous waste as well as electrical and electronic waste must be sorted at the construction site.
- Prioritise source sorting of fractions that are heavy, have a low fraction price and are easy to sort.
- Include source sorting in contract with subcontractors.

Central to achieving the project's waste targets is facilitation in the design phase, rigging and production planning, contracts with partners, information to everyone, follow-up, and control, as well as communication of achievement of preliminary targets.



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306-4 Waste diverted from disposal

306-5 Waste directed to disposal

The generation of waste is influenced by, e.g., the type of project, project phase and the number of projects. The calculation method is described in GRI 305-3. The table below shows an estimate of Veidekke's total amount of waste generated in the reporting company.

Disposal and treatment of waste generated in the reporting company's operations Waste in tonnes, broken down by final treatment method[1]	2023	2022	2021
Waste diverted from disposal, tonnes	101 960	120 329	48 306
Waste directed to energy recovery, tonnes	27 385	30 460	45 802
Waste directed to landfill, tonnes (excl. masses)	15 134	28 010	134 637
Soil masses directed to landfill, tonnes	34 692	496 772	339 584
Total	179 171	675 571	568 329
The amount of waste corresponds to the share of total costs linked to waste[2]	91%	90%	92%

[1] Includes both hazardous and non-hazardous waste.
[2] BRA data missing for the period 2021-2023.

Soil masses excluded, materials were recovered from 71% of the waste reported by the waste companies. Veidekke is working to increase the proportion of materials recovered going forward.

The table below shows the actual reported amount of waste and final treatment method for hazardous waste and non-hazardous waste per waste category. Waste quantity is based on data received directly from waste companies and corresponds to 29% of total costs in the waste category in 2023.

2023 waste categories, tonnes	Materials recovery	Energy recovery	Landfill	Total
Non-hazardous waste	29 347	7 225	14 281	50 853
Concrete	23 300	0	741	24 041
Soil masses[1]	516	0	10 007	10 523
Mixed waste	515	2 899	2 774	6 188
Other	5 016	4 326	759	10 101
Hazardous waste[2]	63	674	92	829
Wood	0	479	0	479
Asbestos	0	0	52	52
Mineral oil	10	5	0	15
WEEE (waste electrical/electronic equip.)	9	0	0	9
Other	44	190	40	274
Total	29 410	7 899	14 373	51 682

[1] These masses may contain contaminants that mean that they cannot be classified as clean, but are still below the threshold for hazardous waste.
[2] Classification of hazardous waste follows Norwegian Standard 9431, and Avfallsförordning (2020:614).

308-1 New suppliers screened using environmental criteria

Most of the subcontractors used by Veidekke in Norway are listed in the supplier register StartBANK, which includes assessment against environmental criteria. StartBANK-registered companies represent 84% of Veidekke's revenue related to subcontractors in Norway.

At present, Veidekke has no corresponding basis for reporting on subcontractors in Sweden, nor for the acquisition of materials in either country. Going forward, the group will consider applying other tools that can provide such data.

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SOCIAL IMPACTS

Work-related injuries

3-3 Management of material topics

See Sustainability report, pages 127–130.

403-1 Occupational health and safety management system

Veidekke's ISO certifications are linked to the individual business areas rather than the group. The business areas are certified in accordance with:
NS-EN ISO 9001:2015
NS-EN ISO 14001:2015
NS-EN ISO 3834-2:2021
NS-ISO 45001:2018

The certificate for Veidekke Entreprenør covers production/delivery of the following products and services:

Development and execution of all types of building and construction projects through execution and design and build contracts. The projects comprise design, construction, operation and maintenance of commercial and residential buildings, schools, and other public buildings, building renovations, and civil engineering projects, including road, rail, water and wind power as well as infrastructure for the oil, gas and energy sectors.

The certificate for Veidekke Industri covers production/delivery of the following products and services:

Development, planning, production and sale of asphalt and aggregates. Execution of asphalting, preparation, and road maintenance as well as administration, management and implementation of road and airport maintenance contracts.

Veidekke's Norwegian operations has an overarching audit programme that includes the units that are ISO certified and are linked to the group's business system. The audit programme includes both internal and external audits. Veidekke's quality function is responsible for establishing and ensuring implementation of the audit programme. The programme selects units and topics for audit on a risk-based approach.

Subsidiaries that are not linked to Veidekke's management system have their own systems and monitor occupational health and safety in accordance with laws and regulations.

Veidekke sets requirements for subcontractors and suppliers through the established contract templates, which include requirements regarding compliance, management system, quality assurance and risk management. ISO certification is not required, but the subcontractor must use a management system that ensures compliance with the requirements that apply, including statutory requirements, relevant requirements in Veidekke's contract with the client and Veidekke's own requirements.

In Norway, approx. 90% of the employees are covered by ISO certification. In Sweden, approx. 18% of employees are covered by ISO certification. The operations of the Danish subsidiary Hoffmann are not ISO certified.

403-2 Hazard identification, risk assessment, and incident investigation

To avoid injuries, everyone working at or for Veidekke must be aware of – and able to assess and manage – risks in their work operations.

Before starting a project, everyone, regardless of role and place of work, must undergo joint training, which addresses the construction industry's six major hazards and how the related risks should be handled.

In addition, everyone must undergo training related to project-specific risks and requirements. The training includes reporting and follow-up of undesirable incidents. Veidekke clearly emphasises that reporting such incidents does not have negative consequences for the person making the report. Nevertheless, different cultural backgrounds and other aspects can affect whether an individual feels it is safe to report. Veidekke and the industry at large are aware that the threshold for reporting can occasionally be higher among some foreign subcontractors. In some projects where personnel have long work experience in Norway, positive developments can nevertheless be noted.

All employees have access to the information that is reported. Barracks meetings are held locally at regular intervals, where reported incidents, investigation reports and other learning are reviewed and discussed.

The reporting rate in Veidekke is overall good, but there is room for improvement in the scope of what is reported, for example regarding factors that affect the working environment and work-related health issues.

To help prioritise and identify the right measures and time of implementation, "the measures ladder" is used to make overall assessment of risks and measures in a project, or in specific work operations. Construction industry

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incidents often have known risks and causes, and Veidekke's management system describes which requirements apply to reduce risk in such work operations as far as possible. But if conditions change after the first risk assessment has been made, for example related to weather conditions or conflicting work operations, situations may arise where those performing the task must make a new risk assessment. Everyone is personally responsible for both their own safety and that of their colleagues.

403-3 Occupational health services

See GRI 403-6 on page 166.

403-4 Worker participation, consultation, and communication on occupational health and safety

Preparation and revision of procedures is based, firstly, on statutory audit requirements to ensure that the group's procedures are in line with internal and external requirements, and, secondly, on experience from incidents in Veidekke's production or in the industry. Professional personnel must contribute to the preparation for such requirements or changes to be as effective as possible.

For example, in 2022, Veidekke decided to focus on the most serious accidents. Over a period of many years, the group has implemented measures to reduce the number of accidents, without achieving satisfactory results. A project group was therefore established to look at the topic through autumn 2022. The work has involved people in different roles from different parts of the organisation. Skilled manual workers and other operating project personnel were e.g., interviewed about which learning initiatives have good results locally and in production. This gave many new perspectives on what needs to be changed to achieve a greater learning effect. These perspectives have been included in the process to eliminate the most serious incidents and learn from them going forward, with the goal of reducing the number of serious work accidents. The work is headed by the group, in close cooperation with all business areas. A final decision on measures related to this process will be taken in 2024. Veidekke has brought forward the idea of an industry-wide initiative through the collaborative safety organisation SfS BA.

403-5 Worker training on occupational health and safety

Any personnel employed by or assigned to Veidekke must complete the following mandatory courses:

The e-learning Hazard-blind

Hazard-blind is an industry-wide safety course that provides risk training related to the construction and civil engineering industry's six major types of hazards, i.e., falling from heights, being crushed/trapped, large machines and vehicles, falling objects, electrical voltage, blasts/explosions. Course duration: 2 years.

The OHS agreement

Veidekke wants to clearly communicate expectations and forge a personal commitment to occupational health and safety in every employee. This course outlines Veidekke's expectations and what they entail in day-to-day work. The OHS agreement is a personal commitment to compliance when working in production in Veidekke. For the group's own employees, the course is available in the employee portal. All other personnel complete the course on an external learning platform. Course duration: 2 years.

Module 2

Module 2 reviews project-specific requirements and reminds of the other requirements and expectations in the courses Hazard-blind and the OHS agreement. The course is offered at each project, contract, or facility. Course duration: Dependent on the project's duration, but no more than 2 years.

Veidekke also uses several well-integrated tools to promote health and safety in the workplace:

Conversation about safety is a tool for an informal discussion about safety, intended to encourage reflection and awareness of risk in the workplace. The conversation is based on these basic principles:

- To get a good result, address behaviour
- To trigger the desired behaviour, hold accountable and clarify
- To achieve maximum accountability, make it personal

The OHS agreement (see top of the page)

The OHS week has been organised annually since 2011 and is a well-integrated concept, with a common programme of exercises and learning for all employees. Over the past few years, the aim has been to further build a culture where people care about each other and speak up when situations come up that could jeopardise health and life. In making safety a collective responsibility, the group is saying that anyone working for Veidekke has a responsibility to not only look after themselves, but also everyone else. Everyone makes mistakes, risk is interpreted and experienced differently, and what is deemed acceptable is highly individual. Creating a culture where people look out for each other, helps reduce the likelihood of health and life ultimately being jeopardised by one individual's decisions. The topic of the 2023 OHS week was the six major danger areas in the construction industry.

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403-6 Promotion of worker health

Veidekke's occupational health service serves the group's Norwegian operations. The service is approved by the Norwegian Labour Inspection Authority, in accordance with Regulations on administrative arrangements, chapter 2, of 1 January 2013. In line with statutory stipulations, the occupational health service has a free and independent position in matters related to the working environment.

As stipulated by the Norwegian Labour Inspection Authority, the occupational health service only handles issues related to occupational health and the working environment. In Norway, public health-related diseases are handled by general practitioners and are outside the realm of the occupational health service.

Veidekke's Norwegian operations have an agreement with Moment Organisasjon og Ledelse AS which ensures employees quick access to mental health services. The purpose is to prevent work absence or employees dropping out of working life because a mental illness develops into more serious conditions. Veidekke has no other agreements with private health institutions and does not provide health insurance or treatment insurance.

The aim of the occupational health service is to ensure more good working years for everyone working for Veidekke. The service works with, i.a., the prevention of work-related illness, improving health through a good working environment and preventing exclusion from working life, and assists with, e.g., mapping and appraising various work environment factors (physical, chemical, ergonomic, and psychosocial), carrying out occupational health examinations and providing support and guidance related to substance abuse and gambling.

Veidekke's Swedish employees have access to preventive health services through Avonova and other suppliers. The services include a health check every three years for all employees and every year for skilled manual workers over the age of 50, as well as statutory health checks, assessment of work capability, 24/7 crisis support, medical advice in connection with sickness absence, training, and access to physical therapist, psychologist, behavioural researcher, organisational consultant, and occupational therapist.

The Danish subsidiary Hoffmann has a health services agreement with Danica Pension that applies to all employees. The agreement focuses on the prevention of physical and mental illness in order to abate health problems faster and to avoid or reduce sickness absence. The agreement enables simpler and faster assessment and help when needed, by providing access to various medical and psychological expert advice. The service is provided as online consultations and various medical treatment options, and does not require referral from the employee's personal physician.

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Veidekke was an active force behind the establishment of the industry initiative Cooperation for safety in construction (SfS BA) in Norway. This is a collaboration between builders, advisers, contractors, trade unions, organisations, the Norwegian Labour Inspection Authority and other industry players with the common goal of an injury-free construction industry.

Veidekke has taken on an active role in several of SfS BA's broadly composed working groups, which are tasked with solving specific issues of importance to individual companies and the community, such as:

- common basic safety training
- fall accidents
- safe lifting
- safe assembly of components.

In 2019, the industry joined forces to develop a common, mandatory safety course to address the industry's six major injury hazards. An industry-wide safety course is more convenient for subcontractors, whose employees no longer have to take a variety of different courses, depending on which company they are assigned to.

Requirements for safe lifting operations comprise one of three focus areas in Veidekke's OHS programme Risk management. Lifting operations have known risks and great potential for injuries, should barriers fail. Veidekke has therefore developed a competence test for every role involved in lifting operations. The work has been shared with SfS BA, and Veidekke's competence test will become a joint industry requirement. A lifting guide for the industry has also been developed, and was published in June 2023 in collaboration with SfS BA.

In Veidekke, safety is a collective responsibility. This means that employees are not just responsible for their own safety but should also look out for the people around them. Experience, interpretation, and acceptance of risk varies from person to person. With a culture where everyone looks out for each other, it is less likely that one person's choice will place life and health at risk.

It is well established that when measures to improve the working environment are knowledge-based and systematically incorporated, not only will they bolster the working environment, but also improve productivity and profitability. This also underpins Veidekke's vision of more good working years for everyone. Over several years, Veidekke has implemented measures, such as the annual OHS week, that focus on health, the working environment and safety (see also GRI 403-5 on page 165).

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403-8 Workers covered by an occupational health and safety management system

See GRI 403-1 on page 164.

403-9 Work-related injuries

The various Veidekke units and subsidiaries use several systems to report undesirable incidents. Since 2018, the data from all systems has been sourced into a joint database. This experience database provides an overall overview of occupational health and safety in Veidekke, and it is also possible to sort data to local level, such as a project, contract, or district.

The group has joint systems for the categorisation and classification of deviations, with descriptions of the type of follow-up required, and corresponding governing documents are available in the group's management system. The group administration has the overall responsibility for following up on what is reported in the experience database. Any injury or serious incident must be verified by the person responsible for follow-up. Based on severity, step-by-step follow-up has been stipulated and outlined in a group-level governing document.

Veidekke has considered establishing an LTI (lost time injury) rate that includes subcontractors. In April 2022, a decision was made not to proceed with this at group level. In 2023, Veidekke Norway decided to continue working with an average-based factor, which is less resource-intensive than obtaining full hourly data from all subcontractors. This is a model applied by several of the largest contractors.

Veidekke has two main occupational health and safety goals: 0 serious injuries and a 20% annual reduction in the total number of injuries. After a positive trend continuing over several years, the target was not met in 2023.

During 2023, Veidekke experienced two incidents that resulted in serious injuries: A serious cut and fall accident in connection with the installation of plate covers resulted in an amputation at the knee for the person involved. The incident has been investigated and follow-up of the measures is ongoing, aimed particularly at planning. The second incident was a crushing injury during splicing of grounding and led to the loss of an outer finger joint.

The total number of injuries in the group was not reduced in 2023, and the target has therefore not been met. Veidekke is a large organisation with many units, several of which made progress and met their 0/20% targets, while others had the opposite development. All units are actively striving to achieve their targets, and the current OHS strategy will be continued through 2024. In 2014, by comparison, 38 incidents were categorised as serious. The reduction over time shows that Veidekke's strategic measures have effect towards both main targets, even if individual years may deviate from the trend. In addition, in the past year, "extremely serious deviations", i.e. the most serious incidents, were down 52%.

Main target: Zero serious injuries and 20% reduction per year in the total number of injuries

			Results		
Key figures	Goal 2024	Goal 2023	2023	2022	2021
Number of serious injuries	0	0	2	2	0
Number of injuries/reduction	Minimum 20% reduction	Minimum 20% reduction	247 (+2%)	245 (-19%)	297 (-13%)
LTI rate	-	-	4.8	3.0	5.5
Number of hours worked[1]	-	-	12.17	12.86	12.17
Sick leave rate	-	-	5.4%	5.5%	4.6%

[1] Own employees, million hours. The number of hours worked for subcontractors is not available.

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Workers' rights

3-3 Management of material topics

See Sustainability report, pages 131–132.

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour

During 2023, Veidekke used 19 995 suppliers and subcontractors. A risk assessment of direct suppliers has identified increased risk among 9 743 of Veidekke's subcontractors, primarily those with parent companies in Eastern Europe. Veidekke's contract terms stipulate requirements for subcontractors, and the group conducts project site inspections. Where a breach of contract or laws and regulations has been identified, the subcontractor must rectify the situation. Some subcontractors have been banned from working on Veidekke projects.

414-1 New suppliers that were screened using social criteria

Veidekke has operations in Norway, Sweden, and Denmark, all of which are countries where the risk of human rights violations is generally low. At the same time, Veidekke belongs to an industry with a somewhat elevated risk level - primarily linked to subcontractors and suppliers of materials. A risk assessment has identified increased risk among suppliers located outside Scandinavia, or with a parent company outside Scandinavia.

- Over the past five years (2019–2023), Veidekke traded with 47 338 suppliers (internal suppliers not included).
- For 25 753 of these suppliers, Veidekke has identified a global parent company.
- 1 439 suppliers have a global parent company outside Scandinavia that is monitored by Dow Jones with regard to sanctions and negative press coverage.
- In addition, Veidekke screened approx. 50 suppliers through Dow Jones in 2023.

414-2 Negative social impacts in the supply chain and actions taken

113 audits of subcontractors were carried out in 2023. 63 subcontractors were approved without deviations. Two subcontractors were reported through A-krim (cooperation scheme between the Labour Inspection Authority, the Norwegian Labour and Welfare Administration, the police, and The Norwegian Tax Administration), no companies were blocked in StartBANK, 12 had serious deviations and 38 had less serious deviations. Inspections have proven some subcontractors to be non-compliant with Veidekke requirements, their own employment agreements, or the Working Environment Act. These subcontractors have either received follow-up in order to improve their processes or have been banned from Veidekke projects.

The Swedish operations audited 480 suppliers, of whom approx. 15–20% showed deviations.

Diversity and equality

3-3 Management of material topics

See Sustainability report, pages 133–135.

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401-1 New employee hires and employee turnover

New hires		Norway			Sweden			Denmark			Group		
Category	Age	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
New hires	Under 30	275	55	330	51	15	66	60	2	62	386	72	458
New hires	30–50	270	44	314	116	27	143	36	4	40	422	75	497
New hires	Over 50	100	13	113	45	7	52	16	0	16	161	20	181
Number of new hires	All	644	112	756	212	49	261	112	6	118	968	167	1135
New hire ratio	Under 30	10%	5%	9%	10%	27%	14%	22%	n/a	21%	12%	10%	12%
New hire ratio	30–50	10%	2%	9%	10%	4%	9%	14%	25%	15%	10%	4%	9%
New hire ratio	Over 50	4%	23%	6%	13%	n/a	12%	31%	n/a	31%	9%	15%	10%

Turnover		Norway			Sweden			Denmark			Group		
Category	Age	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Share of resignations													
Turnover – voluntary resignation	Under 30	8.1%	8.3%	8.2%	5.8%	1.9%	5.1%	13.3%	20.0%	15.0%	7.7%	6.9%	7.6%
Turnover – voluntary resignation	30–50	9.3%	8.5%	9.2%	7.9%	9.1%	8.1%	14.0%	12.5%	13.8%	9.0%	8.9%	9.0%
Turnover – voluntary resignation	Over 50	2.7%	5.9%	3.0%	4.7%	5.5%	4.8%	1.8%	0.0%	1.4%	3.1%	5.5%	3.4%
Turnover – total	Under 30	11.9%	10.4%	11.7%	8.9%	9.3%	9.0%	33.3%	40.0%	35.0%	11.6%	10.8%	11.4%
Turnover – total	30–50	10.5%	8.9%	10.3%	9.7%	9.5%	9.7%	20.4%	31.3%	22.0%	10.5%	9.8%	10.4%
Turnover – total	Over 50	7.3%	9.7%	7.5%	10.9%	12.3%	11.1%	7.3%	0.0%	5.8%	8.1%	9.9%	8.3%
Number of resignations													
Turnover – voluntary resignation	Under 30	70	12	82	15	1	16	2	1	3	87	14	101
Turnover – voluntary resignation	30–50	191	24	215	84	21	105	13	2	15	288	47	335
Turnover – voluntary resignation	Over 50	44	11	55	24	4	28	1	0	1	69	15	84
Turnover – total	Under 30	103	15	118	23	5	28	5	2	7	131	22	153
Turnover – total	30–50	215	25	240	103	22	152	19	5	24	337	52	389
Turnover – total	Over 50	120	18	138	55	14	64	4	0	4	179	27	206

Comments:

Veidekke is able to attract staff with the right skills to cover employee turnover and retain the organisation's ability to execute. Geographical differences across countries and within businesses are analysed locally and are followed up with relevant measures. Downsizing and internal transfers are excluded from the calculation of total turnover.

With the youngest age groups having the highest turnover, analyses are being conducted to discover why. Total turnover is on a par with the industry, with no indications of Veidekke standing out negatively. Systematic efforts are being implemented to boost and improve processes linked to employee follow-up, including stricter requirements for clarification of expectations and feedback.

Turnover is generally higher in Denmark and Sweden than in Norway, and there are also geographical differences within each country. Due to the geographical differences, analysis and follow-up is performed locally.

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401-3 Parental leave

	Number of employees entitled to parental leave	Number of employees who took parental leave	Number of employees who returned to work after parental leave	Total number who are still Veidekke employees 12 mos after returning to work from parental leave
Veidekke Norway, of whom:	4 944	140	135	112
Women	619	20	18	16
Men	4 325	120	117	106
Veidekke Sweden, of whom	1 826	95	62	89
Women	332	26	13	27
Men	1 494	69	49	62
Veidekke Denmark, of whom[1]	195	16	14	13
Women	32	1	0	0
Men	163	15	14	13

[1] Administrative staff only

Comments:

The countries in which Veidekke operates have different rules for parental leave, with Norway providing the most comprehensive schemes, both in terms of the length of the leave and the proportion of paid leave.

Veidekke encourages both women and men to take parental leave and Veidekke's rules extend beyond statutory requirements regarding remuneration. There are procedures in place for dialogue with both women and men before and during parental leave to ensure an optimum return to work. Veidekke is satisfied with the percentage currently returning to work after the end of leave but aims for 100%. The share still working in Veidekke 12 months after returning from parental leave is also satisfactory.

Note:

The reported figures include companies in Norway, Sweden, and Denmark and represent 89% of Veidekke employees. The group will seek to further supplement these data going forward.

405-1 Diversity of governance bodies and employees

Group management and board of directors by gender and age - percentages

	Group management		Board of directors	
Age	Men	Women	Men	Women
Under 30				
30–50		10%		
Over 50	70%	20%	50%	50%

The group management comprises both men and women. The composition of the board is in accordance with legal requirements. The chair of the board of directors is a woman.

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Employees by gender and age – %

	Norway			Sweden			Denmark			Group		
Age	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total	87.9%	12.1%	100%	83.6%	16.4%	100%	91.4%	8.6%	100%	86.9%	13.1%	100%
Under 30	85.3%	14.7%	100%	80.7%	19.3%	100%	90.9%	9.1%	100%	84.8%	15.2%	100%
30-50	87.5%	12.5%	100%	82.2%	17.8%	100%	94.0%	6.0%	100%	86.1%	13.9%	100%
Over 50	89.8%	10.2%	100%	87.9%	12.1%	100%	87.9%	12.1%	100%	89.2%	10.8%	100%

The diversity indicators Veidekke is able to report on are gender and age.

Employees by the categories gender and age – %

		Norway			Sweden			Denmark			Group		
Category	Age	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Administrative staff	All	76.5%	23.5%	100%	75.0%	25.0%	100%	83.6%	16.4%	100%	76.3%	23.7%	100%
Skilled manual workers	All	96.3%	3.7%	100%	97.3%	2.7%	100%	97.9%	2.1%	100%	96.6%	3.4%	100%
Administrative staff	Under 30	10%	19%	12%	7%	12%	9%	10%	16%	11%	9%	16%	11%
Administrative staff	30-50	49%	49%	49%	64%	66%	64%	56%	34%	53%	54%	54%	54%
Administrative staff	Over 50	41%	33%	39%	29%	22%	27%	34%	50%	36%	37%	29%	35%
Skilled manual workers	Under 30	25%	48%	26%	20%	65%	21%	32%	80%	33%	24%	52%	25%
Skilled manual workers	30-50	42%	35%	42%	51%	35%	50%	41%	20%	41%	44%	35%	43%
Skilled manual workers	Over 50	33%	16%	33%	30%	0%	29%	27%	0%	26%	32%	13%	31%

Comments:

Veidekke has a good age distribution for both administrative staff and manual workers. The group management and the board of directors have no members in the age group under thirty. The members of the board of directors are women and men over the age of 50.

In the male-dominated construction industry, the proportion of women is very low, and diversity efforts are therefore directed at increasing the share of women. To date, various measures have been implemented. See pages 133-135. Recruiting women into the industry is generally challenging, and it is particularly challenging to recruit female skilled manual workers, as the total market is extremely limited. Veidekke notes with satisfaction, however, that the proportion of female apprentices continues to rise and has passed 13%. Systematic efforts are directed at improving processes for developing and retaining the women already working at Veidekke, and on providing equal opportunities.

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405-2 Ratio of basic salary and remuneration of women to men

	Administrative staff	Women, % of men		Skilled manual workers	Women, % of men	
	Age	Average basic salary	Average basic salary and remuneration	Age	Average basic salary	Average basic salary and remuneration
Norway	Under 30	98%	96%	Under 30	93%	84%
	30–50	98%	92%	30–50	96%	87%
	Over 50	90%	86%	Over 50	99%	80%
Sweden	Under 30	89%	87%	Under 30	98%	99%
	30–50	89%	89%	30–50	99%	95%
	Over 50	91%	87%	Over 50	102%	126%
Denmark	Under 30	124%	125%	Under 30	130%	129%
	30–50	75%	74%	30–50	N/A	N/A
	Over 50	67%	59%	Over 50	N/A	N/A

The table above, representing 89% of Veidekke's employees, covers the majority of Veidekke companies in Norway, Sweden and Denmark. Efforts are being made to further supplement the data so that, in future, all employees are included.

Comment:
There are differences between women's and men's wages. But overall, the wage gap between women and men has decreased from previous years, which is a very positive development.

Administrative staff:
The pay gap is narrower in the younger age groups, and increases with age. This is because most managers are men, including at the top management levels, and is reflected in both salary and other remuneration. Also, more women work in staff functions, which on average are paid less than production and line management.

On average, women take longer parental leaves. The fact that taking parental leave does not result in bonus reduction, contributes to gender equality.

The gap in total remuneration is a greater than in base salary alone. In the monitoring and analysis of remuneration differences, an examination is warranted into whether these differences can be attributed to systematic biases that favour men.

Skilled manual workers:
The proportion of women among skilled manual workers is very small, and the data therefore provides little basis for comparison between genders. In the Swedish operations, women are being paid equal to or slightly more than men. In the Norwegian operations, all age groups show substantial differences in total compensation, which calls for a more detailed analysis of whether systematic biases that favour men may be present. In Denmark, the very low proportion of female skilled manual workers provides limited grounds for analysis and conclusions.

406-1 Incidents of discrimination and corrective actions taken

In 2023, no critical concerns regarding discrimination were reported via Veidekke's external whistleblower mechanism. One concern regarding harassment has been followed up and closed. This does not include deviations and concerns reported directly to the business areas and processed there. Serious concerns reported to the business areas must be reported on to the group.

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GOVERNANCE IMPACTS

Corruption and financial crime

3-3 Management of material topics

See Sustainability report, pages 136–138.

205-1 Operations assessed for risks related to corruption

The entire Veidekke group has been assessed.

Risk assessments have revealed that the risk of corruption is greatest in the interface between suppliers and subcontractors and in interaction between Veidekke and current and potential customers. The Scandinavian countries, where Veidekke operates, is considered to have about the same risk of corruption, and the group is therefore concentrating efforts on improving its internal processes.

205-2 Communication and training about anti-corruption policies and procedures

A total of 4 478 new employees in Norway and Sweden completed the e-learning "Kloke valg" (i.e. "Make the right choice") in 2023.

628 staff in Norway and Sweden completed new employee training. In addition, 30 top managers completed ethics training as part of the group's top management programme. Veidekke has a decentralised form of management, and data is not available for all training completed in the business areas.

Any Veidekke supplier or subcontractor is contractually obliged to adhere to Veidekke's ethical guidelines for suppliers, which are attached to all agreements.

205-3 Confirmed incidents of corruption and actions taken

No incidents

206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices

None

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GRI index

Veidekke ASA has reported in accordance with the GRI Standards for the period 1 January–31 December 2023.

GRI 1: Foundation 2021

At the time of publishing, GRI has not published a sector standard for the construction and civil engineering industry.

		Omission		
Disclosure	Location	Requirement(s) omitted	Reason	Explanation
GRI 2: General Disclosures 2021				
2-1 Organisational details	page 139			
2-2 Entities included in the organisation's sustainability reporting	page 139			
2-3 Reporting period, frequency and contact point	page 139			
2-4 Restatements of information	page 139			
2-5 External assurance	page 139			
2-6 Activities, value chain and other business relationships	page 139			
2-7 Employees	page 140			
2-8 Workers who are not employees	page 140			
2-9 Governance structure and composition	page 141			
2-10 Nomination and selection of the highest governance body	page 141			
2-11 Chair of the highest governance body	page 141			
2-12 Role of the highest governance body in overseeing the management of impacts	page 141			
2-13 Delegation of responsibility for managing impacts	page 141			
2-14 Role of the highest governance body in sustainability reporting	page 141			
2-15 Conflicts of interest	page 141			
2-16 Communication of critical concerns	page 141			
2-17 Collective knowledge of the highest governance body	page 141			
2-18 Evaluation of the performance of the highest governance body	page 141			
2-19 Remuneration policies	page 141			
2-20 Process to determine remuneration	page 142			
2-21 Annual total compensation ratio	page 142	Basis for calculation of annual compensation ratio	Information unavailable/incomplete	Veidekke bases calculations of annual compensation ratio on averages rather than medians.
2-22 Statement on sustainable development strategy	page 142			
2-23 Policy commitments	page 142			
2-24 Embedding policy commitments	page 143			
2-25 Processes to remediate negative impacts	page 143			
2-26 Mechanisms for seeking advice and raising concerns	page 143			
2-27 Compliance with laws and regulations	page 143			
2-28 Membership associations	page 144			
2-29 Approach to stakeholder engagement	page 144			
2-30 Collective bargaining agreements	page 144			

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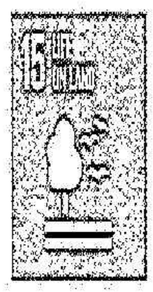
			Omission				
GRI-standard	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	UN Sustainable Development Goals	UN Global Compact
GRI 3: Material Topics 2021	3-1 Process to determine material topics	page 111					
	3-2 List of material topics	page 111					
Climate impact							
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 115–120				Goal 13: Climate action Take urgent action to combat climate change and its impacts See page 112	Environment Principle 7: Support a precautionary approach to environmental challenges Principle 8: Undertake initiatives to promote greater environmental responsibility Principle 9: Encourage the development and diffusion of environmentally friendly technologies
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	page 145					
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	page 145					
	302-2 Energy consumption outside of the organisation	page 146					
	302-3 Energy intensity	page 147					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	page 147					
	305-2 Energy indirect (Scope 2) GHG emissions	page 147					
	305-3 Other indirect (Scope 3) GHG emissions	page 147					
	305-4 GHG emissions intensity	page 156					
	305-5 Reduction of GHG emissions	page 156					
Biodiversity and habitats							
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 121–123				 Goal 15. Life on land Targets 15.2, 15.5, 15.8 See page 112	Environment Principle 7: Support a precautionary approach to environmental challenges Principle 8: Undertake initiatives to promote greater environmental responsibility Principle 9: Encourage the development and diffusion of environmentally friendly technologies
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	page 159	2023	Information unavailable/ incomplete	(1) Veidekke Sweden's land bank is not included in this year's reporting on red-listed species, alien species and red-listed habitats. (2) Project registrations of red-listed species, alien species and red-listed habitats are not aggregated at group level.		

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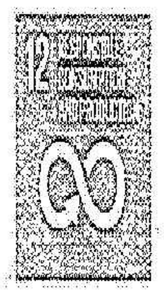
			Omission				
GRI-standard	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	UN Sustainable Development Goals	UN Global Compact
Materials consumption and circular economy							
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 124-126					
GRI 301: Materials 2016	301-1 Materials used by weight or volume	page 161	2021, 2022, 2023	Confidentiality constraints	Bio-bitumen consumption is not stated due to competitive considerations. (1) Veidekke reports on selected purchase categories only. Subcontracting is largely omitted due to limited/ no access to data from suppliers. In the reporting of materials consumption Veidekke has chosen to include the most emissions-intensive materials and subcontractors only, which make up 20% of Veidekke's total purchasing volume. Materials consumption related to the remaining 80% of Veidekke's purchasing volume is not included in the reporting. (2) The subsidiary BRA is not included in the estimate, as purchasing data for BRA is not available.	 Goal 12. Responsible consumption and production Targets 12.2, 12.5 See page 112	Environment Principle 7: Support a precautionary approach to environmental challenges Principle 8: Undertake initiatives to promote greater environmental responsibility Principle 9: Encourage the development and diffusion of environmentally friendly technologies
	301-2 Recycled input materials used	page 161	2021, 2022, 2023	Information unavailable/ incomplete			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	page 162					
	306-2 Management of significant waste-related impacts	page 162					
	306-4 Waste diverted from disposal	page 163	2021, 2022, 2023	Information unavailable/ incomplete	(1) The subsidiary BRA is not included in estimates. (2) Categorisation of non-hazardous vs. hazardous waste is not available for total waste quantities per end of waste method.		
	306-5 Waste directed to disposal	page 163	2021, 2022, 2023	Information unavailable/ incomplete	(1) The subsidiary BRA is not included in estimates. (2) Categorisation of non-hazardous vs. hazardous waste is not available for total waste quantities per end of waste method.		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	page 163	2023	Information unavailable/ incomplete	Reporting is limited to Norwegian operations and to covering subcontractors only, corresponding to 60% of Veidekke's total purchasing volume.		

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			Omission				
GRI-standard	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	UN Sustainable Development Goals	UN Global Compact
Work-related injuries							
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 127-130					
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	page 164				Goal 8. Decent work and economic growth Target 8.8 See page 112	
	403-2 Hazard identification, risk assessment, and incident investigation	page 164					
	403-3 Occupational health services	page 165					
	403-4 Worker participation, consultation, and communication on occupational health and safety	page 165					
	403-5 Worker training on occupational health and safety	page 165					
	403-6 Promotion of worker health	page 166					
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	page 166					
	403-8 Workers covered by an occupational health and safety management system	page 167					
	403-9 Work-related injuries	page 167					
Workers' rights							
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 131-132					Human Rights
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	page 168					Principle 1: Support and respect the protection of internationally proclaimed human rights
	414-1 New suppliers that were screened using social criteria	page 168				Goal 16. Peace, justice and strong institutions Target 16.5 See page 112	Principle 2: Make sure that they are not complicit in human rights abuses
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	page 168					Labour
							Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining
							Principle 4: Elimination of all forms of forced and compulsory labour
							Principle 5: Effective abolition of child labour

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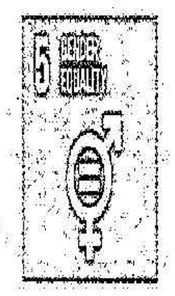
			Omission				
GRI-standard	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	UN Sustainable Development Goals	UN Global Compact
Diversity and equality							
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 133-135					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	page 169					
	401-3 Parental leave	page 170	Employees entitled to parental leave	Information unavailable/ Incomplete	The data represents 89% of the group's employees in Norway, Sweden and Denmark. Data missing for the subsidiary BRA in Sweden and some smaller Norwegian subsidiaries		Work
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	page 170					Principle 6: Elimination of discrimination in respect of employment and occupation
	405-2 Ratio of basic salary and remuneration of women to men	page 172	Ratio of the basic salary and remuneration of women to men	Information unavailable/ incomplete	The data represents 89% of the group's employees in Norway, Sweden and Denmark. Data missing for the subsidiary BRA in Sweden and some smaller Norwegian subsidiaries	Goal 5. Gender equality Target 5.5 See page 112	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	page 172					
Corruption and financial crime							
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 136-138					
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	page 173					Anti-corruption
	205-2 Communication and training about anti-corruption policies and procedures	page 173					Principle 10: Work against corruption in all its forms, including extortion and bribery
	205-3 Confirmed incidents of corruption and actions taken	page 173					
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	page 173				Goal 16. Peace, justice and strong institutions Target 16.5 See page 112	

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Gender equality statement for Veidekke's Norwegian operations

Activity duty

Working with employee representatives to survey the risk of discrimination and other obstacles to equality, Veidekke has uncovered challenge areas. Measures have been taken to counteract risk in selected areas, with implementation continuing through 2023 along with some new initiatives. In Veidekke's experience, it is significantly easier to implement structural measures than to change cultural aspects, which are linked to attitudes and behaviour. The group recognises that long-term, targeted efforts are required, including regular analyses and improvement of measures.

Considerable work remains to map the risk of discrimination and identify obstacles to equality. Veidekke prioritises efforts to achieve a more balanced gender distribution, while also recognising that discrimination can have other causes. Together with employee representatives, the group continues its work to map problem areas and implement effective measures that reduce the risk of discrimination for all groups.

Mapped risk areas	Measures initiated to reduce risk	Result assessment and expectations
Processes related to recruitment, development and remuneration processes and their interpretation and application	1. Develop guidance documents and processes for recruitment and management development 2. Ensure that recruitment and staff development processes are skills-based and intentional 3. Continue to direct attractiveness efforts at generating interest in working in the industry among women 4. Ensure greater diversity of texts and images in advertising and marketing materials 5. Employ deliberate and objective selection methods at an early stage of recruitment processes, in management evaluations and in manager appointments to prevent unconscious discrimination 6. Monitor remuneration systems to ensure gender equality and avoid discrimination	1. Implemented 2, 3, 4. The proportion of women increased in 2023 5. Given strong attention through skills-building measures relating to unconscious discrimination 6. No systematic pay differences were discovered between women and men. Persons on parental leave receive pay adjustments and their bonuses are not reduced
A male-dominated culture in which harassment, discrimination and violence against women and other minorities occur (e.g. on the basis of sexual orientation, gender identity and gender expression)	1. Zero tolerance for offensive behaviour of all kinds is enshrined in Veidekke's ethical guidelines and its diversity and gender equality policy 2. The whistleblowing procedure describes the process for reporting on matters relating to the physical and psychosocial working environment 3. Bullying and harassment was a topic in management meetings and at employee representatives' conference	1. Ongoing project which will be reinforced through further skills-building measures 2. In 2023, one critical concern relating to bullying and harassment was reported through the company's whistleblowing mechanism and dealt with 3. Implemented
The construction and civil engineering industry is male-dominated, and media coverage of discrimination can make the industry a less attractive workplace for women	1. To reduce unconscious discrimination, measures have been implemented to build skills and encourage reflection on the topic 2. Efforts to improve diversity and the working environment continue, with the goal to raise awareness of promoting an inclusive working environment, free of harassment and bullying 3. Preparation of the "Veidekke compass" 4. A survey was conducted to uncover women's ambitions and perception of opportunities 5. Establishment of women's networks	1. Skills-enhancing dialogues have been carried out in additional management groups 2. Topic at the HTU conference 3. The Veidekke compass, which is under implementation and is integrated into the employee processess, provides guidelines for which behaviour is expected of all employees and focuses, i.a., on feeling psychologically secure and valuing people's differences 4. More women want more responsibility, and some feel that they do not have the same opportunities as men. Possible measures have been assessed, for which a more detailed conclusion is pending 5. Implemented
Men and women taking parental leave may experience poor accommodation before, during and after their leave period	To ensure effective dialogue in the transition into, during and after parental leave, automated processes have been developed to ensure that meetings are held with staff before and during their leave period	Managers receive automatic reminders to hold such meetings, followed up on by HR. The measures are expected to promote better accommodation, and to encourage men and women to take parental leave and to return to the company after the leave period has ended. A large share (96%) of employees returns after parental leave, of whom 90% women and 97.5% men. The share remains high one year after returning from parental leave. Veidekke aims for everyone to return to work when their parental leave is over but is satisfied that the vast majority wishes to continue in the company
Other factors, such as gender-specific job titles and the need for physical accommodation in the form of changing rooms for women and others with a need for separate facilities	1. A decision was made to replace the job title "foreman" with "supervisor" or "production manager" 2. All projects must offer separate changing facilities for men and women 3. A separate range of work clothing for women is available 4. Free sanitary napkins and tampons are being offered in all permanent offices and piloted in selected projects	1. The job title "foreman" has been eliminated 2. Separate changing facilities have been installed for most projects, although exceptions may occur on smaller project sites 3. Implemented 4. Implemented
It is more difficult for persons with disabilities to enter an industry where the majority of staff work on construction and civil eng. sites	Wherever possible, accommodation measures are implemented for staff with disabilities	Assessed and organised individually
Little emphasis has been given to recruiting staff with a multicultural background. The resulting low proportion of such staff makes the industry even less attractive to this group	Not prioritised to date	

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Duty to issue a statement

A low share of women is a major industry challenge, which is also reflected in Veidekke. Working to achieve more diversity in the workforce, with particular attention being paid to improving the gender balance, the group has set a systematic plan to attain the goal of increasing the proportion of female operational managers to over 20%. At year-end 2023, women comprised 13.6% of operational managers in the Norwegian businesses. At the same time, women made up 12.1% of all Veidekke employees, which is at the same level as the year before. Women make up 24% of administrative staff and close to 4% of skilled manual workers. Among apprentices, the proportion of women increased to 14%, from 12.6% in 2022.

Veidekke has set a target of women making up half of students in summer jobs and 40% of recent graduates by year-end 2025. In 2023, 21% of summer jobs were held by women, compared to 33% the previous year, and 40% of recent graduates were women, compared to 44% in 2022.

Over several years, considerable attention has been paid to the recruitment of women for most functions in the group, and especially for operational management roles. Nevertheless, the proportion of women has remained stable over many years, showing only a slight increase. The percentage of female recent graduates, which is an important source of recruitment for operational management positions, has stabilised at the target figure. The favourable development in the proportion of female apprentices can be attributed to more attention being paid to the importance of vocational trades in general, and to recruiting women to these trades in particular.

	Gender balance		Temporary employees		Parental leave		Actual part-time work		Involuntary part-time work	
	Number		Number		Average number of weeks		Number		Number	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Veidekke ASA only	21	32	0	2	NaN	NaN	1	2	0	0
Veidekke in Norway	660	4 776	45	200	24	16	47	62	5	0

Note: Temporary employees are primarily seasonal workers in the asphalt operation and in summer jobs.

The proportion of part-time employees in Veidekke is very low, but genders differences exist. In the 2023 survey of involuntary part-time work, five employees, all of whom were women, reported involuntary part-time work. The possibility of increasing their hours is investigated on a regular basis. A process has been established to systematically investigate involuntary part-time work for all employees every two years.

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Salary survey

Employees are divided into six different groups which indicate equal pay for equal work. For skilled manual workers, this also represents work of equal value. Veidekke is working on improving the role structure, to be able to compare work of equal value. The term salary includes base salary and all variable benefits.

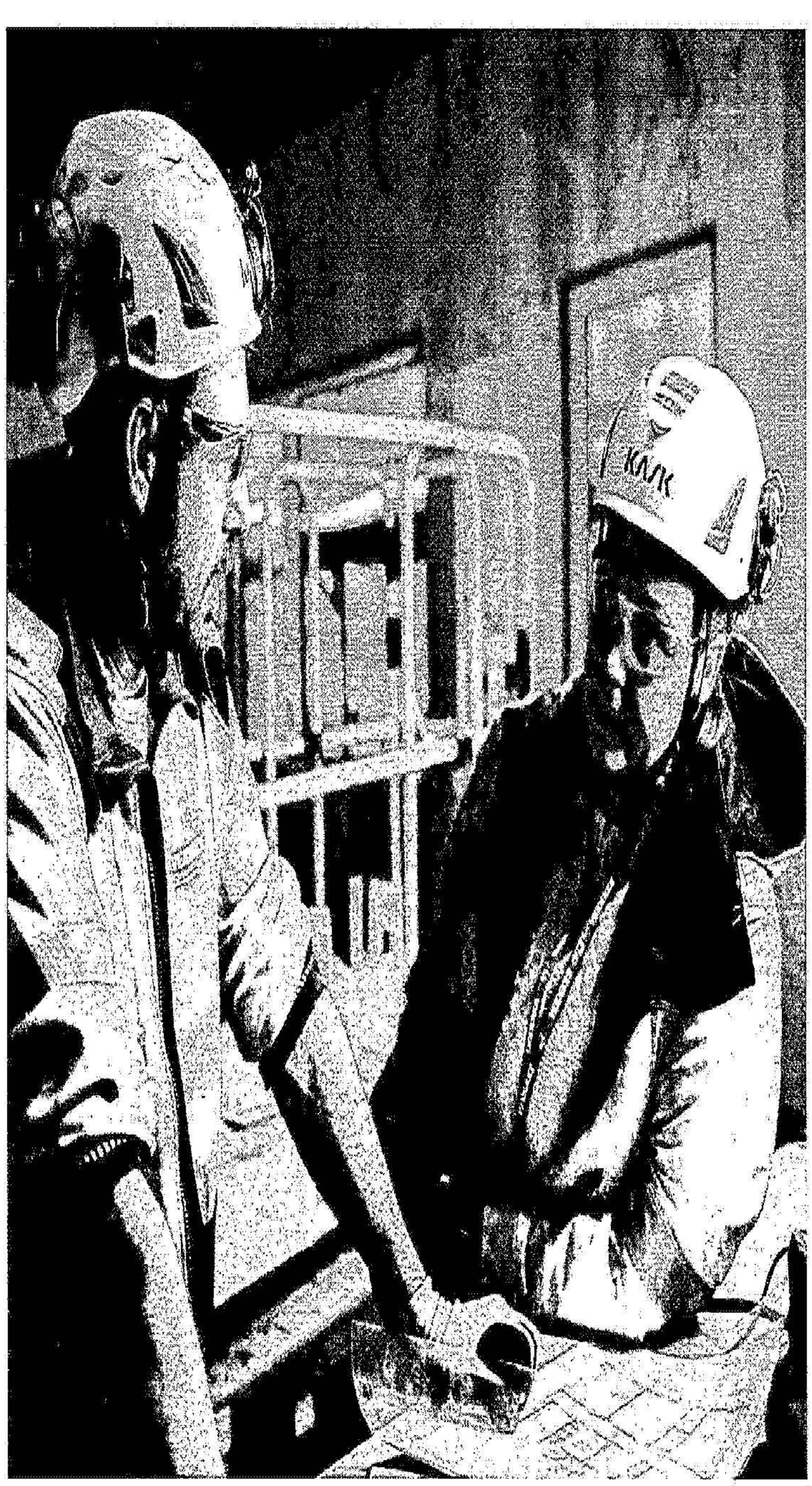
Employee category	Companies	Number of women/men	Women's salaries in % of men's
Average for the group	Veidekke		
Administrative staff entitled to paid overtime	Veidekke Group	1/2	N/A
	Veidekke in Norway	106/113	87.5
Administrative staff in management and particularly independent positions	Veidekke Group	18/24	87.5
	Veidekke in Norway	129/460	95.6
Project administrative staff entitled to paid overtime	Veidekke in Norway	85/377	85.6
Project administrative staff in management and particularly independent positions	Veidekke in Norway	109/528	90.1
Manual work team leaders	Veidekke in Norway	4/615	N/A
Skilled manual workers	Veidekke in Norway	39/1978	85.9

The figures in the above table cover 91% of Veidekke's Norwegian operations.

The survey has revealed pay differences between women and men. The differences are largely linked to the fact that the majority of employees are men who have longer seniority and hold the majority of the senior positions, both at and above the project level. Management groups are also dominated by men, and project managers – also a male-dominated category – are subject to market demand. There is less variation in base salaries than in total compensation. Among skilled manual workers, women tend to work in positions that involve less piecework and overtime. So far, the differences appear to be linked to roles. The analyses have not revealed differences linked to gender discrimination, but the units will further analyse the numbers to discover whether the differences could be systematic.

Veidekke continues efforts to facilitate for women to choose operative roles. This is addressed by the companies through both structural and cultural measures (see the activity duty).

Veidekke's subsidiaries provide an account of the activity duty and the duty to issue a statement in their respective annual reports.



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Taxonomy report 2023

The European Union's Taxonomy Regulation aims to promote sustainable investments in Europe, to help realise the European Green Deal. The taxonomy, a classification system for environmental and sustainable economic activities, provides a common framework for the construction industry, with fixed definitions and criteria for activities that may be considered sustainable. The initiative is part of the growth strategy for making Europe the world's first climate-neutral region by 2050 – and the most resource-efficient. The regulation entered into force in the EU on 1 January 2022 and in Norway on 1 January 2023.

The EU's environmental objectives

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

For an activity to be sustainable and aligned with the EU taxonomy, it must contribute significantly to at least one of the EU's six environmental objectives and not cause significant damage to any of the other five. The activity must also meet minimum social rights requirements by adhering to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Minimum conditions include human rights, corruption, taxes and fair competition. Veidekke's activities meet the social rights requirements.

The EU Taxonomy requirements are expected to lead to significant change in the construction industry. In a few years of working with the taxonomy, Veidekke has assessed the group's activities against the sustainable activity requirements. Several of the requirements call for cooperation with the customer and to meet the stipulations, projects must take certain criteria into account from the planning stage on.

Veidekke's taxonomy results 2023

For the reporting year 2023, Veidekke is reporting the shares of operating revenues and capital expenditure that are taxonomy eligible and taxonomy aligned. 92% of operating revenues were considered taxonomy eligible, which is on a par with the overall mapping of activities for 2022. 7% of the operating revenues were considered taxonomy aligned. This share is expected to increase in the future, when the criteria can be considered before work starts on the project, and at which point this is also a priority for customers. Infrastructure projects were not assessed with regard to alignment in 2023.

Of capital expenditure, 78% is considered taxonomy eligible, while 0% is considered taxonomy aligned. The process for assessing Veidekke's investments in light of the taxonomy guidelines is under development, and alignment has therefore not been assessed. Veidekke continuously invests in its asphalt factories to ensure emissions cuts.

Principles, methods, and definitions

For 2023, Veidekke reports on the key figures operating revenue and capital expenditure (capex). The taxonomy defines operating costs (opex) narrowly, rendering Veidekke's scope very limited. Operating costs are therefore not considered significant and are not reported.

Definition of key figures in the taxonomy

The taxonomy's definition of operating revenue is identical to that in the financial statements. In 2023, Veidekke had total operating revenue of NOK 43.1 billion.

The taxonomy's definition of operating costs does not coincide with IFRS. Taxonomy-related operating costs may be linked to the maintenance and repair of property, facilities and equipment considered necessary to carry out activities covered by the taxonomy.

Capital expenditure comprises the purchase of assets, products or services which are recognised in the statement of financial position and are necessary to carrying out activities for which the taxonomy has a criteria set. In Veidekke's case, this mainly includes investments in own and leased machines, properties and operating assets. Goodwill is not defined as an intangible asset according to IAS 38 and is not included in capital expenditure. Veidekke's machinery is used in several projects throughout its lifetime – and hence often in several economic activities, making it more difficult to attribute capital expenditure to specific activities. Calculating the qualified and sustainable share of capital expenditure per business

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area, requires starting with the share of taxonomy-eligible and -aligned operating revenue. Veidekke's total capital expenditure in 2023 was NOK 1.4 billion.

Method of analysis

A three-step approach has been applied to assess Veidekke's compliance with the EU taxonomy. First, activities were analysed through review of projects in all business areas, to identify taxonomy-eligible activities. At any given time, Veidekke's project portfolio comprises more than 600 unique projects, all of which must be assessed individually to determine whether they qualify as "in alignment" with the taxonomy's sustainability criteria. To simplify the process, projects were assessed under their main activity. For some smaller business areas with more homogeneous activity, the entire business area was assessed as one. The 2023 survey did not assess taxonomy-alignment for projects valued at less than NOK 25 million. Next, each project was assessed against taxonomy alignment requirements. Finally, Veidekke's activities were also mapped and confirmed to meet the social rights conditions. This includes assessment of the company's policies and practices related to human rights, corruption, taxation, and fair competition.

Assessment of taxonomy-eligible activities 2023

The bulk of Veidekke's activities are taxonomy-eligible. Non-eligible activities are mainly associated with the production of aggregates. Also, some minor projects have activities that are unmapped and that have therefore been categorised as non-eligible. Five taxonomy-qualified activities account for 84% of Veidekke's total operating revenues:

- Construction of new buildings
- Infrastructure enabling road transport and public transport
- Renovation of buildings
- Infrastructure for rail transport
- Maintenance of roads and motorways

Most Veidekke operations must meet the following requirements for an activity to qualify as taxonomy aligned:

- Climate risk analysis must be carried out, and climate adaptation measures must be implemented
- Environmental impact analysis
- 70% of waste must be prepared for reuse, recycling, or recovery
- Circularity requirements
- Energy and water consumption requirements
- Protected nature, arable land, forest etc. may not be built on
- Concrete requirements in relation to chemicals and pollution
- Noise and dust management, avoiding spread of invasive species and water stress
- The activity cannot increase net greenhouse gas emissions

Assessments of whether activities were in alignment were based on industry interpretations from Norwegian Contractors Association - Building and Construction (EBA) and The Swedish Construction Federation.

Assessment of taxonomy-aligned activity 2023

Of the operating revenues assessed as taxonomy-eligible in 2023, 7% were considered taxonomy-aligned, and hence sustainable. Of the ongoing 2023 portfolio, 16 projects were assessed to satisfy the technical criteria for taxonomy alignment, and hence to be sustainable. These projects all belonged to the "construction of new buildings" or "renovation of existing buildings" categories and were assessed under the "climate change mitigation" environmental objective. One of the projects that is on track to satisfy the technical criteria for taxonomy alignment, is Veidekke's new head office, currently under construction at Ulven, Oslo. As previously mentioned, infrastructure projects were not assessed with regard to taxonomy alignment in 2023.

The process for assessing Veidekke's investments against taxonomy guidelines is still being developed, and Veidekke's investments have therefore not yet been assessed against alignment criteria. It is estimated that of the group's taxonomy-eligible capital expenditure in 2023, a very low proportion would meet the technical criteria for taxonomy-alignment.

Share of operating revenue/total operating revenue

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	6.6%	74%
CCA	0.0%	12%
WTR	0.0%	0%
CE	0.0%	5%
PPC	0.0%	0%
BIO	0.0%	0%

Share of capex/total capex

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	61%
CCA	0.0%	12%
WTR	0.0%	0%
CE	0.0%	6%
PPC	0.0%	0%
BIO	0.0%	0%

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				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code(s)	Turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover 2022	Enabling activity	Transitional activity
		MNOK	%	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
A.TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy aligned)																			
Construction of new buildings	CCM 7.1	2 553	6.0%	Y		N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	N/A		
Renovation of existing buildings	CCM 7.2	282	0.6%	Y		N/EL	N/EL	N	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	N/A		T
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		2 855	6.6%	6.6%	0.0%	0.0%	0.0%	0.0%	0.0%								N/A		
Of which Enabling			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	N/A	E	
Of which Transitional			0.6%	0.6%						Y	Y	Y	Y	Y	Y	Y	N/A		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Construction of new buildings	CCM 7.1	19 391	44.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Infrastructure enabling road transport and public transport	CCA 6.15	5 170	12.0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Renovation of existing buildings	CCM 7.2	4 097	9.5%	EL	N/EL	N/EL	EL	N/EL	N/EL										
Infrastructure for rail transport	CCM 6.14	3 008	7.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Maintenance of roads and motorways	CE 3.4	1 715	4.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Construction , extension and operation of waste water collection and treatment	CCM 5.3	1 003	2.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	377	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Use of concrete in civil engineering	CE 3.5	375	0.9%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Anaerobic digeston of sewage sludge	CCM 5.6	667	1.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Infrastructure for personal mobility, cycle logistics	CCM 6.13	222	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Renewal of water collection, treatment and supply systems.	CCM 5.2	128	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Water supply	WTR 2.1	125	0.3%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
District heating & cooling distribution	CCM 4.15	80	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Installation, maintenance and repair of renewable energy technologies.	CCM 7.6	62	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Urban waste water treatment	WTR 2.2	62	0.1%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Transmission and distribution of electricity	CCM 4.9	56	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Demolition and wrecking of buildings and other structures	CE 3.3	44	0.1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Installation, maintenance and repair of energy efficiency equipment.	CCM 7.3	43	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Infrastructure for water transport	CCA 6.16	39	0.1%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Electricity generation from wind power	CCM 4.3	8	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		36 682	85.0%	68%	12%	0%	5%	0%	0%								N/A		
Total (A.1 + A.2)		39 537	91.6%	74%	12%	0%	5%	0%	0%								N/A		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy-non-eligible activities (B)		3 609	8.4%																
Total (A + B)		43 146	100.0%																

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				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code(s)	Capex	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of capex 2022	Enabling activity	Transitional activity
		MNOK	%	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
A.TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy aligned)																			
Capex of environmentally sustainable activities (taxonomy-aligned) (A.1)		-														N/A			
Of which Enabling										Y	Y	Y	Y	Y	Y	Y	N/A	E	
Of which Transitional										Y	Y	Y	Y	Y	Y	Y	N/A		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Construction of new buildings	CCM 7.1	326	24.2%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Acquisition and ownership of buildings	CCM 7.7	254	18.8%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Infrastructure enabling road transport and public transport	CCA 6.15	159	11.7%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Infrastructure for rail transport	CCM 6.14	142	10.5%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Maintenance of roads and motorways	CE 3.4	81	6.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Renovation of existing buildings	CCM 7.2	55	4.1%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	22	1.6%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Construction, extension and operation of waste water collection and treatment	CCM 5.3	12	0.9%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Electricity generation from hydropower	CCM 4.3	6	0.5%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Electricity generation from wind power	CCM 4.3	1	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		1 058	78.3%	61%	12%	0%	0%	0%	0%							N/A			
Total (A.1 + A.2)		1 058	78.3%	61%	12%	0%	0%	0%	0%							N/A			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of taxonomy-non-eligible activities (B)		292	21.7%																
Total (A + B)		1 351	100.0%																

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Climate-related risk – TCFD

Governance

The group strategy expresses a clear ambition of taking on an active role in the green shift, and Veidekke has laid out strategies and business systems that underpin this ambition. Veidekke has adopted the goals of the Paris Agreement and has had its own climate targets validated by the Science Based Targets initiative (SBTi). The group's climate targets have been distributed among the five business areas, with an annual greenhouse gas emissions budget.

The board of directors

The board of Veidekke is updated quarterly on the group's direct (scopes 1 and 2) greenhouse gas emissions and annually on indirect (scope 3) emissions. Achievements versus strategic ambitions are discussed at the board's annual strategy seminar. Developments in greenhouse gas emissions and climate risk are also discussed in the annual sustainability brief to the board.

Climate risk in the board committees:

- The project committee, which meets regularly to review projects in excess of NOK 800 million, includes assessment of climate impact, risk and environmental concerns.
- Together with the board, the audit committee oversees Veidekke's risk appetite. Climate risk and potential impact on the company's balance sheet is assessed annually.
- The remuneration committee oversees incentive models which include the achievement of climate targets.

Climate concerns and climate risk are also addressed in connection with investments and with divestments and acquisitions of companies, in accordance with the company's ordinary decision-making matrix.

The ultimate responsibility for assessing climate risk rests with the board and is managed in cooperation with the corporate management group.

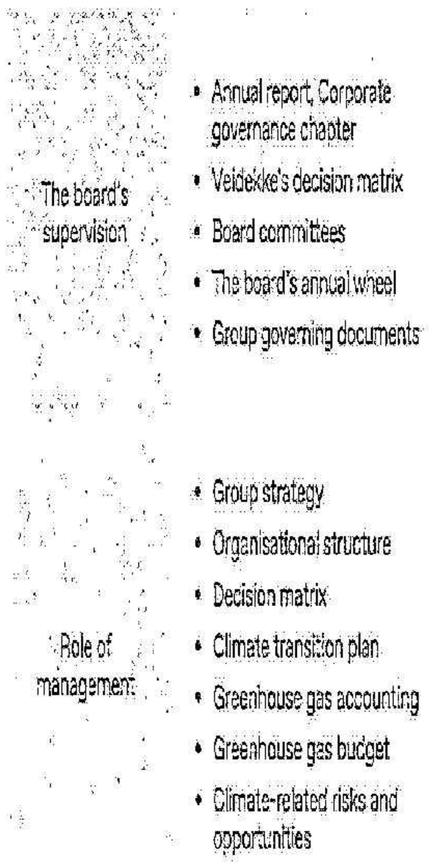
Management

Veidekke's corporate management group manages the company's business systems and decides, together with the board, the risk parameter framework.

Veidekke's CEO has overall responsibility for implementing and following up Veidekke's strategy. The responsibility for meeting climate targets rests with the business areas and their management.

The EVP for strategy and sustainability, together with the CFO, has the highest professional responsibility for climate concerns and climate risk. A sustainability council functions as an advisory body for the corporate management group.

Climate risk and opportunities are assessed annually and presented in a separate table in the annual report; see pages 189–190. Veidekke's management monitors risk continuously and considers mitigating measures where deemed necessary.



Strategy

Through a double materiality analysis, Veidekke has identified significant climate risks and opportunities that the company faces in the short, medium, and long term. In this process, Veidekke has assessed risk based on three different scenarios relevant to the business.

The significance of climate-related threats and opportunities

Veidekke is a streamlined contractor, which main activity is to select, win and execute construction and civil engineering projects in Scandinavia.

Project-based contracting activities

Veidekke carries out a wide array of construction projects, of different sizes and duration. Consequently, the company can quickly change the composition of the portfolio. This helps mitigate climate change-related risks and it also presents opportunities.

Projects account for nearly 80% of Veidekke's purchases. Decisions about solutions and materials are made by the project, in cooperation with the client and the client's advisers. As any influence on process, materials and risk must be exerted before construction start, priority is given to clients who invite Veidekke into the project at an early stage.

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Time-limited contracting activities

In Norway, Veidekke is a contractor for the operation and maintenance of public roads. The contracts in this segment are time-limited, with a typical duration of five to eight years.

Frequent weather changes can entail risk. Increased risk of water, landslides and extreme weather along the roads can also provide opportunities for assignments that the company has the expertise to handle.

Stationary operations

Asphalt and aggregates operations currently account for more than 10% of the group's revenue. Veidekke operates 28 asphalt factories and 25 aggregates plants in Norway and Sweden. The installations have a lifetime of up to 30 years, and represent total invested capital which amounted to approximately NOK 1.7 billion at year-end.

Veidekke has two factories in Norway and one in Sweden that produce precast concrete components.

All such fixed locations are monitored for extreme weather. Veidekke has carried out a climate risk analysis for all physical installations in Scandinavia.

Climate management in Veidekke's strategies

Climate is at the core of Veidekke's strategy, with regard to both the responsibilities, the commercial role the company can play in reducing emissions, and the risk that climate change can pose to the business.

Against this backdrop, the group strategy defines "an active role in the green shift" as one of three key principles in the period to 2025, alongside putting people first, and a passionate approach to the customer's project. The three principles underpin each other.

The strategy involves making choices on an ongoing basis regarding projects, materials, suppliers, energy carriers, investments, ventures, business models and customers, in line with Veidekke's ambitions.

In the companies' strategies

The business operations incorporate the group strategy guidelines and adapt the strategy to their markets and segments.

With the aim of taking on an active, commercial role in the green shift, Veidekke is deliberating various initiatives;

- Veidekke Grønn Inkubator was established by the Norwegian infrastructure business to explore business opportunities in the green shift
- Veidekke Sirkulær was established by the Norwegian construction business to explore circular economy opportunities in the construction and civil engineering industry. The first focus area is production of concrete using aggregates from demolished structures
- Veidekke is assessing opportunities in the Norwegian offshore wind market. With expertise and extensive experience from large concrete constructions, the group is ideally positioned to take part in this market
- BRA Energi is an initiative from the Swedish subsidiary BRA which works with energy optimisation in buildings.

Climate-related threats and opportunities	• Sustainability report, Climate-related risks and opportunities
Significance for business, strategy, and financial planning	• The description of operations in the annual report • Climate-related risks and opportunities
Implications of different scenarios	• In the group's response to CDP Climate Change for 2023, Veidekke explains the two scenarios used

Risk management

Climate risk is included in Veidekke's overall risk management.

The significance of climate-related threats and opportunities

The company has prepared a climate risk analysis with recommended measures to mitigate risks and exploit opportunities related to physical risk and transition risk. Assessment of climate risk is included in the corporate management group's annual plans and the board's annual sustainability review.

In its analysis, Veidekke has assessed climate risk in the form of physical risk and transition risks and opportunities linked to products and services, resource efficiency, energy sources, market, and robustness.

The company must identify, manage and, as far as is practically possible, reduce risks related to the business, which Veidekke does by;

- identifying risk
- understanding how risk arises
- assessing severity and probability
- estimating the effectiveness of existing and available measures.

Through a double materiality analysis conducted in accordance with the CSRD, Veidekke has assessed risks linked to climate and nature. The board of directors was involved in the process and decided on material topics. Probability, consequence and mitigating measures were assessed. This has been

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reported and discussed with the company's audit committee.

The group management assesses and decides on measures to reduce risk.

The processes for identifying, assessing, and managing climate-related risk are incorporated into the company's overall risk management – from projects to business areas.

Processes for identifying and assessing climate-related risk	• Sustainability report, Climate-related risks and opportunities
Processes for the management of climate-related risk	• Sustainability report, Climate-related risks and opportunities
Integration into the company's overall risk management	• Sustainability report, Climate-related risks and opportunities

Targets and methods

Veidekke adheres to the requirements of the GHG protocol, which is the most widely used and highly recognised standard for reporting greenhouse gas emissions through organisations' climate accounts.

Climate data is included in the climate accounting based on operational control. Having operational control means having day-to-day control over the building, installation, or equipment.

Veidekke's sustainability reporting is in line with GRI 2021 and is based on a materiality analysis carried out in 2022. The analysis identified climate impact, biodiversity, and circularity as material topics for the company going forward, in addition to social and governance impacts.

Veidekke reports to CDP Climate and CDP Forest annually.

Greenhouse gas emissions reporting

The business areas report direct emissions (scopes 1 and 2) quarterly, and indirect emissions (scope 3) annually. Development is followed up in quarterly presentations, and all employees have access to the data through the company's digital scoreboard.

Climate reporting comprises all business areas as well as subsidiaries and jointly controlled companies with more than 50% ownership share.

The climate accounts and the climate chapter in the sustainability report have been verified by EY. In 2022, Veidekke, as the first contractor in Scandinavia, had both short-term climate targets (2030) and the ambition to reach net zero by 2045 validated by the Science Based Target initiative (SBTi).

Veidekke will reduce emissions in the entire value chain, through successive year-by-year reduction of absolute emissions:

- Direct greenhouse gas emissions from own operations (scopes 1 and 2) to be reduced by 50% by 2030, from the base year 2018.
- Indirect emissions upstream and downstream in the value chain (scope 3 – selected categories), to be reduced by 50% by 2030, from the base year 2020.
- Veidekke has set a target to reach net zero emissions by 2045.

Methods used to assess climate-related threats and opportunities	• Sustainability report, Environmental impact
GHG emissions reporting	• Sustainability report, Environmental impact • Veidekke's website, Approved SBT – 2030 • Veidekke's website, Approved SBT – 2045 • Veidekke's website, climate transition plan • Sustainability report, GHG emissions and climate plan
Targets for management of climate-related risks and opportunities	• Sustainability report, Climate-related risk and opportunities

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Risk

Main category	Type	Cause and risk category	Probability[1]	Potential consequence	Financial effect[2]			Mitigating factors
					0-2 years	2-10 years	10+ years	
Physical risk	Chronic	Rising temperatures, sea levels, flood risk and changed rainfall patterns	Medium	Extended construction time Impaired security Unsuitable geographies Shifts in demand	None	None	Low	Contract terms Segment and market flexibility Production planning Alternative deliveries
	Urgent	More frequent/violent extreme weather	Medium	Injuries Supply chain delays	Low	Medium	High	Flexible business model, geography, segment and cost structure Update OHS risk assessments
Transition risk	Policy and regulations	Carbon pricing	High	Shifts in demand Price hikes for materials Requirements for reduction of direct emissions	Low	Low	Medium	Stay up to date on regulatory changes Expertise in energy-efficient constructions Low-emission solutions Reduced use of machines
		Reporting requirements	High	Internal time consumption Sharper spotlight from stakeholders	Medium	Low	None	Transparent reporting Efficient reporting routines Participate in the development of reporting requirements
	Technology	Products and materials requirements	High	Availability of materials Increased costs	Low	Medium	Medium	Stay up to date on materials requirements and new production methods Have an overview of alternative deliveries Cooperation with suppliers
		New materials and construction methods	High	New materials and technologies Reuse and adaptability	Low	Medium	High	Low-emission materials innovation Cooperation regarding circular economy
		Cost of transition to new technologies	High	Temporarily increased costs at introduction of new technologies	Low	Medium	High	New green technologies innovation Training in new production methods and technologies
	Market	Increased energy and raw materials costs	Medium	More expensive materials and increased energy costs Shifts in demand	Medium	Medium	Low	Energy efficiency and new energy carriers Staying close to customers and their needs
	Reputation	Loss of reputation for the sector	Low	Loss of reputation may result in lower demand	Low	Low	Low	An active role in the green shift
		Attractiveness	Low	Access to expertise if attractiveness declines	Low	Low	Medium	Transparent reporting Communication Reduction in line with climate targets
	Responsibility	Compensation claims and lawsuits	Low	Lawsuits as a result of damage to nature and the climate Compensation claims following failure to achieve targets	Low	Low	Medium	Existing risk management processes Building expertise

[1] Definition of probability: High - will most likely occur; medium - may occur; low - unlikely to occur

[2] Definition of financial effect is inherent risk, i.e. raw risk regarding mitigation measures, and is categorised as follows: High - will affect profit more than 5%; medium - will affect profit less than 5%; low - has limited effect on profit

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Opportunities

Main category	Type	Opportunities	Description	Financial effects			Mitigating factors
				0–2 years	2–10 years	10+ years	
Energy sources	Renewable energy	Wind power	Concrete foundations for offshore wind Onshore wind power	Low	Medium	High	Offshore wind has been established as a new investment segment for Veidekke
		Waterpower	Dam renewal	Low	Medium	Medium	Assessment of potential Veidekke has built a number of currently operating hydropower plants
		Geothermal power	Deep geothermal wells	Low	Low	Medium	Veidekke owns Båsum Boring, one of the Norway's leading well drillers Expertise and equipment for deep wells
		Solar power	Roof-mounted solar energy systems Facade-mounted solar energy systems Other locations	Low	Low	Medium	Veidekke Grønn Inkubator is assessing possibilities related to solar energy
Products and services	Climate-robust infrastructure	Infrastructure and nature	Ability of infrastructure and nature to handle large quantities of water	Low	Low	Medium	
		Flood and landslide protection	Adaptation of infrastructure with flood and landslide exposure	Low	Low	Medium	Veidekke can quickly adapt to new market segments
		Operation and maintenance	Services and expertise to prevent, operate and maintain infrastructure	Low	Low	High	
	New construction	Reduction of climate footprint	Climate footprint-reducing services Low emission materials and elements	Medium	High	High	Veidekke has expertise to help clients reduce greenhouse gas emissions Veidekke prefab and Grande have developed precast concrete with a low climate footprint Veidekke Sirkulær is developing circular concrete Development of environment-friendly asphalt
		Energy efficiency improvements	Services to help reduce energy consumption in new buildings Local energy production	Medium	High	High	Technical expertise in all three countries can help customers reduce energy consumption in new and existing buildings Expertise related to energy production; solar and geothermal heating
		Climate adaptations	Reinforcement of existing buildings against torrential rain	Low	Low	Medium	Expertise related to adapting to climate change
	Rehabilitation	Energy efficiency improvements	Measures and expertise to improve energy efficiency in existing buildings	Medium	Medium	High	Technical expertise in all three countries can help customers reduce energy consumption in new and existing buildings Expertise related to energy production; solar and geothermal heating
		Rehabilitation	Rehabilitate existing buildings, instead of building new buildings	Low	Low	Medium	Rehabilitation expertise
Resource efficiency	Reduce fossil fuels in own production	Electric vehicles	Development and investment in electric machines and vehicles	Low	Low	Medium	Fossil-free and emission-free building sites have long been a Veidekke priority Remains a focus for larger infrastructure projects
		Alternative energy carriers	Development of machines and vehicles operating on alternative energy sources New energy carriers at asphalt factories	Medium	Medium	High	Alternative energy carriers are key to reducing emissions
	Circular economy	Circular materials	Development of circular products and materials	Medium	Medium	High	Establishment of Veidekke Sirkulær Establishment of Veidekke Grønn Inkubator
		Recycling services	Handling of waste for new products Reuse of materials and equipment	Medium	Medium	High	Increase recycling of asphalt and invest in equipment that can receive used asphalt
		Landfill services	Handling and cleaning of construction landfill masses Handling of hazardous waste	Medium	Medium	High	Development of Veidekke's aggregates services in Norway and Sweden Acquisition of potential landfill sites

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Nature risk

Veidekke has started identifying how its operations impact and depend on nature. The overview below provides examples of impacts, dependencies, risks, and opportunities in some of Veidekke's business areas. The list is non-exhaustive and does not cover all of Veidekke's operations.

Transition risk

Legal requirements and regulations

- The EU Taxonomy explicitly requires staying out of areas with high ecological value.
- As a result of the new UN agreement on the use and management of biodiversity, the Nordic region is expanding its protected areas. This may limit the area available for construction of buildings and infrastructure. It may also curb access to materials, particularly to primary resources, such as raw materials used in the production of e.g. asphalt and concrete. This may again lead to cost increases, or to a shift towards construction with a longer duration or comprising more rehabilitation and maintenance.
- Stricter legal requirements intended to protect nature could lead to higher costs, such as taxes on raw materials.

Technology

(materials, product and process development)

- The transition to zero-emission solutions is progressing too slowly. Renewable energy sources are often more expensive, and biofuel supplies are limited and only represent a transitional solution.
- A stronger focus on materials recycling to reduce the use of virgin resources may increase costs and cause resource scarcity.
- Expectations placed on advances of technology and artificial intelligence may prove to be overly optimistic, but new technology can also present new, surprising developments.

Market

- Customers and investors expect solutions that protect the climate and nature, and Veidekke therefore has to take active part in the green shift.
- A lack of ambitious customers will reduce Veidekke's scope for protecting and restoring nature.

Reputation

- The construction of, for example, multi-cabin zones, motorways and wind farms in untouched natural areas entails land use change and may have a negative impact on Veidekke's reputation.
- Measures to reduce greenhouse gas emissions, such as wind farms, can have negative impacts on nature and may thus also damage the group's reputation.

Physical risk

- Physical risks in Veidekke's operations vary from project to project. Examples of potential risks include the spread of alien species during infrastructure construction, pollution of watercourses and land use change.

Opportunities

Veidekke has begun to map the group's impact and dependence on nature by piloting some projects and by conducting a double materiality analysis in line with the CSRD. A LEAP analysis will be completed in 2024. The group has great potential for implementing a circular operational model, and the establishment of the subsidiary Veidekke Sirkulær is intended to support this development. There is also considerable potential in developing expertise for preservation and restoration of nature. Where projects are located on previously developed sites, Veidekke can help increase the ecological value by improving biodiversity. Veidekke sees opportunities in the green shift and is bolstering its competitiveness to be in a position to lead the industry in safeguarding nature and preventing the consequences of extreme weather events.

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Articles of association Veidekke ASA

(Effective 11 May 2022)

Article 1 The name of the Company is Veidekke ASA. The Company is a public limited company.

The Company's purpose is construction and property development activities, and other economic activities related with the aforementioned. Activities may be conducted by the Company itself, by subsidiaries at home and abroad, or through participation in other companies or in cooperation with others.

Article 2 The Company's registered office is in Oslo.

Article 3 The Company's share capital is NOK 67 478 133.50 divided into 134 956 267 shares, each with a nominal value of NOK 0.50 fully paid and registered by name. The Company's shares shall be registered in the Norwegian Central Securities Depository.

Article 4 Each share carries one vote at the Annual General Meeting of the Company.

Article 5 The Company's Board of Directors shall have from eight to eleven members. A maximum of eight members and alternates shall be elected by the Annual General Meeting. A maximum of three members and alternates for those members shall be elected by and from among the Company's employees in accordance with regulations issued in pursuance of provisions in the Public Limited Companies Act (Norway) relating to employee representation on the board of directors of public limited companies. The period of office is one year. The Board of Directors elects its chairperson.

Article 6 The Company shall have a nomination committee. The committee shall have at least three members. The Annual General Meeting shall elect the nomination committee's chairperson and other members and determine the remuneration of the committee's members. The term of office is one year. The nomination committee shall submit a recommendation to the Annual General Meeting on the election of and fees to be paid to members of the nomination committee. Nominated candidates should be shareholders or representatives of shareholders. The proposal for a new nomination committee shall be such that the majority of the new nomination committee is independent of the Board of Directors and senior executives of the Company. The nomination committee may not propose the Company's chief executive officer or other senior executives as members of the nomination committee. The nomination committee shall submit a recommendation to the Annual General Meeting on the election of and fees to be paid to members of the Board of Directors. The nomination committee shall justify its recommendations.

Article 7 Two members of the Board jointly or one member of the Board and the Group CEO jointly shall have the right to sign on behalf of the Company.

Article 8 The Annual General Meeting is held every year before the end of May, at the time and place determined by the Board of Directors. The meeting is convened with at least 21 days' written notice. The agenda for the meeting shall be sent out with the notice of the meeting. The Board of Directors may decide that documents pertaining to matters to be dealt with at the Annual General Meeting that have been made available to the shareholders on the company's website will not be sent to shareholders. This also applies to documents that by law must be included in or attached to the notice of the Annual General Meeting. Shareholders may nevertheless request to be sent documents pertaining to matters to be dealt with at the Annual General Meeting. Shareholders or their authorised representatives who wish to attend and vote at the Annual General Meeting must notify the company of this within the deadline specified in the notice of the meeting. This deadline must not expire earlier than five days before the Annual General Meeting. The Board of Directors may permit shareholders to vote in advance. Advance votes must be submitted electronically no later than five days prior to the Annual General Meeting. Advance votes will be added to votes cast at the Annual General Meeting. A vote cast at the Annual General Meeting will replace the advance vote.

The Annual General Meeting shall:

- Adopt the annual accounts and annual report, including employment of profit or covering of loss, and approve the distribution of a dividend.
- Elect members of the nomination committee.
- Determine the number of Board members, elect the Board members who by law shall not be elected by the employees and any alternates for the Board members elected by the shareholders.
- Consider the Board of Directors' guidelines on salary and other remuneration to be paid to senior executives.
- Deal with other business that is by law to be addressed by the General Meeting.

Article 9 Unless otherwise provided for in these Articles of Association, the provisions in the Public Limited Companies Act (Norway) shall apply.

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Veidekke's history

Veidekke was founded in 1936 as a cobblestone cutting and laying company in Østfold county. The business gradually expanded and took on road improvement projects in several municipalities and counties in eastern Norway. The real breakthrough came in 1948, when the small company was awarded the major civil engineering contract for the construction of Sola Airport in Stavanger. With time Veidekke became a central player in airport construction in Norway, and in the late 1950s it undertook its first overseas assignment: construction of an airport in Ethiopia.

Large civil engineering projects accounted for the bulk of the business in the '60s and '70s, and in the following decades the company became a sizeable road builder. Other major civil engineering projects, such as construction of power stations and large industrial facilities for the oil sector, were added as new market areas.

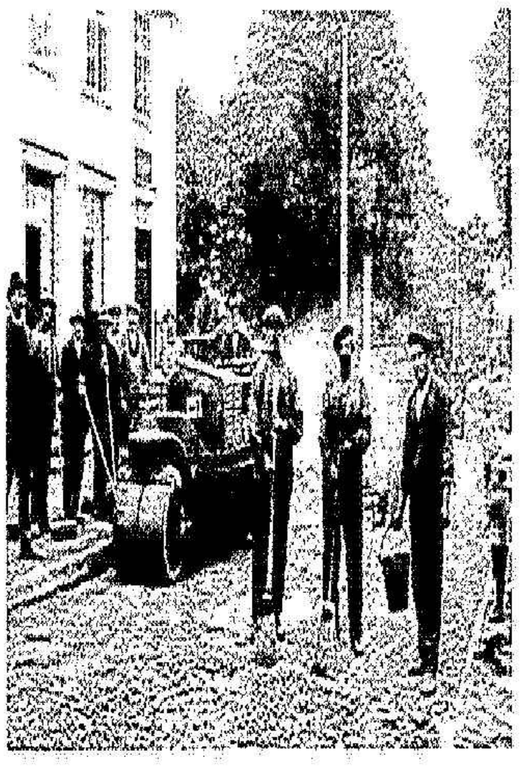
The 1980s were marked by structural changes in the construction industry, and several of the larger construction companies merged. Veidekke's strategy was to continue to develop as an independent company, marking the beginning of an era of acquisitions. A total of ten companies were merged into the group in the 1980s, and an additional 80 companies have since joined Veidekke.

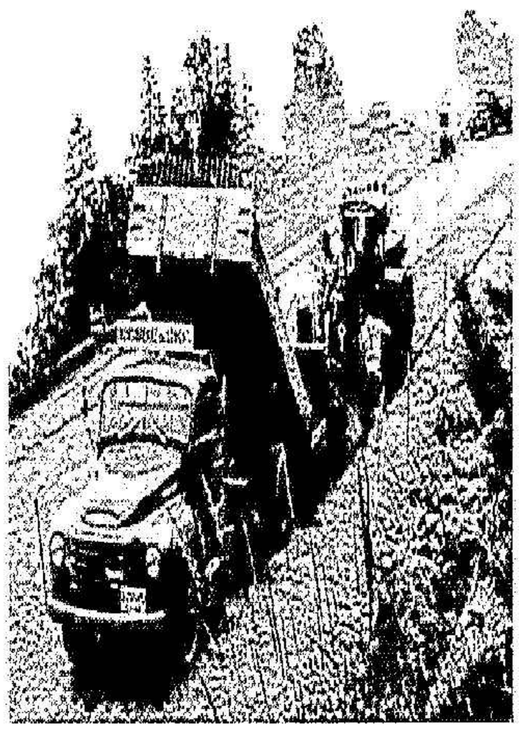
In the 1980s Veidekke expanded into a new market: construction of residential and non-residential buildings. The company's public listing on the Oslo Stock Exchange in 1986 marked another milestone.

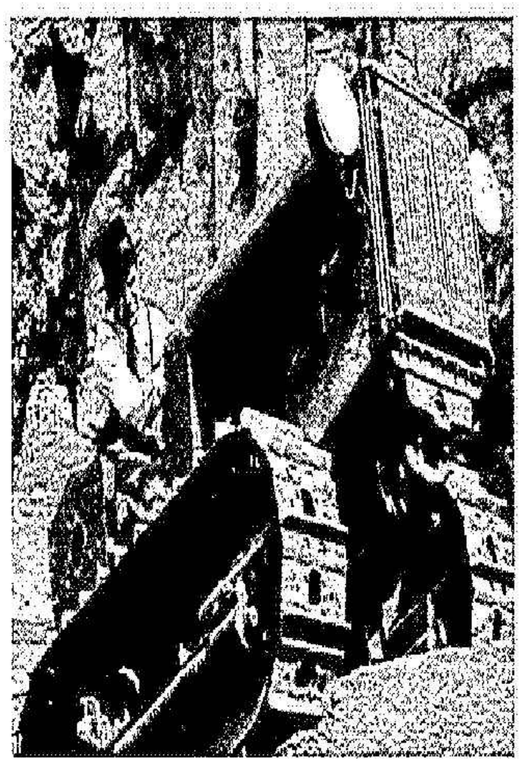
The acquisition of Aker Entreprenør in 1991 resulted in a doubling of the company's revenue, marking the advent of a decade of strong growth. In addition, Veidekke decided to focus on property development as a new business area.

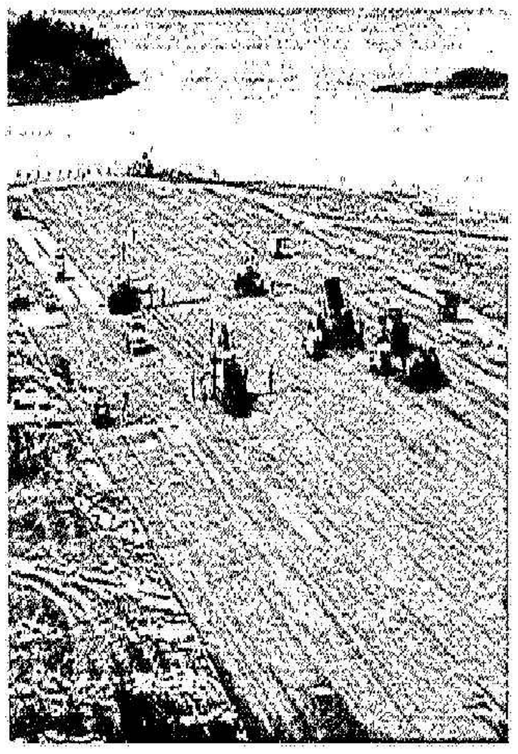
The group was also looking for expansion opportunities in Sweden and Denmark. In 2000, Veidekke acquired Hoffmann A/S, Denmark's oldest and fourth largest contractor, and at about the same time, the group started operations in Gothenburg, Stockholm and Scania.

After the divestment of the property development business in 2020, Veidekke is a streamlined contractor. Towards 2025, Veidekke focuses on generating profitable growth and providing an attractive dividend to shareholders. Veidekke plans to achieve this by applying its passion for the client's project, creating value through collaboration and involvement, taking an active role in the green shift, and monitoring risk at all levels.









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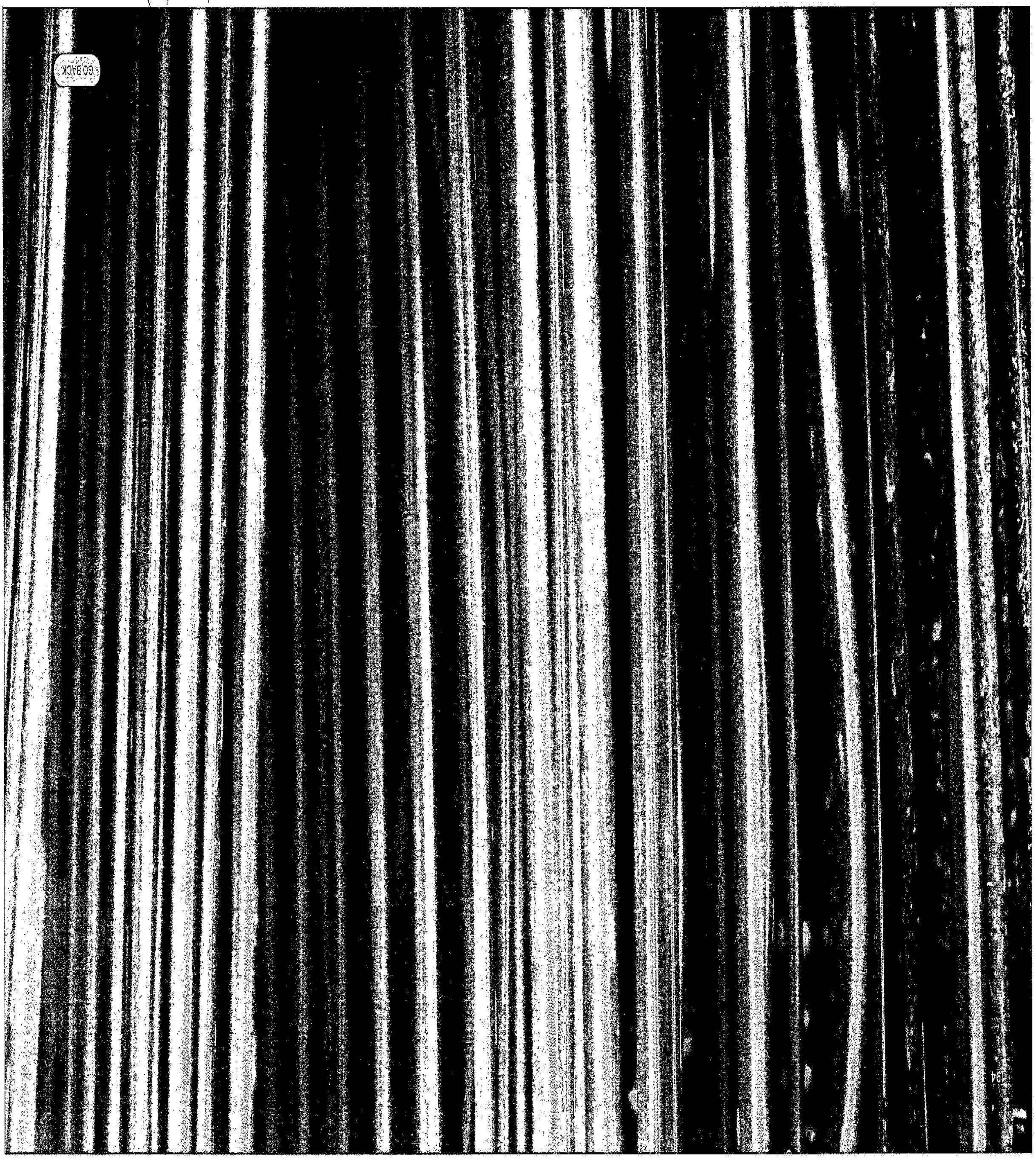
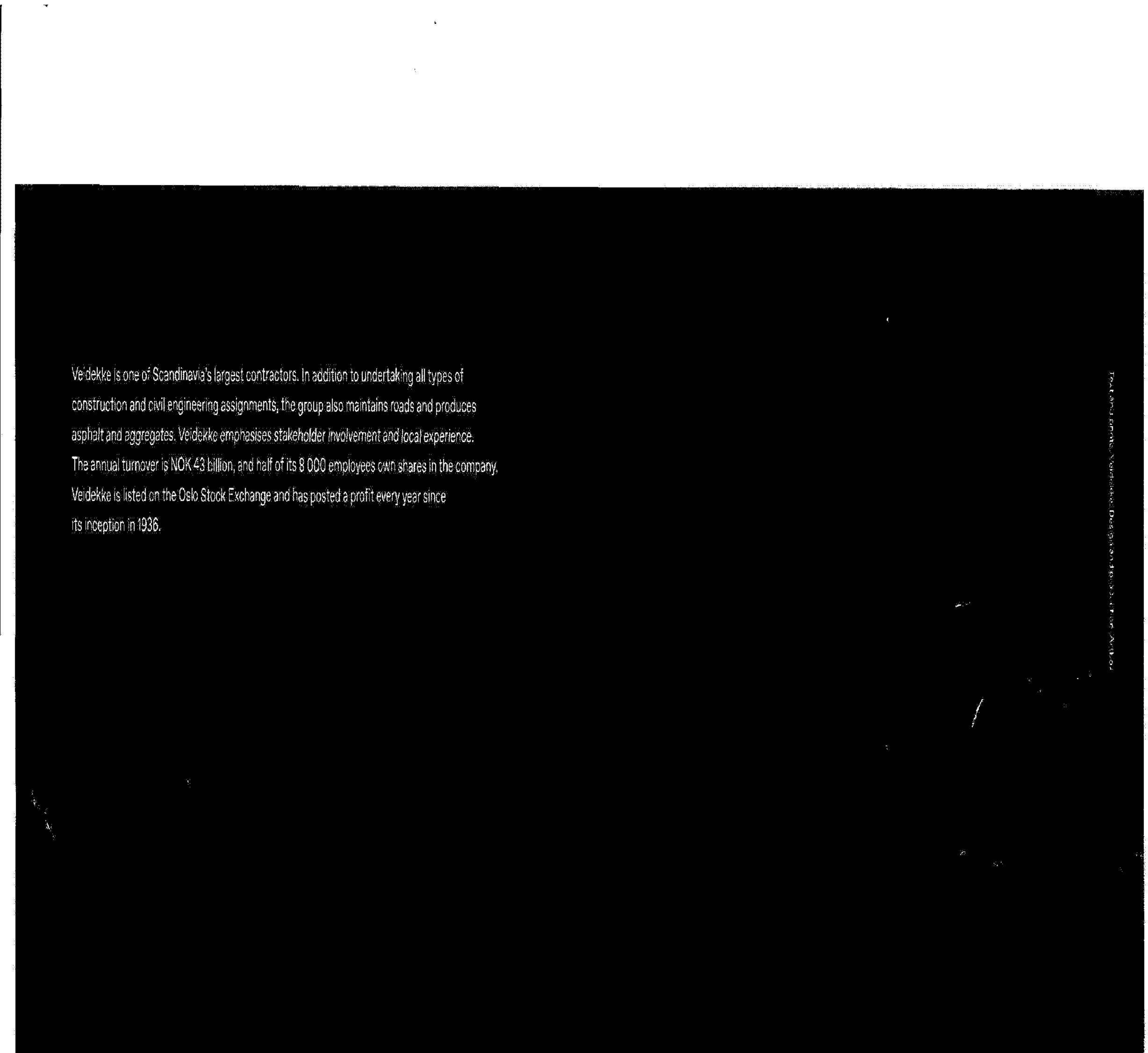


Veidekke is one of Scandinavia's largest contractors. In addition to undertaking all types of construction and civil engineering assignments, the group also maintains roads and produces asphalt and aggregates. Veidekke emphasises stakeholder involvement and local experience. The annual turnover is NOK 43 billion, and half of its 8 000 employees own shares in the company. Veidekke is listed on the Oslo Stock Exchange and has posted a profit every year since its inception in 1936.



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