

CONSTI

CORPORATE SOCIAL RESPONSIBILITY REPORT

CONSTI PLC
2023



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1

INTRODUCTION

Consti has published a Corporate Social Report on its operations since 2014. The reporting for 2023 uses the Global Reporting Initiative (GRI) standards and guidelines at the reference level. The reported themes and indicators have been selected on the basis of their relevance and the availability of data.

Consti's Corporate Social Responsibility Report covers the entire Group's operations. Information on subcontractors is discussed in sections Occupational safety and well-being and Supply chain. Financial information is based on the company's audited financial statements. Social responsibility indicators are derived from HR and payroll systems. Environmental indicators are based on information received from both Consti's own systems and service providers. The Corporate Social Responsibility Report has not been externally verified.

1.1 CONSTI PLC

Consti is one of Finland's leading companies focusing on renovation and building technology services. Consti offers a comprehensive range of renovation and building technology services as well as selected new construction services for housing companies, corporations and investors as well as public sector operators in Finnish growth centres.

The operations are divided into four business areas: Housing companies, Corporations, Public Sector and Building Technology. Consti's business operations are reported as one segment. In addition, Consti reports net sales from each business area. All business areas include service business that is not reported as a separate business area. However, Consti reports the net sales of the services business by financial year. The service business includes service contracting and service and maintenance services for contract customers.

"CONSTI'S GOAL IS TO GROW IN CONSTRUCTION AND BUILDING TECHNOLOGY BY RESPONDING TO THE DEMAND CREATED BY THE AGEING BUILDING STOCK, URBANISATION, AND CLIMATE CHANGE."

The parent company of the Group is Consti Plc. The business is conducted in subsidiaries wholly owned by the parent company, which at the end of 2023 were Consti Korjausrakentaminen Oy, Consti Talotekniikka Oy, RA-Urakointi Oy and Sähkö-Huhta Oy.

Consti Group's net sales for 2023 increased by 5.0 percent to 321 (305) million euros. Net sales grew especially in the Public Sector and Corporations business areas. EBIT was 12.3 (11.4) million euros. The operating result from the net sales was 3.9 (3.7) percent.

Consti's strategy for 2021–2023 was based on utilising Consti's customer-oriented organisational structure. The strategy emphasised leveraging attractive growth opportunities in the company's existing businesses and expanding the value created for customers. Expansion in the construction value chain involves, among other things, participating in project development and design steering at the beginning of the value chain, as well as strengthening service and maintenance services, especially in building technology. Value chain

CONSTI'S VISION IS TO BE "OUR CUSTOMER'S NUMBER ONE PARTNER AND EXPERT IN MULTIPLE TYPES OF CONSTRUCTION."

thinking also includes versatility of project forms. The strategy also included selected new construction, such as industrial, warehouse and office premises as well as various public buildings, and the first new building in line with the strategy was completed in 2023.

During the strategy period ending in 2023, Consti succeeded in increasing its net sales and profitability. The differences between the performance levels of projects and the performance levels of geographical areas were successfully lessened. The targets set for cash flow and balance sheet structure were also achieved.

In developing corporate social responsibility, clear progress was made in the field of occupational safety and well-being, which is reflected in the improvement of accident frequency and the decrease in staff turnover. Considerably more occupational safety observations were also made than before. The carbon footprint of Consti's own operations was reduced, and monitoring of energy consumption and the recycling of worksite waste were intensified, but the recycling target of 70 percent was not yet reached at all worksites. Energy efficiency solutions were developed especially to support customers' environmental goals.

Strategy 2024–2027

Consti updated its financial targets and strategy for the period 2024–2027 at the beginning of 2024 and defined its mission: to improve the value of Finnish buildings and promote climate change mitigation with outstanding expertise in construction and building technology. Consti's goal is to grow in construction and building technology by responding to the demand created by the ageing building stock, urbanisation, and climate change. The need for renovation is also increased by changing space needs, especially in workplaces and the retail sector.

Consti seeks faster growth than the market, especially in the public sector and building technology markets. The aim is to have four equally strong business areas by the end of the strategy period, with combined net sales amounting to approximately 400 million euros. The profitability target remains unchanged, meaning over five percent operating profit margin based on the current market outlook.

Both in construction and building technology, growth is based on developing the current business. Consti aims to strengthen and expand its expertise, partic-

ularly in facade renovations and processes related to earthworks. Growth opportunities are also identified among industrial clients. In building technology, the goal is to increase contracting, provide continuous property services, and offer comprehensive energy solutions. Building technology was strengthened already at the end of 2023 with the acquisition of Sähkö-Huhta Oy, which operates in the Helsinki metropolitan area, and correspondingly by divesting the property-related relining business.

The goal remains to leverage Consti's expertise more extensively across the entire construction value chain, from project development to maintenance. Changes in construction legislation and tightening energy efficiency requirements increase the responsibilities of those undertaking construction projects, which is expected to emphasise the role of the main contractor, particularly in project development and design.

In sustainability development, Consti focuses on promoting occupational safety, employee well-being, and mitigating climate change. Mitigating climate change is increasingly becoming a starting point for renovation, either through improving energy efficiency or as an alternative to demolishing buildings. Alongside energy renovations, Consti is developing its services to even better accommodate requirements brought forth by climate change, for example requirements regarding maintenance and the outer envelope of buildings. Consti's goal is to be a forerunner in sustainability.

During 2023, Consti prepared for the new EU sustainability reporting requirements by analysing and identifying the essential sustainability impacts of its operations, along with the associated key risks and opportunities. Consti identified Climate Change, Resource Use, and Circular Economy, as key sustainability factors within environmental considerations. Concerning social sustainability, Own workforce and Workers in the value chain were identified as essential

components. According to reporting requirements, Consti also reports on sustainability factors related to good governance, which are integral to business operations.

1.2 CONSTI'S RESPONSIBILITY THEMES DURING THE STRATEGY PERIOD 2021–2023

Consti's corporate social responsibility themes mean those areas of the company's responsible business operations that are socially significant, important to Consti and its stakeholders and such that Consti's operations can have an effect on them. These themes for the strategy period 2021–2023 were:

ENVIRONMENTAL FRIENDLINESS

- ▼ Expertise in climate impacts on properties
- ▼ Energy efficiency of Consti's own operations
- ▼ Waste sorting and recycling

OCCUPATIONAL SAFETY AND WELLBEING

- ▼ Continuous improvement of occupational safety
- ▼ Supporting the expertise and development of personnel
- ▼ Equality and human rights

SUPPLY CHAIN

- ▼ Preventing grey economy
- ▼ Developing partner collaboration

CUSTOMER SATISFACTION

- ▼ Customer understanding
- ▼ Supporting the customer's climate goals

Environmental friendliness means expertise on the impact climate change has on properties. It also means careful consideration of environmental factors in the company's operations by improving energy use and the recycling of worksite waste, for example.

The employer's responsibility for the safety and health of the working environment is emphasised in the construction industry, where the risks of accidents and occupational diseases are high. Occupational safety



”IN ADVANCING SUSTAINABILITY, CONSTI FOCUSES ON PROMOTING WORKPLACE SAFETY AND WELL-BEING, AS WELL AS MITIGATING CLIMATE CHANGE.”

is an area of continuous development in the construction industry, and the development of personnel competence is an essential means of ensuring skilled workers.

The supply chain as part of corporate social responsibility means the diverse utilisation of the partner network and various partnership models to improve the transparency of operations and develop competence. Supply chain management also includes combating the grey economy.

Customer satisfaction is a prerequisite to doing business, requiring an understanding and appreciation of customer expectations. Based on customer surveys, Consti's customers value transparency, efficiency, close collaboration, and skilled worksite teams. The safety of employees and people using the buildings, as well as environmental issues during projects are also considered important.

1.3 STAKEHOLDER COOPERATION

Consti's most important stakeholders are customers (housing companies, public sector developers, real estate investors and other companies), construction consultants, designers, property managers, subcontractors, suppliers, and current and potential future personnel, including construction students.

Consti engages in continuous dialogue with stakeholders, particularly through customer meetings, collaborative projects, industry seminars, trade fairs, and other events, as well as visits to educational institutions and student gatherings. Various written surveys, such as customer satisfaction surveys conducted at the end of projects and staff surveys conducted every two years, also facilitate communication. Participation in industry events and visits to educational institutions are planned annually. During renovation projects, users and owners are informed about the progress through electronic channels, notice boards in the premises or other similar means. Information about Consti's services and expertise is also shared on social media and through stakeholder publications, such as regular newsletters.

The goal of stakeholder collaboration is primarily to identify the needs of customers and partners, strengthen cooperation with partners and long-standing customers, and promote Consti's offerings, expertise, and new industry solutions. Educational collaborations aim to raise awareness of Consti as an

employer and increase knowledge about renovation as an industry. Workplace communication aims to not only facilitate daily communication but also to identify factors affecting employee well-being and provide opportunities for employees to contribute to the continuous development of the work community.

In addition to stakeholder expectations, the development of corporate social responsibility takes into account the impact of global megatrends, international agreements, and climate targets, as well as EU and national legislation.

1.4 CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT

Corporate social responsibility is an integral part of management at Consti, overseen by the CEO with the assistance of the executive team. The executive team decides on the key corporate social responsibility themes for the strategic period, which are then approved by the board. The board is responsible for endorsing the strategic objectives related to corporate social responsibility and monitors sustainability risks as part of the company's risk management. The executive team defines the guidelines and actions related to corporate social responsibility. Business area directors are responsible for implementing decisions.

The development of corporate social responsibility is coordinated by the Corporate Responsibility Steering Group, which comprises representatives from both business areas and support functions. The key tasks of the steering group include coordinating the development of CSR work, planning actions to implement CSR themes into practice, and monitoring the overall development of corporate social responsibility and the requirements set for companies. The steering group meets quarterly, and its term aligns with the strategic period.

In addition, for each of Consti's corporate social responsibility theme, a person has been appointed to coordinate practical CSR work in working groups composed of representatives from business areas. On the Group level, the responsibility for the operation, coordination, and reporting of these groups to the executive team lies with the chairperson of the Corporate Responsibility Steering Group.

1.5 REPORTING AND COMMUNICATION OF CORPORATE SOCIAL RESPONSIBILITY

Consti has published a corporate social responsibility report on its activities since 2014. The sustainability report presents Consti's principles and objectives of responsible operations and provides information on daily sustainability efforts. The preparation of the report is the responsibility of Consti's communication team in accordance with the guidelines set by the executive team. The previous report was published on April 27, 2023.

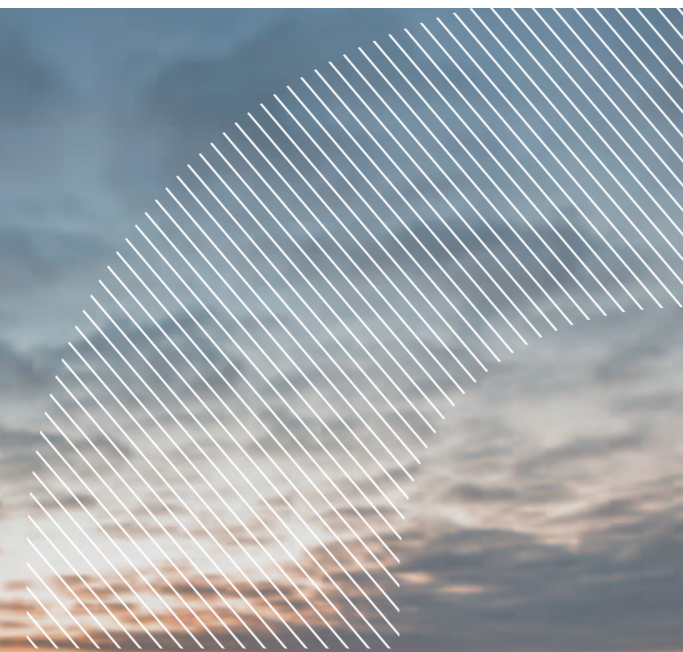
Consti Plc has been listed on the main list of the Helsinki Stock Exchange since December 2015. Companies on the stock exchange list are obligated to report on more than just financial information. The non-financial information companies are required to publish includes information on environmental aspects, corporate social responsibility, personnel issues, adherence to human rights, and the prevention of corruption and bribery. Since 2022, the reporting obligation has included taxonomy reporting at EU level. Non-financial information and information on the taxonomy compliance of Consti's operations are reported in addition to this sustainability report in the Report of the Board of Directors.

Consti's communication is based on the company's strategy and values. Sustainability themes and their related objectives are part of the strategy and promoting them is included in both group-level and business area-specific communication plans and actions.

The personnel's awareness of sustainability and responsibility goals, as well as the agreed practices for achieving them, is supported through communication and training. Consti Academy serves as Consti's training function, providing competence development and qualifications updating for all personnel. In addition to longer training sessions, information bulletin-type trainings are organised on for instance the company's ethical values, occupational safety, and environmental goals, such as waste sorting. Training is also offered flexibly on worksites through electronic channels. Consti's communication is enhanced by an internal intranet, which serves as a repository of information for Consti employees, containing comprehensive details about Consti's operations, processes, and practices.



”BOTH BUILDING TECHNOLOGY AND TECHNICAL ENGINEERING SOLUTIONS ARE USED TO IMPROVE THE ENERGY EFFICIENCY AND RESILIENCE OF BUILDINGS AGAINST INTENSIFYING EXTREME WEATHER CONDITIONS.”



2

OPERATING ENVIRONMENT AND MEGATRENDS

2.1 OPERATING ENVIRONMENT

In Finland, the construction market has been fairly evenly divided between new construction and renovation over the long term. While new construction experiences significant fluctuations due to economic cycles, renovation has seen relatively steady growth over the past 20 years. This trend of steady growth in renovation is anticipated to persist for the foreseeable future, as renovation is driven by demand. Factors sustaining the need for renovation include aging building stock, urbanisation, changes in the workforce and retail landscape, and goals related to sustainable development such as energy efficiency improvements and emission reduction targets. Many renovation projects also involve preserving or even restoring the original appearance and architecture of buildings.

In 2023, the overall construction market in Finland experienced a significant contraction. The construction of new residential buildings decreased by nearly 40 percent, while non-residential construction declined by 2–3 percent. The total market for renovation is estimated to have decreased by 1–4 percent. The Finnish renovation market is valued at approximately 14 billion euros. This includes not only technical repairs related to the age of buildings but also a considerable amount of building purpose modifications, such as converting old, underutilised office buildings into hotels or apartments, or improving usability by reconfiguring space layouts. Approximately one-fifth of all renovation is maintenance and upkeep, with a proportionately higher share in non-residential properties compared to residential ones. (Euroconstruct market assessments, December 2023; The Confederation of Finnish Construction Industries RT, September 2023.)

Approximately two-thirds of renovation work consists of residential building renovations, with over half of that estimated to be professional renovation work. Non-residential buildings account for just over a third. In need-based renovations, the largest projects in residential buildings are facade repairs and pipeline renovations. The number and value of pipeline renovations have been growing steadily for a long time, faster than other renovation work, and the growth is expected to continue for several more years. The increase is driven by the large number of residential buildings reaching the age for pipeline renovations. In addition to pipeline renovations, there is demand for building technology solutions due to the rising cost of heating and the green transition. So far, energy efficiency has largely been improved in conjunction with other renovation work, but the rapidly rising price of energy and carbon neutrality goals have increased interest in separate energy renovations.

In addition to building technology repairs, many housing companies have a growing need for facade renovations, which have often been overshadowed by pipeline renovations for economic reasons. Climate change significantly increases the need for facade renovations and related maintenance services. Sharp temperature fluctuations cause expansion and contraction of facade materials, affecting their durability. Excessive moisture can damage facades, and strong winds and storms prevalent in coastal areas can also cause damage. The need for facade renovations is further increased by the large number of residential buildings from the 1970s and 1980s reaching the age for renovations.

The need for renovations in commercial and office spaces is further compounded by changes in space requirements alongside building technology and environmental-related repairs. In public buildings such

as schools, the starting point for renovation work is often improving indoor air quality.

The age of Finland's building stock increases the need for renovation

The short-term outlook for new construction and renovation is hampered by rising construction costs and interest rates, as well as increasing maintenance expenses for properties. Both housing companies and institutional landlords have postponed major renovations over the past couple of years.

The renovation market is estimated to remain at the same level in 2024 as it was in 2023. The construction of new residential buildings is expected to continue decreasing, but non-residential construction is forecasted to grow by 3–7 percent. (The Confederation of Finnish Construction Industries RT, September 2023.)

Both new construction and renovation continue to focus strongly on growth centres in Finland.

Legislative changes also impact the operating environment of construction. Recent reforms in Finland's construction laws are expanding the duties of project initiators, focusing on strengthening the role of the

main contractor, especially in project development and planning. Sustainability standards for construction are also rising, both within the EU and domestically.

2.2 MEGATRENDS

Megatrends describe long-lasting, significant, and slowly changing phenomena, often interconnected, which do not shift abruptly and are expected to have significant impacts on our society. Almost all of the megatrends identified at the beginning of Consti's strategy period, which ended in 2023, were connected to Consti's operations. The clearest among them were climate change, urbanisation, population aging, changes in economic systems, and digitalisation.

The updated megatrends from Sitra in 2023 place increased emphasis on the crisis of power and democracy. The current five themes of megatrends are nature, people, power, technology, and economy. These megatrends require Consti to acquire new expertise in some areas but also offer new business opportunities.

MEGATRENDS IN BRIEF

SITRA'S MEGATRENDS

Nature's carrying capacity is eroding as we are in the midst of an ecological sustainability crisis. Ecological reconstruction means that society must renew structures and practices towards ecological sustainability. Immediate action is needed to address climate change and other environmental issues.

Well-being challenges are growing as the population ages, diversifies, and concentrates in growth centres.

The battle for democracy intensifies, and societies are put to the test as crises accumulate. Geopolitical power struggles have returned, and trust in institutions is faltering.

Competition for digital power gears up as debates rage over the rules of the digital world, the resources required for new technology, and development directions. Technology and data are increasingly integrated into people's daily lives, with data collection and utilisation on the rise. Information influencing is increasing.

Economic foundations are cracking as global inequality grows and the ecological sustainability crisis progresses with continued overconsumption. Increasing extreme weather conditions and the collapse of natural services undermine the prerequisites of the economy, and wealth increasingly concentrates on a smaller group. Changes in dependency ratios also affect the distribution of economic well-being.

CONSTI'S RESPONSE TO THESE MEGATRENDS

Renovation saves natural resources compared to new construction. Building and building technology solutions can also promote adaptation to climate change.

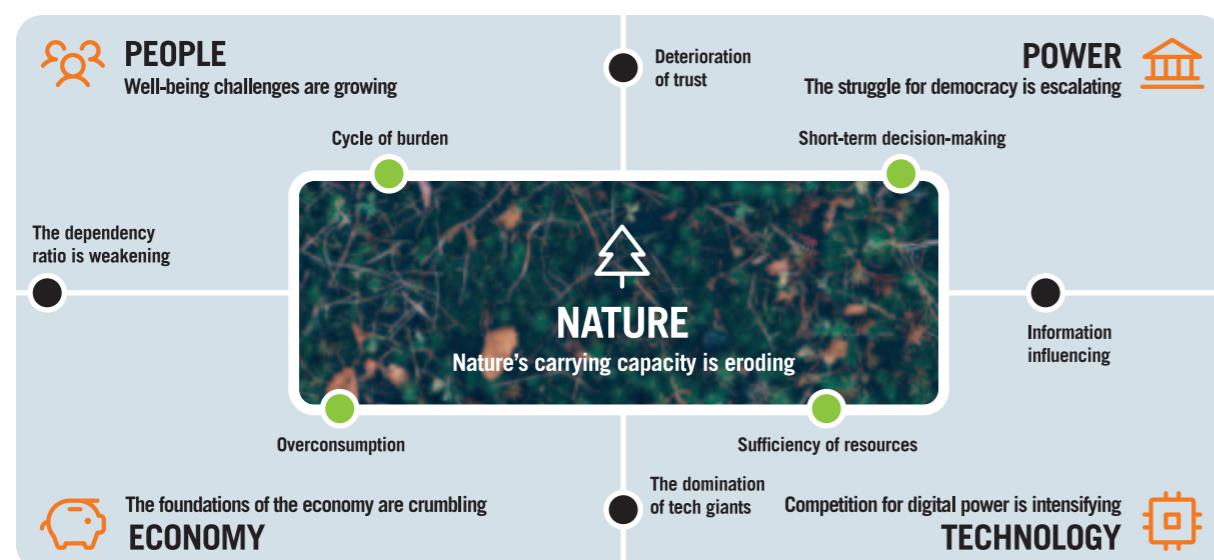
The ageing of the population is changing the requirements set for the built environment. The ageing of the population will also increase competition between companies for good and skilled employees.

Consti must support its personnel's opportunities to influence the development of their own work and work community and ensure the functionality and sustainability of its supply chains.

In the planning and maintenance of the built environment, data collected from people's everyday lives can be utilised to improve everyday life and cope with emergency conditions. This requires that data security is taken care of. Building information models will be required in zoning and construction permit practices. At the company level, work monitoring and information flow become easier and work productivity can be improved. Consti must take care of the digital competence of its personnel.

Renovation and building technology can mitigate the adverse effects of extreme conditions on buildings and their users. Consti aims to enhance its expertise in renewable energy as part of the services offered to customers. As an employer in the construction industry, Consti has the opportunity to offer jobs to individuals from diverse backgrounds.

The world is undergoing significant transformation – climate change, political uncertainty, socio-economic shifts, and technological advancements are reshaping our environment



Nature's carrying capacity and ecological reconstruction

Finland's goal is to be carbon neutral by 2035 and carbon negative soon after. The Government is committed to the climate policy of the European Union and Finland in order to limit the rise in the global average temperature to 1.5 degrees. The EU must achieve carbon neutrality before 2050.

Construction and the built environment account for about a third of Finland's greenhouse gas emissions. Therefore, the related emission reduction measures are necessary for Finland's carbon neutrality target. The carbon footprint of the built environment can be reduced through a number of measures, such as reducing energy consumption, favouring renewable energy, and enhancing the reuse and recycling of materials. To support the achievement of the targets, the Confederation of Finnish Construction Indus-

tries RT has drawn up a "Roadmap for a low-carbon construction industry and the built environment 2020–2035–2050", which it has announced that it will update in 2024.

The energy efficiency of the existing building stock is crucial in reducing energy consumption and emissions, as new construction only increases Finland's building stock by 1–2 percent per year. Consti promotes the energy efficiency of buildings by offering both technical building services and building automation solutions for improving energy efficiency, as well as structural engineering solutions, such as renovation related to facades and building insulation. The services developed by Consti for climate change mitigation are described in section 5.2.

The strengthening of the circular economy has already begun to be visible in renovation, especially in the further use of waste and demolition materials and demolition products, but large-scale further use

requires changes in the regulation and operating models of the sector.

In construction, climate change brings new challenges, especially to worksite planning, moisture control and occupational safety. The risks and opportunities brought to Consti by climate change are discussed in more detail in section 10.

Challenges of well-being – population ageing, diversification, and urbanisation

Urbanisation is expected to increase the need for adaptability of properties. Changes in usage needs will increase when, for example, industrial buildings in city centres are converted into apartments or offices. The dense urban structure also creates new opportunities for combining renovation projects, for example as group renovation projects in housing companies. The diversification of the population may increase the need for and interest in diverse housing and shared spaces.

The aging of the population necessitates that apartments, various service buildings, business premises, and access routes are accessible and safe. Additionally, yards and balconies, for example, are becoming increasingly important as spaces for outdoor activities.

At the same time, urbanisation diminishes vitality outside growth centres and, in many places, leads to a decline in the value of properties and apartments – which makes profitable renovation even more challenging. However, when comparing renovation and new construction, it is always worthwhile to find out not only the monetary difference but also the environmental impacts of different alternatives. Consti aims to ensure that more attention is paid to cost-efficiency in renovation by targeting renovations at solutions that are technically necessary and have the most efficiency in terms of environmental impacts and living comfort. It is not always necessary to make an old building as good as new.

The ageing of the population will also increase competition between companies for good and skilled employees. By taking care of the well-being and on-the-job learning of its employees, Consti enables access to sufficient human resources also in the future. At the same time, the construction industry has the opportunity to offer jobs to the diversifying population, especially in growth centres.

Digitalisation

Digitalisation is changing habits and operating models both in construction and in society at large. The need for building purpose modification construction will increase when, as a result of remote work enabled by digitalisation, office premises are converted to a more flexible or completely different use than before. E-commerce is also changing space needs.

Digitalisation is also visible in the planning and implementation of construction, as data collected from people's everyday lives is used in the design of the built environment. The use of digital data is increasing in the modelling of buildings and spaces. At the company level, work monitoring and information flow become easier, and it is possible to improve productivity, quality, and future reuse of materials. Consti must take care of the digital competence and information security of its personnel.

The foundations of the economy are cracking as global inequality and the ecological sustainability crisis progress

Consti operates only in Finland, so Consti has few opportunities to influence global inequality, whether it is the consequences of increasing extreme natural conditions or geopolitical power struggles. Geopolitical tensions are mainly reflected in Consti's everyday life as the need for more efficient utilisation of renewable energy and materials and related expertise increases. If global inequality and climate change increase immigration to Finland, the construction industry is one of the sectors that can provide jobs for workers from different backgrounds.

3

UN SUSTAINABLE DEVELOPMENT GOALS (SDGS) AND CONSTI

Consti's operations are closely aligned with the following UN Sustainable Development Goals:



GENDER EQUALITY

- Gender equality is part of Consti's ethical guidelines
- Gender equality is monitored through staff surveys, among other methods
- The goal is to increase the proportion of women in the workforce



DECENT WORK AND ECONOMIC GROWTH

- Promoting permanent employment contracts
- Providing internships for students
- Compliance with labour legislation and collective agreements
- Comprehensive occupational health care
- Regular staff surveys
- Collaboration with subcontractors



SUSTAINABLE CITIES AND COMMUNITIES

- Renovation extends the lifecycle of existing buildings
- Accessibility improvements facilitate the daily lives of the elderly
- Indoor air renovations improve housing health
- Building technology improves energy efficiency, safety, and living comfort
- Repurposing underutilised spaces for more efficient use
- Renovation of rental properties without interrupting occupancy
- Renovation of historical buildings respecting architecture



CLIMATE ACTION

- Prioritising renovation over demolition and new construction
- Facade repairs and maintenance help properties withstand extreme weather events intensified by climate change
- Improving energy efficiency of customer spaces
- Energy efficiency and recycling in own operations



PEACE, JUSTICE, AND STRONG INSTITUTIONS

- Combatting the grey economy: measures against bribery and corruption
- Open tendering processes
- Responsible employer, ensuring the safety and well-being of its staff and partners
- Legal and transparent governance in compliance with stock exchange requirements

4

CONSTI'S ESTIMATED ENVIRONMENTAL IMPACTS

New construction and renovation generate emissions and waste throughout the value chain. The environmental footprint of a building is created by the manufacture of raw materials, logistics, the construction itself and, finally, the use and possible demolition of buildings. Consti balances the carbon footprint of construction by reducing emissions as a result of repairs. Studies have shown that if a healthy building is demolished and replaced by a new, more energy-efficient building of similar size, it will take more than 30, even more than 50 years, before its carbon footprint is lower than that of a similar renovated building. (Publications of the Ministry of the Environment: To demolish or to repair? Carbon footprint impacts, life cycle costs and steering instruments, 2021.)

A significant part of the environmental friendliness of Consti's operations is created via customer projects. Energy efficiency is almost always improved during renovation projects. In renovation, energy efficiency is particularly improved through facade repairs and upgrading building technology. A key aspect of smart solutions integrated with building automation, like controlling heating, ventilation, and lighting, is their ability to flexibly manage energy usage during peak loads.

"IN RENOVATION, ENERGY EFFICIENCY IS PARTICULARLY IMPROVED THROUGH FACADE REPAIRS AND UPGRADING BUILDING TECHNOLOGY."

POSITIVE ENVIRONMENTAL IMPACTS RESULTING FROM CONSTI'S OPERATIONS INCLUDE:

- ▼ Renovation extends the lifespan of existing buildings
- ▼ Building technology improves energy efficiency, safety, and living comfort
- ▼ Repurposing underutilised spaces for more efficient use
- ▼ Prioritising renovation over demolition and new construction
- ▼ Repairing historical buildings with respect to architecture
- ▼ Helping properties withstand extreme weather events exacerbated by climate change

THE MOST SIGNIFICANT ENVIRONMENTAL RISKS AND ADVERSE ENVIRONMENTAL IMPACTS OF CONSTI'S OPERATIONS INCLUDE:

- ▼ Possible emissions of environmentally harmful substances into soil or water, for example, during the handling of demolition waste or fuel oil
- ▼ Noise, dust, odours, and potentially used hazardous substances
- ▼ Waste generated from repair and construction activities, if not efficiently recycled
- ▼ Energy consumption by Consti's operations and in customer projects



5

ENVIRONMENTAL FRIENDLINESS

5.1 MINIMISING ENVIRONMENTAL RISKS

Environmental friendliness at Consti primarily means expertise in the impacts of climate change on properties and supporting customers' climate goals. Additionally, it involves careful consideration of environmental matters in Consti's own operations, particularly by enhancing energy efficiency and recycling worksite waste.

Consti complies with laws, regulations, permit conditions, and official directives concerning construction practices, the use of construction materials, storage, recycling, and disposal, as well as other environmental matters. Additionally, Consti's operations take into account international agreements and the EU's targets for reducing energy consumption and greenhouse gas emissions. Consti is committed to reducing its emissions according to the green transition roadmap it has developed.

Minimising the harmful environmental impacts on worksites entails not only reducing energy consumption but also minimising the amount of noise, dust, and waste generated from site traffic, demolition, and construction activities, as well as handling environmentally harmful substances carefully. Consti has guidelines in place to ensure the minimisation of environmental harm caused by operations and compliance with environmental regulations. Site-specific environmental plans identify environmental risks, outline strategies to prevent harm, and prepare for mitigating adverse effects. Additionally, effective communication is employed to reduce negative impacts.

Consti has examined the impact of environmental

risks on its operations as part of its taxonomy reporting and in preparation for new sustainability reporting requirements. More details on this are provided in sections 9 and 10.

5.2 DEVELOPING ENVIRONMENTAL FRIENDLINESS IN 2023

Consti's environmental principles define the operational guidelines through which Consti can sustainably impact its own operations, the built environment, and climate change. The aim is to reduce the environmental footprint caused by Consti's activities. In autumn 2023, Consti completed its environmental program, outlining the methods and measures through which Consti aims to concretely achieve its environmental objectives. Additionally, it describes Consti's environmental values and principles for both Consti employees and stakeholders. The environmental programme takes into account the requirements of the RALA environmental certificate, which is increasingly demanded in tender requests.

Both Consti Korjausrakentaminen Oy and Consti Talotekniikka Oy were awarded the RALA environmental and safety certificates at the beginning of 2023. Consti has previously held the Building Quality RALA Ry's quality certificate as well as RALA competencies. RALA certification is an assessment procedure based on ISO systems developed for the Finnish construction industry, supporting the development of operations towards sustainable levels in line with sustainable development.



Asunto Oy Eura Wins Facade Renovation Competition

The winner of the Facade Renovation 2023 competition was the facade renovation of Asunto Oy Eura, a building dating back to 1928 in Vallila, Helsinki. The extensive renovation included the renewal of facade plastering, windows, and the roof, taking into account the Sr-2 conservation designation, which mandates the precise use of original shapes, materials, and colour tones in facade repairs. The project's exceptional aspect was the successful restoration of the building to its 1920s architecture and original appearance.

Careful schedule planning ensured that seasonal changes had minimal impact on the progress of the work. The repairs proceeded as planned and on schedule.



Asunto Oy Pitäjänmäentie 17 Maintains its Historical Appearance

In the Facade Renovation 2023 competition, third place was awarded to the facade renovation of Asunto Oy Pitäjänmäentie 17, constructed in 1934 and Helsinki's oldest multi-story apartment building in Pitäjänmäki. In this project as well, the primary objectives were to restore the building's original architecture and preserve its appearance.

The Facade Renovation competition is organised every two years by Julkisivuyhdistys - JSY ry.

As part of Consti's environmentally friendly services, the development of the Consti Optimi building technology system continued, and the implementation of the system began at the first customer site. Consti Optimi, which utilises simulation, harnesses waste heat, solar energy for both heating and electricity, and geothermal energy for building heating and cooling. With Consti Optimi, up to 50 percent total energy savings can be achieved. In addition, the solution significantly reduces the carbon footprint of heating, cooling, and ventilation in buildings. Furthermore, the new comprehensive property maintenance service model, Consti Toimiva, helps optimise the energy consumption of properties.

Additionally, in the past year, Consti emphasised the personnel's responsibility in sustainability issues and increased expertise in areas such as low-carbon practices, conducting energy audits, and addressing the new requirements introduced by building legislation. Consti expanded its knowledge of taxonomy compliance in renovation projects through development workshops. These workshops involved examining renovation project plans and site activities in light of taxonomy requirements. Simultaneously, guidelines were developed for Consti staff to facilitate taxonomy compliance and explain the taxonomy review process. The aim was to enhance familiarity with taxonomy requirements from the project planning phase to execution and reporting. In autumn 2023, Consti hosted World Green Building Week, spearheading communication efforts both internally and externally on environmental issues. Employees were also invited to engage in informative environmental awareness sessions.

5.3 EXPERTISE ON THE IMPACTS OF CLIMATE CHANGE ON PROPERTIES

Mitigating climate change requires buildings to adhere to EU's energy efficiency directive, which is promoted through measures such as advanced building technology and automation, as well as building envelope renovations and improved insulation.

In curbing energy consumption, the energy efficiency of existing building stock is crucial, as new construction only increases Finland's building stock by 1–2 percent annually. According to the Confederation of Finnish Construction Industries RT, the majority of emissions reductions in the built environment stem from renovation, which reduces building energy consumption and alters heating methods (Vähähilinen

rakennusteollisuus 2035, 2020). Climate change in Finland brings increased rainfall and humidity, necessitating careful maintenance of building facades for adaptation.

During renovation, the energy efficiency of buildings is almost always enhanced. Especially public entities and property investors have increasingly stringent requirements regarding energy usage both during construction and renovation as well as throughout the building's operational lifespan. The same applies to waste management and recycling.

Consti supports its customers' climate-related goals through products and services related to energy efficiency and property maintenance.

5.4 WASTE SORTING AND RECYCLING

According to the Waste Act, waste must be sorted at its source, and the holder of the waste has an obligation to keep records and provide information. Consti has two main annual contract partners for worksite waste management. They prepare waste movement documents, worksite-specific reports and enter the information on the movement documents into the SIIRTO register.

The statutory target for the recycling rate of worksite

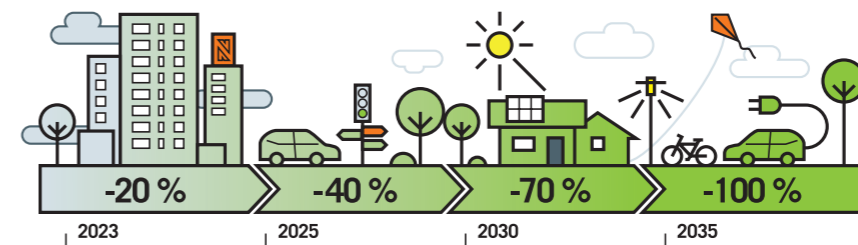
waste is 70 percent. In 2023, the average recycling rate of Consti's worksite waste was 56 percent, while the previous year it was 52–57 percent depending on the contract supplier.

Consti complies with legislation and guidelines related to worksite waste and monitors related developments, for example. As a member of Helsinki's Circular Economy Cluster Program.

Site-specific waste sorting involves all employees involved in site operations. During the on-site employee orientation, worksite personnel are presented with a site plan with waste management plans, and employees are instructed in efficient sorting. The practical implementation is monitored daily by the site management, and the sufficiency of waste containers is assessed as the worksite progresses. In 2023, production officials were trained in selecting suitable collection equipment for the worksite, among other things. Consti will continue to improve the efficiency of worksite sorting at source and measures to increase the recycling rate by utilising the expertise of Consti's most important contractual partners.

The use of materials is also made more efficient through good planning. Especially in installation work, where the equipment and materials to be installed are often valuable, waste is reduced by ordering the product in small batches and in a timely manner, so that materials do not spoil on site and surpluses are immediately detected. Consti aims to use any surplus material in other locations, where applicable.

Consti's green transition



5.5 ENERGY EFFICIENCY OF CONSTI'S OWN OPERATIONS

Consti's goal is to be carbon neutral by 2035. Consti has defined emission reduction targets for its

own operations so that the consumption of company cars and production cars as well as the electricity consumption of its locations are taken into account in the calculations. The emission reduction targets have been calculated from CO2 emissions in 2020 relative to net sales. The target for the strategy period was to reduce energy consumption and emissions from

Consti's own operations by 20 percent from 2020 to 2023. During that time, emissions decreased by about 29 percent.

The goal by the end of 2023 was for 70 percent of the electricity used by the sites to be renewable. In 2023, renewable electricity accounted for about 30 percent and emission-free electricity for about 15 percent.

Consti is gradually transitioning its company cars to electric vehicles, replacing fossil fuels with renewable energy sources. This transition also extends to production vehicles, with a gradual shift towards renewable fuels and electric cars. Consti's company car policy supports the acquisition of hybrid and electric vehicles. As of the end of 2023, 21 percent of company cars were electric, and 30 percent were hybrid. Additionally, Consti employees have the option of a company bicycle benefit.

In the development of services, emphasis is placed on services that improve energy efficiency. Consti's partners must also commit to environmentally sustainable operations.

In Consti's own operations, most of the energy consumption takes place on worksites. The key goal in 2023 has been to create methods for systematically monitoring energy consumption at worksites. Instructions have been drawn up for worksites to improve energy efficiency, and worksites can utilise the electricity contract tendered by the Group, for example, to obtain a guarantee of origin certificate for the use of green electricity.

The Energy Efficiency Act obliges a large company to carry out an energy audit every four years. Consti's last report is based on data from 2018, and the next energy audit report was completed in March 26, 2024.

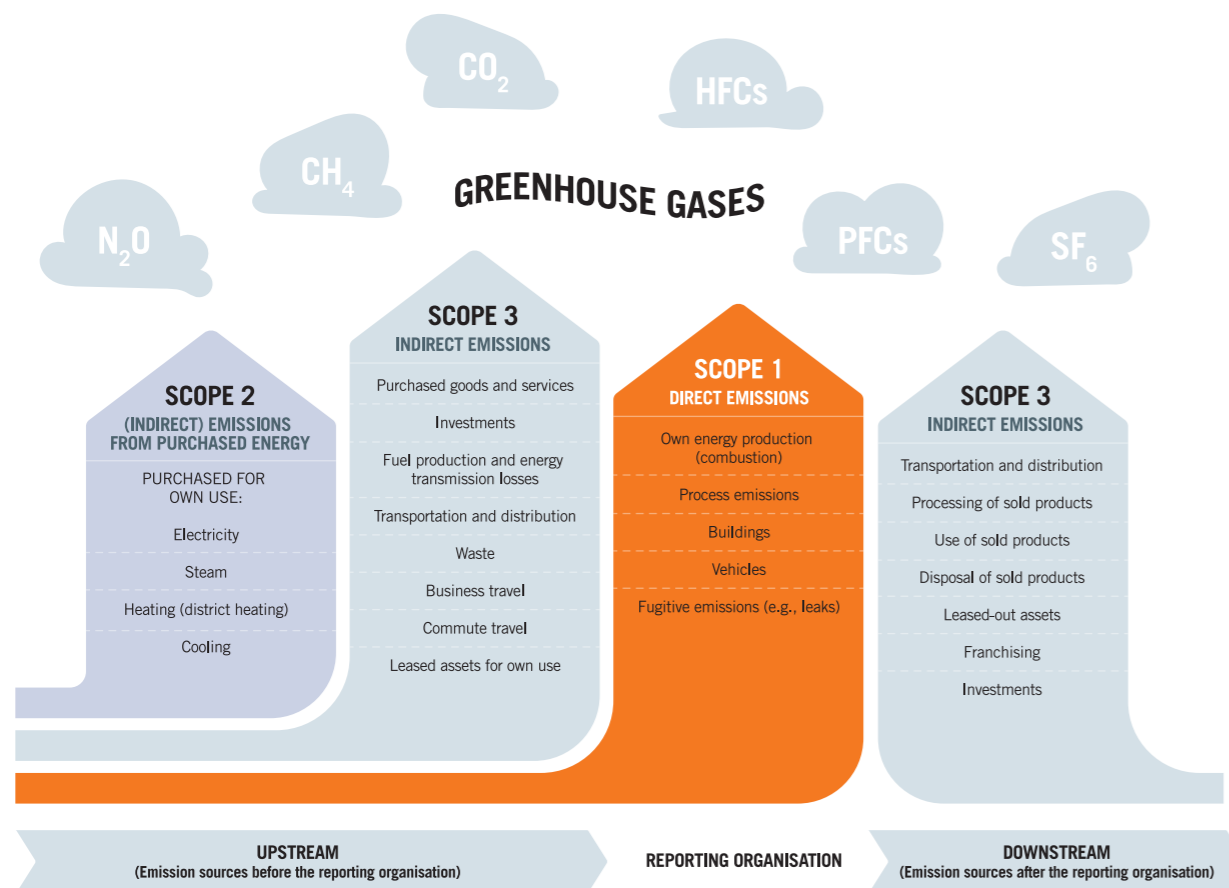
Consti's emissions

According to the Greenhouse Gas Protocol, emissions are categorised into three scopes: Scope 1 – direct emissions from the company, Scope 2 – emissions from purchased energy production, and Scope 3 - indirect emissions from the value chain. Consti annually tracks its own energy consumption, using this data to guide and develop initiatives aimed at reducing emissions. The calculation takes into account Consti's vehicle fuel consumption and emissions (Scope 1), energy consumption and emissions at its premises (Scope 2), as well as the quality and quantity of waste

and the emissions generated from it (Scope 3). If data is unavailable, consumption is estimated.

Corporate social responsibility extends to Consti's indirect emissions (Scope 3) as well. Purchased goods and services, including products, materials, and waste, constitute the majority of indirect emissions in many companies. For the first time, Consti calculated its Scope 3 emissions for the year 2023. Mapping and minimising indirect emissions provide opportunities to enhance operations in collaboration with other stakeholders in the value chain.

Scope Classifications and Categories in Carbon Footprint Assessment



CONSUMPTION AND EMISSIONS IN 2020

- Fuels (for company and production cars):**
approx. 339,000 litres
and emissions approx. 778 tCO₂ eq.
- Offices:**
Total emissions from the sites approx. 147.5 tCO₂ eq.
- Amount of emissions:**
3.37 tCO₂ eq. per million per euro of net sales

CONSUMPTION AND EMISSIONS IN 2023

- Fuels (for company and production cars):**
approx. 333,700 litres
and emissions approx. 731 tCO₂ eq.
- Offices:**
Total emissions from the sites approx. 37.5 tCO₂ eq.
- Amount of emissions:**
2.40 tCO₂ eq. per million per euro of net sales

”ENSURING SAFETY IS PARAMOUNT AT EVERY CONSTI WORKSITE. LONG-TERM EFFORTS TO PREVENT ACCIDENTS YIELD RESULTS.”



6

OCCUPATIONAL SAFETY AND WELL-BEING

6.1 CONTINUOUS IMPROVEMENT OF OCCUPATIONAL SAFETY

The employer's responsibility for the safety and health of the work environment is emphasised in the construction industry, where the risks of accidents and occupational diseases are significant. At Consti, safety encompasses not only employees but also the users of the spaces being renovated, as buildings are often renovated while in use. Consti's safety principles and management are based on the elements of the Consti Way, as well as Finnish occupational safety legislation and guidelines from the Confederation of Finnish Construction Industries RTI. The fundamental goal and principle of Consti's safety work is to create an accident-free work environment.

At Consti, group-level safety activities are coordinated by the Safety Group, which consists of the Group's HR Director, Occupational Safety Manager, as well as representatives from business areas management and occupational safety delegates. The chairmanship of the working group rotates among the business area managers. Instead of joint occupational health and safety committees, Consti has subsidiary-specific personnel groups that address occupational safety issues unique to each company. Additionally, in major locations, there are regional occupational safety delegates and dedicated forums for addressing regional occupational safety issues. In addition, an occupational safety manager and an occupational safety representative will be appointed for the construction site.

In recent years, Consti has endeavoured to improve occupational safety by enhancing proactive safety work, training, and safety management. The premise is that improving occupational safety is everyone's responsibility. The results of this long-term effort began to manifest in 2023 with positive developments in the number of accidents and accident frequency.

In safety management, emphasis is placed on considering occupational safety in the planning of worksites, which entails comprehensive identification of site-specific hazards and risk assessment. Training ensures awareness of legal requirements and emphasises leadership's role in safe operations. As part of safety management development, Consti is involved in the Finnish Institute of Occupational Health's Res-Data project, which focuses on safety-related decision-making.

Orientation is important in familiarising people with work tasks, occupational safety, and the practices of the work community. In recent years, Consti has developed site-specific orientation in particular. In addition to site-specific and general orientation, Consti uses industry-wide eOrientation. The goal is that all Consti site permit holders have completed it. In 2023, 71 (54) percent of the site permit holders had completed the eOrientation. Online training is available, for example, related to working alone.

”THE SAFETY OBSERVATION TARGETS WERE ACHIEVED SPLENDIDLY: ON AVERAGE, EACH CONSTI EMPLOYEE MADE 2.7 OBSERVATIONS, SURPASSING THE GOAL OF AT LEAST 2 OBSERVATIONS.”

Consti uses occupational safety card training, which focuses on worksites and hazardous situations typical of Consti. The training required by the occupational safety card is carried out in the construction industry's shared safety park, where Consti has its own safety section, which all Consti employees, including summer masters, visit. An occupational safety card is a prerequisite for obtaining a worksite permit.

Key themes in occupational safety in 2023 continued to be safety when working at heights and using lifts, as well as protecting against harmful exposures and assessing the adequacy of protective equipment requirements. Particularly in renovation, harmful exposures to health include dust, fibres, noise, and tremors.

Health hazards are protected in accordance with the harmful substance and, for example, by using high-quality, appropriate, and certified tools.

Efforts to enhance occupational safety also include the annual Safety Week, where practical discussions on safety matters take place throughout the organisation. In 2023, Safety Week featured site-specific first aid training sessions for all personnel working on Consti worksites.

Consti encourages both its own staff and others within the worksite's vicinity to report safety deficiencies. Anyone within the influence of a Consti's worksite can bring safety observations to Consti's attention following the site's guidelines. Consti's goal

Consti Plc's accident frequency on an annual basis:

- ▼ 2015 accident frequency: 26
- ▼ 2016 accident frequency: 22
- ▼ 2017 accident frequency: 20
- ▼ 2018 accident frequency: 19
- ▼ 2019 accident frequency: 11
- ▼ 2020 accident frequency: 13
- ▼ 2021 accident frequency: 15
- ▼ 2022 accident frequency: 16
- ▼ 2023 accident frequency: 10

was for every staff member to make at least two safety observations per year by the end of the strategic period, i.e., by 2023. In 2023, there were a total of 2,657 (994) safety observations, meaning each Consti employee made an average of 2.7 (1.0) observations.

Site safety is monitored through weekly maintenance inspections or TR measurements. 15-minute safety briefings address current safety topics on worksites.

The accident frequency rate, which describes the ratio of accidents to hours worked, is monitored monthly. Consti's accident frequency rate improved positively over the past year and was below the industry average. However, the target set for the strategic period of achieving an accident frequency rate below five proved to be too ambitious. By the end of the strategic period in 2023, the accident frequency rate was 10. Accident discussions delve into the specific reasons behind accidents to prevent similar incidents from occurring.

According to the Occupational Health Care Act, occupational health services help maintain and promote employees' health, workplace safety, and the functioning of the work community, as well as prevent work-related illnesses and accidents. Consti's occupational health care service agreement defines a medical care level service for the personnel, which is more comprehensive than the statutory basic level. The occupational health services and staff benefits are the same for both permanent and temporary staff. In 2023, it was decided to transition to assessing the need for treatment before scheduling a doctor's appointment. This ensures that individuals are directed to the right treatment path from the outset. The average sickness absence rate in 2023 was 5.2 (7.1). In 2023, no confirmed cases of occupational diseases were reported.

In recent years, supervisor training has placed emphasis on maintaining work ability and early intervention when work ability deteriorates, in addition to common operating models. Consti employs an early support model with written instructions distributed to all personnel. Additional methods for supporting work ability involve improving supervisor practices and ensuring that work equipment is appropriate. To identify and prevent work ability issues, cooperation is also carried out with the pension insurance company, and the success of supporting work ability is monitored under the leadership of steering groups between Con-

sti, occupational health care, and the pension insurance company.

Consti promotes employee well-being through sports and culture benefits as well as group fitness subsidies. The aim is to foster a sense of community through shared physical activities

6.2 SUPPORTING THE PERSONNEL'S COMPETENCE AND DEVELOPMENT

The core of Consti has been crystallised into the Consti Way operating model, and these practices based on Consti's values are promoted through orientation, supervisor coaching and personnel events. In accordance with Consti Way, the harmonisation of procedures and processes related to personnel and management continued in 2023. Uniform practices facilitate supervisors' work, enhance operations, and ensure the prerequisites for a safe and equal working environment.

To support the competence and development of its personnel, Consti has defined a qualification path to ensure the basic competence required for each position. In 2023, the expansion of education and training provision continued. The main focus has continued to be on safety and its management.

Thanks to active cooperation with educational institutions, especially apprenticeship training has been utilised more extensively in the past couple of years for both training new recruits and upskilling existing personnel. Additionally, in 2023, Consti offered summer or internship positions to approximately 50 students in the field, with efforts made to provide permanent employment to promising summer workers and interns upon graduation.

The most significant new training initiative is active participation in the JATKOT project (a working life-oriented education model for continuous learning in the fields of technology), which began in January 2023. The project aims to develop a work-oriented education model for completing Bachelor of Construction Management and Master of Automa-

tion Engineering degrees at universities of applied sciences. Consti has selected 14 staff members for the training, and two mentors have been trained for them. Additionally, several experts from Consti are involved in the project to ensure that the skills and competency requirements meet the industry's needs. The main executor of the project is Häme University of Applied Sciences, and the project will last until the end of 2025.

Consti's principle is to establish employment contracts for an indefinite period. Excluding trainees, approximately 97 (97) percent of the end-of-year staff were employed under permanent contracts. The aim is to keep the proportion of fixed-term employment contracts below five percent.

At Consti, all employment relationships are formalised with a written employment contract. In 2023, Consti employed an average of 1,011 (971) individuals. Of the staff, 56 (60) percent were blue-collar workers, and 44 (40) percent were white-collar workers. In 2023, 150 (188) new permanent employees were hired. The turnover rate for permanent staff was 11.2 (16.0) percent. For the strategic period ending in 2023, the goal was to achieve a turnover rate of less than 12 percent.

In order to engage the personnel and encourage excellent work performance, Consti uses a performance-based bonus system for management and white-collar employees. The system has been formed for three different occupational groups: permanent salaried employees, site employees, and work and installation managers and comparable managers with responsibility for results. The incentive scheme is based on both qualitative and financial targets. The plan is complemented by a long-term share-based incentive plan covering 62 (57) key employees at the end of 2023, as well as a stock option plan for key personnel.

In 2023, no employee survey was conducted, but according to the staff survey conducted in the autumn of 2022, Consti employees are more satisfied than average with fair treatment in the workplace, and they also recommend Consti as an employer. However, the personnel feels that there is room for improvement, particularly in their opportunity to influence the development of operations.



Successes are also rewarded on worksites. The best sites are annually recognised in a competition between sites, with evaluation criteria including quality, safety, employee well-being, customer feedback, adherence to schedules, finances, and environmental considerations.

Employees may also receive a personal bonus for outstanding customer feedback.

The three best worksites in 2023 were Mevet Veterinary Hospital, which was renovated for Evidensia Eläinlääkäripalvelut Oy, Pelimannintie phase 3, an extensive renovation carried out for the City of Helsinki, and Asunto Oy Helsingin Konalantie 7, which was renovated for Elo Mutual Pension Insurance Company.



1ST PLACE

MEVET ANIMAL HOSPITAL

COMMISSIONED BY: EVIDENSIA VETERINARY SERVICES LTD.

The project saw the realisation of new, state-of-the-art reception and treatment facilities tailored to the needs of the animal hospital, repurposing previously used office spaces. The implementation of the animal hospital included a significant number of specialised areas related to hospital construction, such as examination, intensive care, isolation, and washing rooms. One notable aspect of the project was the integration of surgical room technology into the new premises. It's worth mentioning that the building's other operations were not to be disrupted during the renovation.

The project was modelled in 3D, and the model was utilised for both design and production management. The project, with a target and ceiling price contract, remained below the target price, and the facility was handed over to the client slightly ahead of schedule as a zero-defect handover. The new animal hospital opened its doors in July 2023.

PELIMANNINTIE 15, PHASE 3

COMMISSIONED BY: THE CITY OF HELSINKI (ATT)

The extensive renovation project located in Kannelmäki, Helsinki, encompassed four 7+1-story residential buildings built in 1975, along with a service building housing a laundry room, transformer room, and maintenance storage facilities.

The technical systems of the property were almost entirely renewed. A total of 175 apartments underwent demolition and renovation, including the replacement of practically all kitchen fixtures, appliances, and equipment. The building facades were re-clad, and new balconies were constructed for the studio apartments, incorporating a total of seven new balcony lines, providing 49 new units. All balconies in the property were enclosed with glass.

Roofing and attic insulation were renewed, with an increase in insulation thickness. Nine elevators in the property were replaced. The outdoor areas and playgrounds were renovated, and the waste sheds were replaced with deep collection bins.

The project was a direct continuation of Phases 1 and 2, and collaboration with the familiar project owner and designers improved with each phase. The project was completed 10 months ahead of schedule, and the Net Promoter Score (NPS) from customer feedback was 100.

2ND PLACE



AS OY KONALANTIE 7

COMMISSIONED BY: AS OY KONALANTIE 7, ELO MUTUAL PENSION INSURANCE COMPANY

The Konalantie 7 project was part of a larger development located in Reimarla, Helsinki, known as the Kokkokallontie project complex. Consti acted as the main contractor for the comprehensive refurbishment of three apartment buildings and a parking facility, with Konalantie 7, completed in 1974, being the final building to undergo refurbishment. The SR contract, implemented through takt time production, was completed in February 2023.

Extensive repair work was carried out on the concrete-structured rental apartment building, and the number of residential units was increased by converting former shared attic spaces into apartments. Underutilised hobby, drying, and commercial spaces were transformed into shared facilities, and the accessible sauna facilities of the housing company were relocated there. With these renovations, the number of units in the building increased from 51 to 80. Additionally, all outdated building technology was completely renewed.

3RD PLACE



HUS JORVI

COMMISSIONED BY: SRV RAKENNUS LTD / HELSINKI UNIVERSITY HOSPITAL

An HVAC subcontract, involving the installation of a new external air handling unit on the roof and additional HVAC installations and modifications. The project was executed using the alliance model and takt time production.

Temporary facilities for pulmonary diseases and neurology were renovated in the main building of Jorvi (commissioned in 1976) during the construction of Jorvi's new ward building. A particular challenge of the project was that construction work was carried out in an operational hospital and partially amidst hospital activities. In the existing premises, planned shutdowns had to be carefully designed and any inconvenience to users minimised. The subcontract was completed in October 2023.

BEST SUBCONTRACT





Developing versatile expertise alongside work

Juha Hämeenkorpi, who joined Consti in Jyväskylä in May 2021, is studying for a bachelor's degree alongside his work. With 20 years of entrepreneurial experience in facade renovations, Juha currently serves as a participating supervisor in facade and other renovation projects. Pursuing a higher education degree has always been his dream, but as an entrepreneur with a family, he found time to be limited.

“Professional skills are extremely important. In the renovation field, it's essential to see things holistically and find cost-effective solutions. Especially now, with the construction sector's uncertain situation, it's crucial that we can work across different areas.”

“At Consti, encouragement comes from all directions in the work community. My supervisors are very encouraging and patient in guiding me through the use of various systems that I have found fairly challenging.”

6.3 EQUALITY AND RESPECT FOR HUMAN RIGHTS

In the construction industry, common human rights risks include forced labour, the use of unauthorised workers, leading to under-the-table payments without social security, child labour, inadequate workplace safety, as well as harassment, racism, and other forms of inappropriate behaviour.

Human rights risks identified by Consti in its own operations include the use of unauthorised labour and inappropriate behaviour. Consti complies with the labour legislation and collective agreements in force in Finland, and employment contracts are made in writing. Consti requires that all of its subcontractors are members of Vastuu Group's Reliable Partner service. With regard to its own foreign employees, Consti has an operating model that ensures matters related to the person's residence, work permit and taxation are handled, and the necessary notifications are made to the authorities. All Consti partners are obligated to respect the legal rights of their employees, such as the freedom of association and collective bargaining.

“THE CORE OF CONSTI HAS BEEN CRYSTALLISED INTO THE CONSTI WAY OPERATING MODEL, AND THESE PRACTICES BASED ON CONSTI'S VALUES ARE PROMOTED THROUGH ORIENTATION, SUPERVISOR COACHING AND PERSONNEL EVENTS.”

Equal treatment is a part of Consti's ethical guidelines. Discrimination or inappropriate behaviour are not tolerated at Consti. Consti also has statutory gender equality and non-discrimination plans. The gender equality plan is integrated into Consti's personnel strategy. Recruitment of personnel is always based on the required skills for the job. There are also many skilled professionals from abroad who have relocated to Finland among the permanent staff at Consti.

If an employee encounters situations related to equality, human rights, or inappropriate behaviour, they can seek advice from the occupational safety representative, the occupational safety manager, or the shop steward. Inappropriate treatment is not accepted, and there are guidelines in place for both prevention and resolution of identified situations. Reports can also be made anonymously through an electronic reporting channel (known as a whistleblowing channel).

Consti's equality and diversity goal is to increase the proportion of women in the personnel and to ensure a balanced age structure. At the end of 2023, women accounted for approximately 15 (13) percent of the personnel. On average, the proportion of women in the construction sector in Finland is about 11 percent. During the year, 12 (15) percent of the personnel hired by the Group were women, and the age distribution of the new employees varied between 18 and over 60 years.





7 SUPPLY CHAIN

7.1 PREVENTING GREY ECONOMY

With the increasing prevalence of network-based operations, transparency in supply chains and overall management of processes becomes increasingly crucial.

In the construction sector, the fight against the grey economy and compliance with legislation, especially labour legislation, is emphasised in the procurement process. In procurement and supply chain management, responsibility must also be acknowledged. Consti aims to favour responsible suppliers in its procurement processes.

In the construction sector, forms of corruption include receipt sales and bribery in particular. The uniqueness and time sensitivity of construction projects, along with the considerable sums of money involved, can make financial misconduct tempting. At the same time, the large number of project phases, contracts and subcontractors makes monitoring challenging.

At Consti, corruption, bribery, or any attempt thereof are not tolerated in any form. Anti-bribery and anti-corruption measures are included in Consti's ethical guidelines, which are reviewed for example during orientation. Additionally, all white-collar workers and management undergo training on key business principles. The training includes, among other things, the basics of competition law, procurement, and contract law, and it covers the fundamental anti-corruption and anti-bribery measures adopted at Consti.

Consti has a process in place for financial misconduct and other significant violations, where suspicions of improper conduct are reported and evaluated. Staff and partners are encouraged to address any potential issues immediately. In 2023, one attempted bribery incident was uncovered and dealt with according to the established process. Suspicions of misconduct can also be reported anonymously through a whistleblowing channel.

As part of Consti's approach, all significant procurements, deliveries, work performances, and services related to business or individual projects are competitively and transparently tendered. The company has internal guidelines on competition law and its application. Written contracts are always drawn up for procurements. Collaboration with reliable partners committed to excellence and high-quality work is pursued for the long term. Risks associated with the supply chain are managed through regular monitoring meetings. Ambiguities and risks related to the supply chain are addressed through separate approval procedures.

There were no regulatory decisions or legal actions related to breaches of competition laws, cartels, or abuse of dominant position in 2023.

Consti adheres to the Act on the Contractor's Obligations and Liability when Work is Contracted Out and is part of Vastuu Group Oy's Reliable Partner programme. Consti requires that its subcontractors are also members of the Reliable Partner service or that they deliver other equivalent documents in accordance with the aforementioned Act. Consti uses standardised

contractual terms which commit the operators in the subcontracting chain to ensuring that they meet their social obligations. The Valti smart ID card is used for access control at worksites. The tax numbers of all employees have been submitted to the Finnish Tax Administration's construction industry tax number register. As the main contractor and orderer, Consti provides contract information for each worksite to the Tax Administration.

The methods of the contractor's liability act and access control help combat both the grey economy and human rights violations by preventing the use of workers without work permits. A person who does not have a work permit issued in a member state of the European Union will not be accepted as an employee. In the procurement training held in autumn 2023, for example key obligations related to the contractor's liability act were discussed.

Up to now, Consti has primarily focused on identifying and preventing human rights-related risks within its own worksites and ensuring the rights and equal treatment of individuals working there. An area for improvement identified is the broader assessment of human rights-related risks throughout the supply chain. To enhance practices, the mapping and description of processes related to human rights have been initiated.

Consti does not seek to influence the activities of political parties and did not provide financial support to political parties in 2023. Influencing takes place through organisations in the field. In 2023, Consti's

SUPPLY CHAIN OF CONSTI



”CONSTI IS COMMITTED TO THE CONTINUOUS DEVELOPMENT OF RESPONSIBILITY. ONLY COMPANIES THAT COMMIT TO RESPONSIBLE OPERATIONS ARE SELECTED AS CONTRACTUAL PARTNERS AND SUPPLIERS OF GOODS AND SERVICES.”

subsidiary or personnel were members of the Confederation of Finnish Construction Industries RT, its training organisation Rateko and the joint safety group, the Finnish Association of HVAC Technical Contractors LVI-TU ry, the Electrical Contractors’ Association of Finland STUL, the committees of Green Building Council Finland and the circular economy cluster in Helsinki. Consti has not received government support for its operations.

7.2 PARTNER COLLABORATION

In addition to Consti’s own operations, responsible operations essentially involve the functioning of the subcontracting chain. Consti must be able to rely on the responsibility of its partners already at the tender stage. A subcontracting network committed to responsible operations is also seen as a potential competitive advantage.

Engaging subcontractors and other partners to adhere to Consti’s ethical guidelines, quality standards, and environmental objectives is one of the areas for improving partnership collaboration. The ethical guidelines are part of Consti’s general delivery and contract terms, which are signed by all suppliers and subcontractors. Environmental requirements are included in the contract documents.

7.3 RESPONSIBLE PROCUREMENT

Consti is committed to the continuous development of responsibility. Only companies that commit to responsible operations are selected as contractual partners and suppliers of goods and services.

In sustainable procurement, three key themes of sustainable development are realised: ecological, social, and economic sustainability. Key objectives include improving energy and material efficiency and combating climate change by promoting low-carbon and carbon-neutral practices. In procurement, this means

enhancing material and energy efficiency, reducing waste, and minimising the use of harmful substances and emissions. Respect for human rights and fundamental labour rights is always maintained in the production of goods and services.

Contracts related to Consti’s subcontracting are made at the group level. Annual contract partners participate in monitoring meetings, where one topic is sustainability. Procurements are also made on a project-by-project basis.

7.4 CORPORATE GOVERNANCE

Consti’s governance and management are based on the Finnish Companies Act and Securities Markets Act, Consti Plc’s Articles of Association, and the rules and guidelines of Nasdaq Helsinki Ltd. Regarding insider matters, Consti adheres to the EU Market Abuse Regulation and the regulations issued under it. Consti follows the Finnish Corporate Governance Code for listed companies.

Consti adheres to the data protection regulation and is committed to handling personal data with care, in accordance with applicable laws and regulations, and in a manner that respects and protects individuals’ right to privacy. In 2023, Consti did not encounter any incidents related to breaches of customer privacy or the mishandling of customer data.

Consti prepares its financial reporting in accordance with International Financial Reporting Standards (IFRS), the Securities Markets Act, the Finnish Accounting Act, and the guidelines and statements of the Finnish Accounting Standards Board. The principles, instructions, practices, and responsibilities related to the company’s financial reporting process are designed to ensure that the financial reporting is reliable, and the financial statements are prepared in accordance with applicable laws, regulations, and the company’s principles of operation. Guidelines for the publication of financial information and external communication are included in the board-approved disclosure policy, the main principles of which are available on the company’s website.

7.5 TAX FOOTPRINT

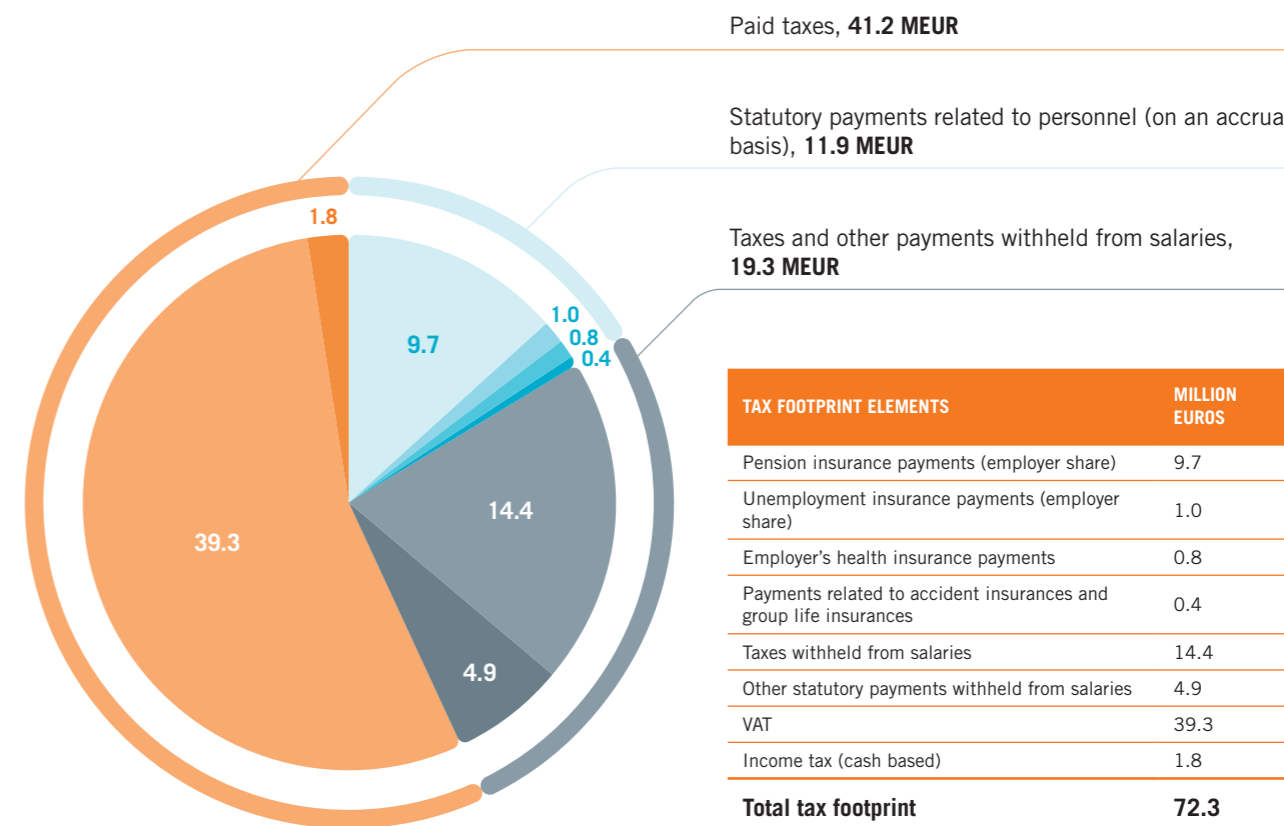
In 2023, the total tax footprint of Consti Group was 72.3 (64.7) million euros. This included 11.9 (10.8) million euros in personnel-related taxes, 19.3 (17.8) million euros in employee withholding taxes and other deductions from salaries, and 1.8 (1.1) million euros in corporate income tax.

Of the personnel-related tax-like payments, 9.7 (8.9) million euros consisted of employer pension insurance premiums, 1.0 (1.0) million euros of employer unemployment insurance premiums, 0.8 (0.7) million euros of employer health insurance premiums, and 0.4 (0.2) million euros of group life and accident insurance premiums.

Additionally, Consti paid a total of 39.3 (35.0) million euros in value-added tax.

Consti operates solely in Finland and pays all its taxes to Finland in accordance with Finnish legislation. In value-added taxation, Consti also follows the special regulations concerning the construction industry stipulated by Finnish law, the most significant for Consti being the reverse charge mechanism for VAT in the construction sector. Consti has not identified the need for a separate tax strategy, and the company is not aware of any tax payment-related inquiries from stakeholders.

CONSTI’S TAX FOOTPRINT IN 2023 WAS 72.3 MILLION EUROS



Units in graph: million EUR



8 CUSTOMER UNDERSTANDING

8.1 DEVELOPING CUSTOMER UNDERSTANDING IN 2023

Consti has versatile expertise in different areas of renovation and building technology, including building purpose modifications. Compared to new construction, renovation requires special expertise in operating in people's homes. Offices and business premises are also often at least partly at the customer's disposal during the repair. When Consti asked its customers and partners at the beginning of 2024 what sustainability issues Consti should focus on with them, comprehensive planning and implementation, a sensible level of repairs and circular economy emerged in addition to energy efficiency and safety expertise.

One area identified for improving Consti's customer satisfaction is the more efficient utilisation of the existing customer feedback system. However, in 2023, there were fewer customer surveys conducted, totalling 411, compared to 665 surveys conducted in the previous year. The response rate to the surveys was 25 percent, down from 36 percent the previous year. There's a recognised need for clarifying and allocating resources to survey processes, and improvement measures have been initiated. The number of surveys was also reduced due to a system change made in the previous year.

Consti's Net Promoter Score (NPS) is 67, based on feedback provided by professionals collected from 73 different worksites.

A key factor in customer satisfaction is quality, which consists of both technical quality of work and process

"CUSTOMERS VALUE THE PROFESSIONALISM, SERVICE-ORIENTED APPROACH, AND COLLABORATIVE SPIRIT OF ON-SITE PERSONNEL AND MANAGEMENT."

quality. Consti Korjausrakentaminen Oy and Consti Talotekniikka Oy hold quality certificates granted by the Construction Quality Association, RALA, and RALA competence. Consti's procurement guidelines and supplier contracts require the use of commonly accepted and project-appropriate CE-marked and/or certified products. In 2023, Consti Korjausrakentaminen Oy and Consti Talotekniikka Oy were awarded RALA's environmental and safety certificates. Consti Talotekniikka also holds a national corporate security certificate, demonstrating compliance with government requirements, including in security-classified projects.



EXTENSIVE HOSPITAL PROJECTS ARE IMPLEMENTED USING THE ALLIANCE MODEL

Consti is currently involved in two large-scale hospital alliances. The Laakso Joint Hospital project (LYS) in Helsinki covers two new hospital buildings, an underground parking facility, and an underground service floor, as well as a new building in Mäntsälä. Additionally, two protected buildings are undergoing renovation. In the building technology sub-alliance, three entities are involved in both the development and implementation phases. Consti Talotekniikka, as one of the building technology partners, is responsible for the HVAC, sprinkler, gas, and electrical work, as well as building automation in the northern part of the main building. The implementation phase commenced in December 2023, and the first part of the main building is expected to be completed by 2026.



A new ward building is being constructed on the Jorvi Hospital site, which will house a maternity ward, a paediatric outpatient clinic, a diagnostic centre, and wards for children and young people. The project is being executed using a fully integrated alliance model. Consti Talotekniikka Oy has been involved in both the development and implementation phases of the alliances. The development phase began in the summer of 2022, and the implementation phase started at the beginning of 2023. Consti is responsible for the implementation of HVAC and sprinkler works in the new ward building. The new ward building is expected to be operational by 2026.

8.2 COOPERATIVE PROJECTS

Consti strives to influence the development of the entire industry by actively participating in industry networks and engaging in joint development projects. For example, Consti is involved in the RAIN3 project led by Lean Construction Institute Finland ry, which aims to promote green transition initiatives and utilise lean principles to enhance productivity in the construction sector.

Collaborative contracts and alliance models aim to cultivate a more open and collaborative culture in construction and manage the risks associated with complex renovation projects. In collaborative projects, interaction with the client, users, designers, and subcontractors is essential. The collaboration agreement defines the common goals, responsibilities, and incentives of the participants involved in the project.

In 2023, the collaborative model was utilised in various projects, including extensive hospital projects such as Jorvi and during the development phase of the building technology at Laakso Joint Hospital.

8.3 SUPPORTING THE CUSTOMER'S CLIMATE GOALS

In renovation, the customers' environmental goals emphasise the energy efficiency of the premises. Consti improves the energy efficiency of properties especially with facade repairs and building technology renewal.

When a contractor, who has knowledge of construction costs and structural characteristics, is involved in the planning phase, it becomes easier to compare ren-

ovation options from an energy efficiency perspective. Energy efficiency is supported by optimal space utilisation and adaptability, which also rely on collaboration during the planning phase with designers, clients, and property users.

Consti has developed and productised several environmentally friendly services in recent years. The Consti Optimi building technology system, developed in 2022, which utilises waste heat, solar energy, and geothermal energy for heating and cooling, was in simulation use in a significant client case in 2023. When assessing factors affecting energy efficiency and

seeking the most cost-effective and energy-efficient repair option through simulation in a 1990s office space, a 50 percent energy saving compared to the current state was achieved in the property. In 2023, a comprehensive service, Consti Toimiva, was productised for property maintenance, annual maintenance, and building purpose modifications with expert services as a clear package. Toimiva also aims to optimise the property's energy consumption.

Consti Way is our way of working and leading

UNDERSTANDING THE CUSTOMER

- ▼ Tailored services for the customer
- ▼ Creating value
- ▼ Willingness to find solutions and offering the best overall solution

COLLABORATION AND TRANSPARENCY

- ▼ Equal treatment
- ▼ Sharing of knowledge and expertise
- ▼ Building and developing teams
- ▼ Group-level cooperation

SHARED OPERATING MODELS

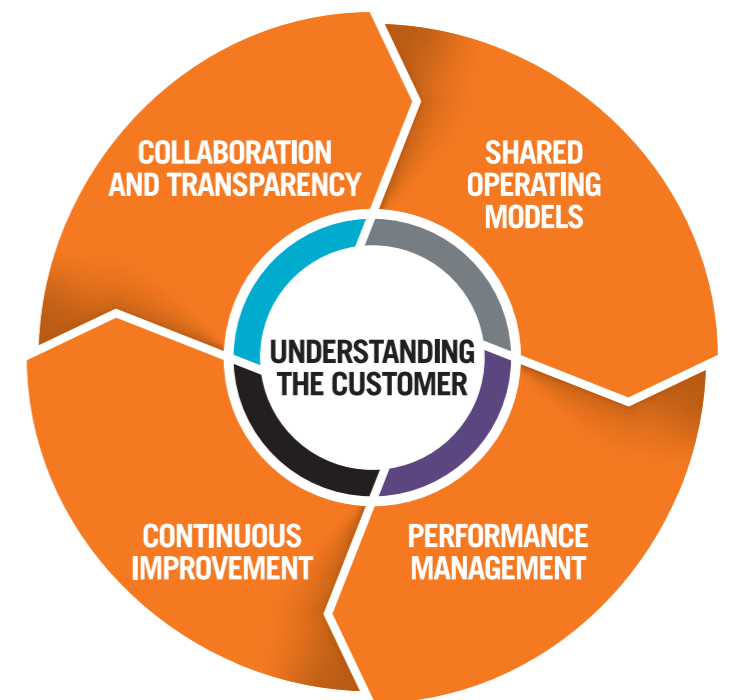
- ▼ Enabling and supporting value-adding work
- ▼ Standardised production process
- ▼ Optimisation of the whole

PERFORMANCE MANAGEMENT

- ▼ Clear objectives
- ▼ Measurement and monitoring
- ▼ Smooth and transparent decision-making
- ▼ Timely decisions based on correct and real-time information

CONTINUOUS IMPROVEMENT

- ▼ Standardisation
- ▼ An encouraging and reflective operation culture
- ▼ Mistakes are learning opportunities
- ▼ Developing our own work and processes
- ▼ Problem-solving on-site



CONSTI WAY

9

REPORTING ACCORDING TO THE EU TAXONOMY

Reporting according to the EU taxonomy

The EU Taxonomy serves as the European Union's framework for classifying economically sustainable activities with environmental benefits. Its primary objectives include streamlining sustainability reporting among companies and directing investments towards sustainable endeavours. Pertaining to the EU Taxonomy Regulation, companies, including those listed publicly, are mandated to disclose non-financial information in compliance with the NFI Directive for the fiscal year 2023. This reporting entails detailing the percentage of their revenue, capital investment, and operational expenses linked to taxonomy-eligible activities (taxonomy eligibility), as well as assessing the alignment of their financial operations with the taxonomy's environmental sustainability criteria (taxonomy alignment).

The taxonomy includes six environmental objectives: 1) climate change mitigation, 2) climate change adaptation, 3) sustainable use and protection of water and marine resources, 4) transition to a circular economy, 5) pollution prevention and control, and 6) protection and restoration of biodiversity and ecosystems. Reporting in 2023 covers both taxonomy eligibility and compliance for climate change, and eligibility for other objectives.

For economic activities to align with the taxonomy, they must meet the sector-specific requirements defined within the taxonomy for each environmental objective. Additionally, the European Commission has defined sector-specific assessment criteria to determine whether the economic activity causes significant harm to other environmental objectives. To be taxonomy-aligned, activities must not cause significant harm to other environmental objectives (DNSH principle, Do No Significant Harm). Furthermore, activities must adhere to the ethical labour and human rights principles of the United Nations, OECD, and ILO.

Consti's taxonomy-eligible net sales

Construction and building use have a significant impact on climate change. Consti provides renovation, building technology, and selective new construction services. Renovation typically improves the energy efficiency of buildings, both through building technology and structurally. Consti estimates that approximately 85.3 (84.0) percent of its turnover is

eligible for taxonomy classification regarding climate change mitigation. According to Consti's assessment, its operations do not meet the taxonomy classification criteria for other environmental objectives.

Consti's taxonomy-aligned net sales

According to Consti's interpretation, 9.8 (4.4) percent of its net sales are taxonomy-aligned. Activities according to the classification system are based on the categories: 7.2 Renovation of existing buildings, 7.3 Installation, maintenance, and repair of energy efficiency equipment, and 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating, and controlling energy performance in buildings.

In projects falling under category 7.2, significant advancement in climate change mitigation requires compliance with requirements applicable to large-scale renovations or alternatively, leading the renovation to reduce primary energy demand by at least 30 percent. Consti assessed that during the financial year

2023, two major renovation projects met both the significant advancement criteria and the non-significant harm criteria required for category 7.2. Projects that did not meet the significant advancement criteria and the non-significant harm criteria, for example in the recycling of construction site waste, were not included in the net sales classified according to the taxonomy.

Category 7.3, which involves the installation, maintenance, and repair of energy efficiency equipment, includes measures such as adding insulation to parts of existing building envelopes, replacing old windows and doors with energy-efficient ones, implementing energy-efficient lighting, and installing, replacing, maintaining, and repairing equipment for air conditioning and water heating systems and fixtures under certain conditions. Consti assessed that its economic activities also meet the non-significant harm criteria defined for category 7.3.

Category 7.5 involves the installation, maintenance, and repair of instruments and devices used for measuring, regulating, and controlling the energy effi-

NET SALES FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY ELIGIBLE AND ALIGNED ECONOMIC ACTIVITIES	YEAR 2023			SUBSTANTIAL CONTRIBUTION CRITERIA						DO NO SIGNIFICANT HARM (DNSH) CRITERIA						Minimum safeguards	Taxonomy-aligned portion of Net sales, year N	Taxonomy-aligned portion of Net sales, year N-1	Category (enabling activity)	Category (transitional activity)	
	Codes	Absolute Net sales	Proportion of Net sales	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						
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES		m€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T	
A.1 Environmentally sustainable activities (taxonomy-aligned)																					
Renovation of existing buildings	7.2	18.0	5.6	100	0	0	0	0	0	Y	Y	Y	Y	N/A	Y	5.6	0.0	E	N/A		
Installation, maintenance and repair of energy efficiency equipment	7.3	12.5	3.9	100	0	0	0	0	0	Y	N/A	N/A	Y	N/A	Y	3.9	3.9	E	N/A		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	0.8	0.2	100	0	0	0	0	0	Y	N/A	N/A	N/A	N/A	Y	0.2	0.5	E	N/A		
Net sales of environmentally sustainable activities (taxonomy-aligned) (A.1)		31.3	9.8	100	0	0	0	0	0	Y	Y	Y	Y	N/A	Y	9.8	4.4	E	N/A		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Construction of new buildings	7.1	23.9	7.5	100	0	0	0	0	0							7.5	11.9				
Renovation of existing buildings	7.2	218.4	68.1	100	0	0	0	0	0							68.1	67.7				
Net sales of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		242.3	75.6	100	0	0	0	0	0							75.6	79.6				
TOTAL (A.1 + A.2)		273.6	85.3	100	0	0	0	0	0							85.3	84.0				
B. TAXONOMY-NON ELIGIBLE ECONOMIC ACTIVITIES																					
Net sales of Taxonomy-non-eligible activities (B)		47.0	14.7																		
TOTAL (A+B)		320.6	100.0																		



THE RENOVATION OF TAIVALLAHTI SCHOOL IN TÖÖLÖ, HELSINKI, WAS ONE OF CONSTI'S PILOT PROJECTS IN THE TAXONOMY ASSESSMENT

The renovation of the school, built in the 1950s, began in January 2023 and will be completed in October 2024.

The requirements set by Taxonomy category 7.2, "Renovation of existing buildings," were examined together with the client and designers. About 10 people from various parts of the organisation participated in joint workshops at Consti.

The project was designed to meet the goals set for resource efficiency, adaptability of spaces, flexibility, and deconstruction. The design of the spaces takes into account the needs of special children, evening and weekend use, potential temporary accommodation, and functioning as a polling place. Building-wide modelling enhances deconstruction.

Ventilation and heating are intelligently controlled by building automation and motion sensors. Energy efficiency is improved through, among other things, additional insulation and the refurbishment of windows and external doors. The required 70 percent recycling rate and requirements for sanitary fittings will also be met. A climate risk assessment was also conducted for the site.

Based on the taxonomy assessment, the entire renovation project for Taivallahti School is eligible for taxonomy, thus contributing to mitigating climate change. After the renovation, the school will have 780 student places and 42 preschool places.

The client for the project is the City of Helsinki's Urban Environment Sector, Facilities Services, and the lead designer is Jeskanen-Repo-Teränne Arkkitehdit Oy.

ciency of buildings. This includes the installation, maintenance, and repair of room-specific thermostats, smart thermostat systems and sensor devices, building automation and management systems, building energy management systems, lighting control systems, and energy management systems. Consti assessed that its economic activities comply with the requirements in this category and that its economic activities meet the non-significant harm criteria defined for this category.

When assessing compliance with the taxonomy, the classification of activities included in category 7.1, Construction of new buildings, was also investigated. Some of Consti's economic activities relate to the construction of new buildings but the criteria for significant contribution and/or some technical criteria of DNSH requirements were not fulfilled or the fulfillment of the requirements could not be confirmed due to ambiguity of interpretation.

Therefore, Consti's activities in the category "Construction of new buildings" are not in line with the classification system.

Consti has evaluated its minimum safeguards in bribery and corruption prevention, tax regulation, fair competition, and human rights. Consti estimates that the company meets the minimum safeguards. These

are described earlier in the section "Business responsibility and non-financial information".

The definition of the net sales indicator in the EU taxonomy corresponds to the items presented in the net sales of Consti's consolidated income statement. Consti's net sales mainly consist of projects recognised as income over time. The assessment of the technical criteria for projects recognised as income over time is based on the information available at the balance sheet date. If the estimate changes as the project progresses, the taxonomy status for the project will be updated. In such cases, no retrospective adjustment to previously reported data is made.

Taxonomy-eligible capital expenditure and operational expenditure

According to Consti's estimate, the operating expenses defined in its taxonomy decree totalled approximately 1.1 (1.1) million euros in the financial year 2023. Therefore, operating expenses are not material for Consti's business model. Consti's business model has low investment needs as the company's capacity mainly relies on personnel. Consti Group's investments in intangible and tangible assets for the

financial year 2023 amounted to 2.1 (1.5) million euros. These investments primarily include machinery and equipment acquisitions. Investments in right-of-use assets (IFRS 16) were 3.0 (1.3) million euros and mainly related to the renewal of leasing agreements for production vehicles, new storage facilities, and the treatment of lease agreements for premises and warehouses in accordance with IFRS 16.

The investments in intangible and tangible assets resulting from business combinations during the fiscal year 2023 amounted to 1.1 (0.0) million euros. Therefore, the total capital expenditures for the financial year, according to the EU taxonomy definition, amounted to 6.2 (2.8) million euros. According to Consti's evaluation, its capital expenditure in 2023 did not align with the classification system outlined by the EU taxonomy.



CAPITAL EXPENDITURE FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY ELIGIBLE AND ALIGNED ECONOMIC ACTIVITIES	YEAR 2023			SUBSTANTIAL CONTRIBUTION CRITERIA						DO NO SIGNIFICANT HARM (DNSH) CRITERIA						Minimum safeguards	Taxonomy-aligned portion of CapEx, year N	Taxonomy-aligned portion of CapEx, year N-1	Category (enabling activity)	Category (transitional activity)	
	Codes	Absolute CapEx	Proportion of CapEx	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						
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES		m€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	K/E	%	%	E	T	
A.1 Environmentally sustainable activities (taxonomy-aligned)																					
-	-	0.0	0.0	0	0	0	0	0	0	Y	N/A	N/A	N/A	N/A	Y	Y	0.0	4.6	E	N/A	
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0.0	0.0	0	0	0	0	0	0	Y	N/A	N/A	N/A	N/A	Y	Y	0.0	4.6	E	N/A	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.0	0.0														0.0	0.0			
TOTAL (A.1 + A.2)		0.0	0.0														0.0	4.6			
B. TAXONOMY-NON ELIGIBLE ECONOMIC ACTIVITIES																					
CapEx of Taxonomy-non-eligible activities (B)		6.2	100.0																		
TOTAL (A+B)		6.2	100.0																		

10 CSRD PREPARATION

Consti is required to publish a sustainability report in accordance with the Corporate Sustainability Reporting Directive (CSRD) on its operations starting from the financial year 2024. Sustainability factors must be reported according to the European Sustainability Reporting Standards (ESRS). The new sustainability reporting model includes five environmental reporting categories based on the EU's environmental taxonomy, of which the company reports on the relevant categories for its operations in accordance with the disclosure requirements of the standards, as well as social sustainability and governance reporting categories. The environmental reporting categories are Climate Change, Pollution, Water Resources and Marine Resources, Biodiversity and Ecosystems, and Resource Use and Circular Economy. The social sustainability categories are Own Workforce, Supply Chain Workers, Affected Communities, and Consumers and End Users.

Consti has prepared for sustainability reporting in accordance with the new requirements during 2023 by analysing and identifying the essential sustainability impacts of its operations, along with the associated key risks and opportunities.

Key impacts of climate change on construction in Finland include warmer winters and increased rainfall. For instance, the period suitable for exterior plastering extends, and concrete pouring and foundation construction become more manageable with fewer sub-freezing days. However, concrete drying slows down in humid weather. Increased rainfall also complicates storage of construction materials and underscores the importance of meticulous moisture management and careful execution during construction. The need for weather protection during construction is emphasised. Increased windiness may hinder work on construction scaffolding and raise durability requirements

for scaffolding. Special attention must be paid to scaffold fastenings, especially during stormy winds. Simultaneously, while warmer winters facilitate some construction phases, increasing temperature fluctuations around freezing temperatures pose new challenges: construction materials such as concrete, metal, and wood react to temperature changes by expanding and contracting, potentially causing cracks, warping, and structural deformations.

During winter, soil bearing capacity decreases as the beneficial effects of frost and freezing are lost. For instance, more time is required for post-repair restoration of courtyards. Consti has assessed the probability of these risks and their impact on its operations as part of a double materiality analysis. Assessments of the economic impacts of climate change will be further refined during 2024.

In the double materiality assessment, financial materiality and impact materiality have been examined. Based on the double materiality assessment, the essential sustainability factors for Consti have been defined. Among the environmental aspects, climate change and resource use and circular economy have been preliminarily identified as essential for Consti.

Regarding social sustainability, the essential factors preliminarily identified include own workforce and employees in the value chain. In accordance with reporting requirements, Consti also reports on governance-related sustainability factors, which pertain to the conduct of business operations.

The key sustainability objectives for Consti for the strategic period 2024–2027 have been defined as mitigating climate change, promoting occupational safety and well-being at work, and developing responsible practices within the industry.

11

SUSTAINABILITY INDICATORS

To illustrate the development of key sustainability themes for Consti, indicators have been selected for monitoring at the executive level on both an annual and monthly basis. In conjunction with the annual summary, development measures are also documented in the annual plans. Monitoring of the lon-

gest-standing indicators extends back to 2015, while tracking for newer thematic areas began in 2021.

The indicators and their reporting cycles are described in Annex 1.

Kauppa keskus Myyrmanni, Prisma



Constille kestävän vastuusysteemojen kehittämistä kuvaava on vuorokäytännöt, joita seurataan johtoryhmässä vuosittain ja kuukausitasolla. Vuosittaisen yhteistyön yhteydessä vuosisuunnitelmiin kirjataan myös kehittämistoimenpiteet. Lisämpään käytössä

CONSTI'S SUSTAINABILITY INDICATORS AND KEY PERFORMANCE INDICATORS 2021-2023

CENTRAL THEMES	GOALS FOR THE STRATEGY PERIOD (2021–2023)	GOALS 2023	INDICATORS			
ENVIRONMENTAL FRIENDLINESS	<ul style="list-style-type: none"> Expertise in climate impacts on properties Energy efficiency in our own operations Sorting and recycling of waste 	<ul style="list-style-type: none"> Ecological solutions for customers RALA environmental certificate directs the action Consti's environmental program is completed Calculating consumption and CO₂ emissions of own operations for the previous year Monitoring and controlling the energy consumption of construction sites Increasing the utilisation rate of construction site waste 	<ul style="list-style-type: none"> Realised/not realised Realised/not realised Realised/not realised Realised/not realised Realised/not realised Distribution of waste and recycling rate, % 			
		<ul style="list-style-type: none"> Development of personnel and support for expertise Equality and human rights Continuous improvement of occupational safety 	<ul style="list-style-type: none"> Offering Consti personnel and the personnel of our partners a safe and equal work environment that encourages the development of expertise Being one of the most desirable workplaces in the industry Reduction of occupational accidents and sickness absences 	<ul style="list-style-type: none"> Electronic training platform in use Personnel exit turnover rate under 12 % Fixed-term employment contracts under 5 % Balanced age distribution and more balanced gender distribution. The share of women among personnel is larger than in the previous year. Average recommendation rate given by personnel over 3.5 Sickness absence and occupational accidents 0 pcs, accident frequency under 5 Completed ePerehdytys-orientation 100% of Consti's worksite access permit holders 2 pcs occupational safety observation/person/year 	<ul style="list-style-type: none"> Realised/not realised Personnel exit turnover rate, % Fixed-term employment, % of total personnel Women's share of personnel, % Average recommendation rate given by personnel (scale 1-5) Sickness absence, %, number of occupational diseases (pcs) and accident frequency Share of employees who complete ePerehdytys-orientation % Number of occupational safety observation, pcs /person/year 	
			<ul style="list-style-type: none"> Grey economy prevention Development of partner collaboration 	<ul style="list-style-type: none"> Reducing grey economy in the construction industry together with other operators in the field Reducing the risks of grey economy in our own operations Developing partner collaboration to improve quality, service level and efficiency 	<ul style="list-style-type: none"> Zero events that breach our ethical guidelines Increase in the number of subcontractor partnership 100% of subcontractors are committed to Consti's ethical guidelines in 2023 Functional whistleblower processes 	<ul style="list-style-type: none"> Events that breach ethical guidelines (pcs) Number of subcontractor partners, (pcs) Share of suppliers committed to ethical guidelines, % Realised/not realised
				<ul style="list-style-type: none"> Customer understanding Supporting the customer's climate goals 	<ul style="list-style-type: none"> Best customer experience in the industry Trailblazer status in climate-change-proof renovation 	<ul style="list-style-type: none"> More efficient use of the customer feedback channel Taking customer feedback into account in improving operations. Emphasis on collaborative projects and development projects. At least 10 pcs realised collaborative or development projects

CONSTI'S SUSTAINABILITY INDICATORS AND KEY PERFORMANCE INDICATORS 2021-2023



RESPONSIBILITY THEME	MEASURED ASPECT	GOAL	INDICATOR	MEASUREMENT FREQUENCY	2023	2022	2021	2020	2019	2018	2017	2016	2015	
E - Environmental friendliness	Realised and observed environmental risks	Zero realised risks	Pcs / y.	1 y.	0	0	0	0	0	0	0	0	0	
	Complaints regarding environmental impacts	Zero complaints	Pcs / y.	1 y.	0	0	0	0	0	0	0	0	0	
	Ecological solutions for customers	Ecological solutions for customers		Realised/not realised	1 y.	Realised	Realised	Realised						
		RALA environmental certificate directs the action		Realised/not realised	1 y.	Realised								
		Consti's environmental program is completed		Realised/not realised	1 y.	Realised								
	Own energy consumption	Creation of methods for the systemic monitoring of energy consumption at construction sites		Realised/not realised	1 y.	Realised	Partially realised	Partially realised						
		Monitoring and controlling the energy consumption of construction sites		Realised/not realised	1 y.	Realised								
	Carbon footprint	Indicators and reduction goals for our own energy consumption (office premises)		Realised/not realised	1 y.	Realised	Partially realised	Partially realised						
		Calculating consumption and CO ₂ emissions of own operations for the previous year		Realised/not realised	1 y.	Realised	Realised	Realised						
	Construction site waste	Standardised monitoring system and reduction goals for construction site waste		Realised/not realised	1 y.	Realised	Realised	Realised						
Increasing the recycling rate of construction site waste			Distribution of waste and recycling rate, %		56 %	52-57 %								
S - Occupational safety and well-being	Number of accidents	Pushing the accident frequency* as low as possible under 5 for the strategy period	Accident frequency*	1 mo.	10	16	15	13	11	19	20	22	26	
	Number of sickness absences	Fewer sickness absences** than before	Sickness absence**, %	1 mo.	5.2	7.1	5.4	4.9	3.3	3.0	2.8	2.8	3.9	
	Number of occupational diseases	Zero or at least fewer occupational diseases	Pcs / y.	1 y.	0	0	0	0	0	0	0	1	2	
	Personnel turnover rate	Turnover rate does not exceed that of last year*** Under 12% for the strategy period	Exit turnover rate***, %	1 mo.	11.2	16	17.4	12.9	17.4	20.7	15.4	19.9	15.2	
	Labour disputes	Zero labour disputes	Pcs / y.	1 y.	1	0	0	0	0	0	0	1	0	
	Fixed-term employment contracts	Share of fixed-term employment contracts Under 5%	%	1 y.	3	3.1	3.2	3.2	4.1	3.3	4.2	9.0	8.7	
	Occupational safety observations	Number of submitted observations	Pcs/person/year	1 y.	2.7	1.02	0.3							
	ePerehdytys online orientation	100% of employees have completed ePerehdytys orientation	Share of employees who have completed the orientation, %	1 y.	71 %	54 %	40 %							
	Sanctions incurred as a result of industrial safety inspections	Zero sanctions	Pcs / y.	1 y.	0	0	0							
	A more balanced age and gender distribution	Balanced age distribution and more balanced gender distribution. The share of women among personnel is larger than in the previous year	%	1 y.	15	13	12	11	11	12	11	11	11	
G - Supply chain	Electronic training platform in use		Realised/not realised	1 y.	Realised									
	Average recommendation rate given by personnel over 3.5		Average recommendation rate given by personnel (scale 1-5)	1 y.	4.75									
	Events in breach of ethical guidelines	Zero events that breach our ethical guidelines	Pcs / y.	1 y.	0	0	0	0	0	0	0	0	0	
Ethical guidelines for subcontractors	100% of subcontractors are committed to Consti's ethical guidelines in 2023		Share of suppliers committed to ethical guidelines,%	1 y.	100 %									
	Functional whistleblower processes		Realised/not realised	1 y.	Realised									
C- Customer satisfaction	Systematising the use of the customer feedback system	Customer satisfaction surveys for all projects worth at least 500 000 euros or for customers who commission a significant amount of smaller targets on an annual level, and taking the resulting development suggestions into account in our operations	Realised/not realised	1 y.	Realised	Realised	Realised							
	Expertise in climate impacts on properties	Development of maintenance services so that they take the effects of climate change into account	Realised/not realised	1 y.	Realised	Partially realised	Partially realised							
	Supporting the customer's environmental goals	Services or projects (collaborative projects) that involve customers	Realised/not realised/pcs	1 y.	13	21	Some 10 pcs were realised							

* Number of accidents per one million working hours.

** The sickness absence percentage includes all absences resulting from sick leave and accidents.

*** The exit turnover rate contains employment relationships terminated for whatever reason except retirement.

12 ANNEXES

ANNEX 1 GRI-TABLE

GRI INDEX	CODE	GRI STANDARDS DISCLOSURE	LOCATION *	COMMENTS
General Disclosures				
Organisational profile	2-1	Organizational details	p. 5	
	2-2	Entities included in the organization's sustainability reporting	p. 5	
	2-3	Reporting period, frequency and contact point	p. 5 and back cover	
	2-4	Restatements of information		No significant changes
	2-5	External assurance	p. 5	
	2-6	Activities, value chain and other business relationships	p. 33	
	2-7	Employees	p. 8	
	2-9	Governance structure and composition	AR p. 80	
	2-10	Nomination and selection of the highest governance body	AR p. 80	
	2-11	Chair of the highest governance body	AR p. 80	
	2-14	Role of the highest governance body in sustainability reporting	p. 8	
	2-15	Conflicts of interest	AR pages 58, 82	
	2-19	Remuneration policies	AR p. 74	
	2-20	Process to determine remuneration	AR p. 74	
	2-22	Statement on sustainable development strategy	AR s. 7	
	2-26	Mechanisms for seeking advice and raising concerns	pages 30 and 32	
	2-27	Compliance with laws and regulations	pages 19, 25, 30, 34	
	2-28	Membership associations	p. 23	
	2-29	Approach to stakeholder engagement	p. 8	
	2-30	Collective bargaining agreements		All Consti personnel
3-1	Process to determine material topics	p. 8		
3-2	List of material topics	p. 7		
Economic Impacts				
	201-1	Direct economic value generated and distributed	AR p. 4-5	
	201-2	Financial implications and other risks and opportunities due to climate change	p. 44	
Economic Performance	201-3	Defined benefit plan obligations and other retirement plans	AR p. 38	
	201-4	Financial assistance received from government	p. 33	
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	p. 32	
	205-3	Confirmed incidents of corruption and actions taken	p. 32	
Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 32	
Tax	207-1	Approach to tax	p. 34 + AR p. 38	
	207-2	Tax governance, control, and risk management	p. 34	
	207-3	Stakeholder engagement and management of concerns related to tax	p. 34	
Environmental Impacts				
Energy	302-1	Energy consumption within the organization	p. 21-23	
	302-3	Energy intensity	p. 23	
	302-4	Reduction of energy consumption	p. 21	
	305-1	Direct (Scope 1) GHG emissions	p. 23	
Emissions	305-2	Energy indirect (Scope 2) GHG emissions	p. 23	
	305-3	Other indirect (Scope 3) GHG emissions	p. 23	
	305-4	GHG emissions intensity	p. 23	
	305-5	Reduction of GHG emissions	p. 21	

* Location in this report or in the annual report (AR)

GRI INDEX	CODE	GRI STANDARDS DISCLOSURE	LOCATION *	COMMENTS
Waste	306-1	Waste generation and significant waste-related impacts	p. 17	
	306-3	Waste diverted from disposal	p. 21	
	306-4	Waste directed to disposal	p. 21	
Social Impacts				
Employment	401-1	New employee hires and employee turnover	p. 27	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		All employees have the same benefits regardless of the type of employment
	401-3	Parental leave		Statutory
Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes		Statutory
Occupational Health and Safety	403-1	Occupational health and safety management system	p. 25	All Consti personnel
	403-2	Hazard identification, risk assessment, and incident investigation	p. 25	
	403-3	Occupational health services	p. 25	
	403-4	Worker participation, consultation, and communication on occupational health and safety	p. 25	
	403-5	Worker training on occupational health and safety	p. 25	
	403-6	Promotion of worker health	p. 25	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 25	
	403-8	Workers covered by an occupational health and safety management system	p. 26	
	403-9	Work-related injuries	p. 26	
	403-10	Work-related ill health	p. 25	
Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs	p. 27	
	405-1	Diversity of governance bodies and employees	AR p. 85-86	No information available on diversity of employees
	406-1	Incidents of discrimination and corrective actions taken	p. 30	
	415-1	Political contributions	p. 33	
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 34	

* Location in this report or in the annual report (AR)

More information:



CORPORATE GOVERNANCE

<https://investor.consti.fi/en/corporate-governance>



ANNUAL REPORT 2023

<https://investor.consti.fi/en/news-and-results/reports-and-presentations>



ANNEX 2: SAFETY PRINCIPLES

<https://www.consti.fi/consti/yhteistyokumppaneille>

ANNEX 3: ENVIRONMENTAL PRINCIPLES

<https://www.consti.fi/consti/yhteistyokumppaneille>

ANNEX 4: CONSTI'S ETHICAL GUIDELINES

<https://www.consti.fi/consti/yhteistyokumppaneille>

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WWW.CONSTI.FI



**FURTHER INFORMATION ON CORPORATE
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2023
**CORPORATE SOCIAL
RESPONSIBILITY REPORT**