CONSTI

CONSTI PLC
ANNUAL REPORT

2024

Photo: Pasi Salminen

2024

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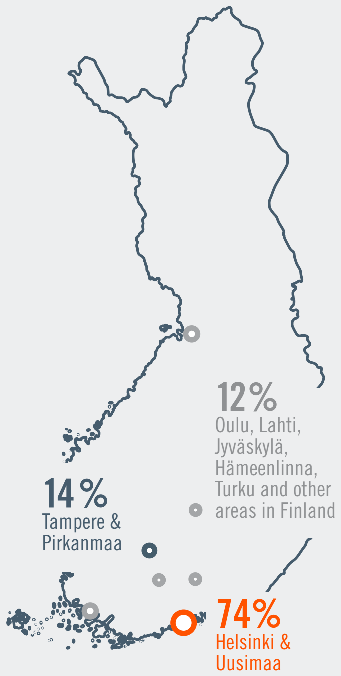
LOCATIONS AND NET SALES BY GEOGRAPHICAL AREA



CONSTI IN BRIEF

Consti is one of Finland's leading companies focused on renovation contracting and technical building services.

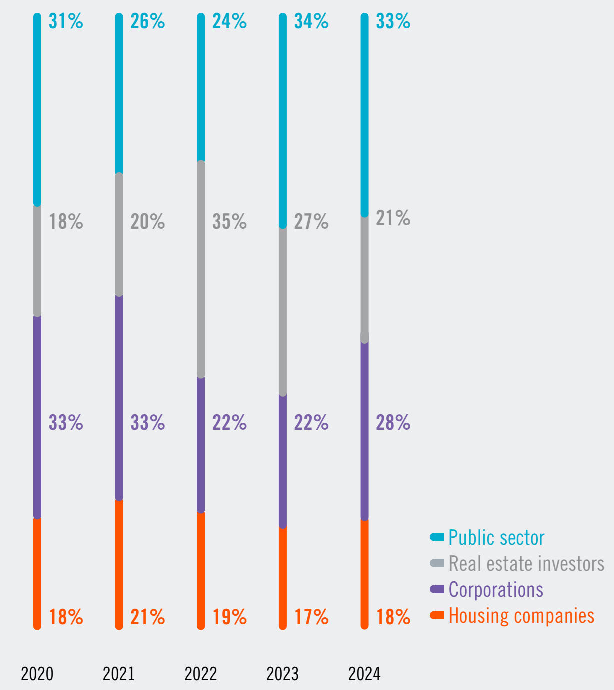
Consti offers comprehensive renovation and building technology services and selected new construction services to housing companies, corporations, investors and the public sector. Our services also include service contracts and maintenance. Our operations concentrate to Finland's growth areas.

Consti has four business areas:

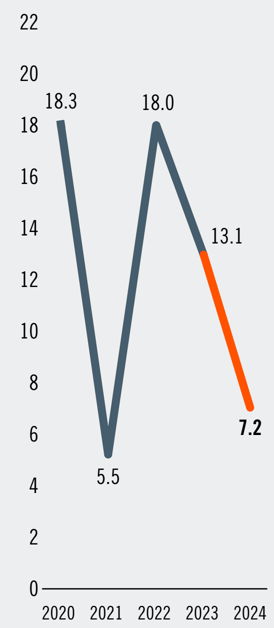
- Housing Companies
- Corporations
- Public Sector
- Building Technology

The group's parent company is Consti Plc. At the end of 2024, the business areas operated in subsidiaries completely owned by the parent company: Consti Korjausrakentaminen Oy, Consti Talotekniikka Oy and Sähkö-Huhta Oy. Business areas are reported in one segment. In addition, Consti reports net sales for each business area.

NET SALES BY CUSTOMER GROUP

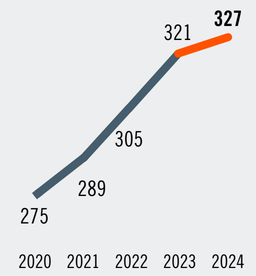


Free cash flow (EUR million)*

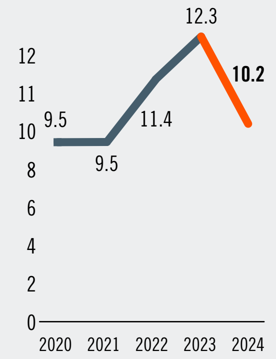


* Net cash flow from operating activities before financial and tax items less investments in intangible and tangible assets

Net sales (EUR million)



Adjusted operating result (EUR million)



KEY FIGURES (EUR 1,000)	2020	2021	2022	2023	2024
Net sales	274.6	288.8	305.2	320.6	326.7
EBITDA	11.4	9.2	14.9	15.9	14.3
EBITDA margin (%)	4.2	3.2	4.9	5.0	4.4
Adjusted operating result	9.5	9.5	11.4	12.3	10.2
Adjusted operating result margin (%)	3.5	3.3	3.7	3.9	3.1
Operating result	8.2	5.7	11.4	12.3	10.2
Operating result margin (%)	3.0	2.0	3.7	3.9	3.1
Profit/loss for the year	5.7	3.7	8.5	9.0	7.1
Earnings per share, undiluted (EUR)	0.70	0.47	1.10	1.17	0.91
Dividend/share (EUR)	0.40	0.45	0.60	0.70	0.70*
Order backlog	177.9	218.6	246.7	270.0	240.1
Order intake	214.3	275.1	283.7	280.0	259.0
Free cash flow	18.3	5.5	18.0	13.1	7.2
Cash conversion, (%)	160.3	59.3	120.6	82.2	50.5
Net interest bearing debt	4.7	14.3	3.9	-0.9	2.7
Equity ratio, (%)	32.7	29.8	32.9	38.6	41.3
Gearing, (%)	14.1	44.7	10.7	-2.3	6.1
Return on investment, ROI (%)	13.6	9.2	18.3	20.8	17.4
Number of persionnel at period end	927	961	975	1,008	1,012

* Board of Directors proposal to the Annual General Meeting

Net sales
326.7
€ Million

Earnings per share
0.91 €

Personnel
1,012

CONSTI PLC CEO'S REVIEW

Photo: Pasi Salminen

CEO's review

A REASONABLE YEAR IN A CHALLENGING MARKET

Consti's net sales grew in 2024 despite the weak market situation. Our net sales amounted to 327 million euros, which means about a two percent increase from the previous year. At the same time, building construction is estimated to have decreased by about six percent in Finland. The weak market situation in new construction continued and was also reflected in tight competition in the renovation market.

Despite the competitive situation, we succeeded in maintaining our profitability at a reasonable level. Our operating profit for the whole year was 10.2 million euros, or 3.1 percent of net sales, compared to 12.3 million euros and 3.9 percent the previous year. Disciplined bidding and well-functioning, efficient production processes have been key to ensuring profitability. However, the long-term profitability target was not achieved in the challenging market of 2024. The goals set for the balance sheet structure were achieved, and the equity ratio remained high.

In line with our updated strategy from February 2024, we aim to balance the shares of our four business areas in the group's net sales. The Building Technology business area significantly grew both its net sales and its share of the group's net sales, particularly due to large hospital projects in the Helsinki metropolitan area. The net sales of the Public Sector business area also grew, and its share of the group's net sales strengthened. Significant public sector projects last year included extensive school renovations and expansions.

Net sales decreased in the Housing Companies and Corporations business areas. The housing company market, where renovation is particularly need-driven, was especially at the beginning of the year, hit by the rapidly rising interest rates and the increase in housing costs. At the end of the year, the number of requests for quotations we received from housing companies started to rise. The weak demand from private real estate investment companies continued to show in the Corporations business area.

During the year, we received new orders totalling 259 million euros, which is slightly less than the previous year. I am relatively satisfied with the number of orders and, above all, with our success in securing projects that are well-suited for Consti. New projects utilising Consti's special expertise include extensive hotel renovations in Hämeenlinna and Oulu. The order backlog for building technology also remained strong. Our order backlog at the end of the year decreased by 11 percent compared to the reference period and was 240 million euros.

In developing responsibility, we continued to promote occupational safety, well-being at work, and actions to mitigate climate change. As part of our climate change mitigation efforts, we refined Consti's green transition goals and measures. In practice, this is reflected in a significant improvement in the recycling rate of waste, among other things. The progress in occupational safety is demonstrated, for example, by a decrease in the accident frequency rate.

Although both the new construction and renovation markets are forecasted to turn to growth in 2025, we do not expect demand to pick up in the first half of the year. However, I believe that the market situation favours a versatile construction and building technology expert like Consti, which has a strong financial position and the ability to deliver diverse projects from small service contracts to large construction projects.

A warm thank you to all our customers and partners for their cooperation. Thank you also to all Consti employees for their committed and determined work in 2024.

Esa Korkeela
Toimitusjohtaja

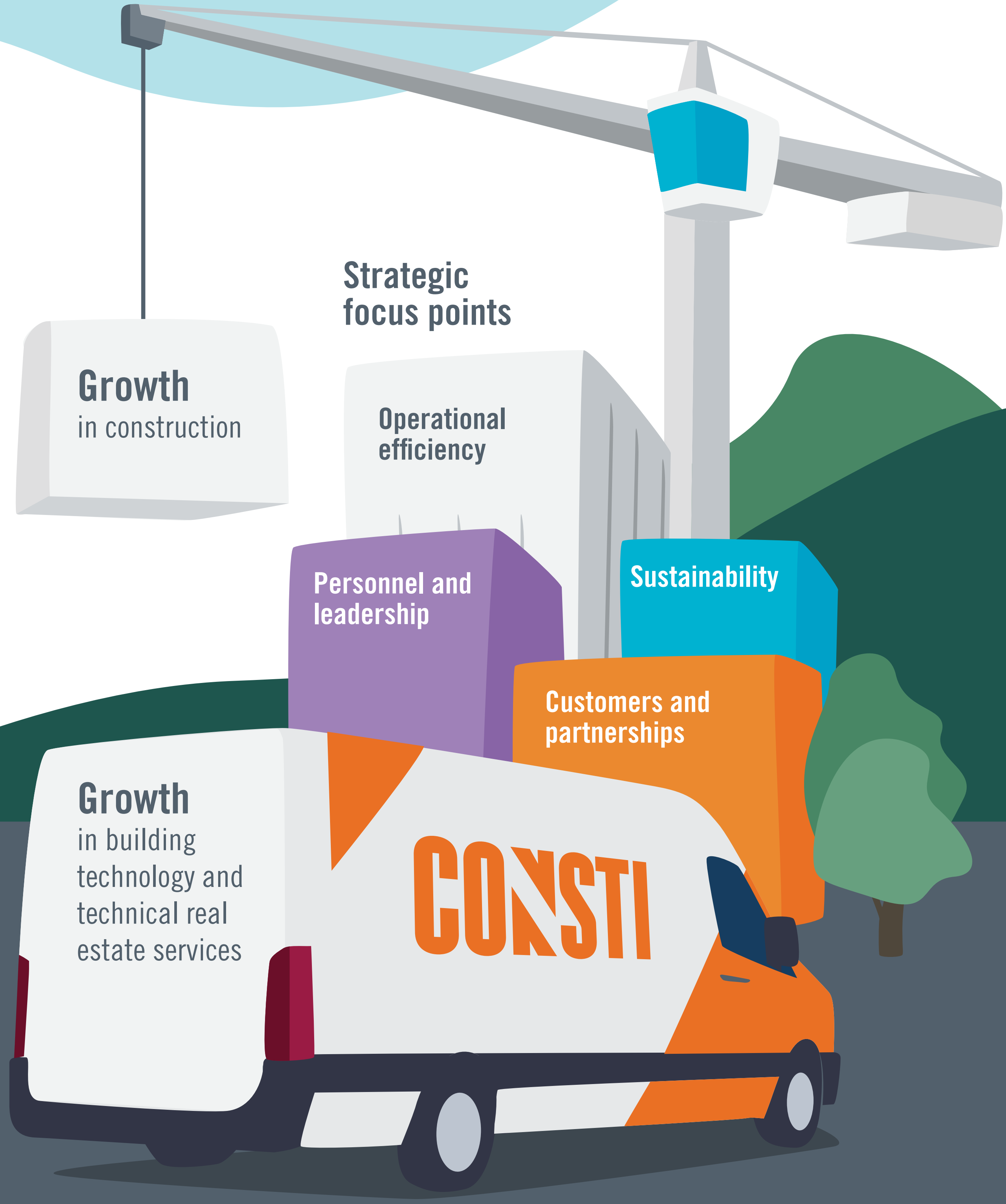
We are growing in construction and building technology by responding to the demand created by aging building stock, urbanisation, and climate change.

VISION

Our customer's number one partner and expert in multiple types of construction

MISSION

Our mission is to improve the value of the building stock and mitigate climate change through our excellent competence in construction and building technology



Results for 2024

Growth:	1.9%
Profitability: EBIT-margin	3.1%
Cash flow: Cash conversion ratio*	50.5%
Capital structure: Net debt to adjusted EBITDA ratio	-0.13x

Long-term financial goals

Growth: net sales growingfaster than the market	
Profitability: EBIT-margin exceeding	> 5%
Cash flow: Cash conversion ratio exceeding*	> 90%
Capital structure: Net debt to adjusted EBITDA ratio	< 2,5x

* The cash conversion is the amount of free cash flow divided by EBITDA. Free cash flow means net cash flow from operating activities before financial expenses and taxes, less capital used for purchase of intangible assets and property, plant and equipment.

AN EXPERT IN MULTIPLE TYPES OF CONSTRUCTION AND BUILDING TECHNOLOGY

Consti's mission is to enhance the value of Finnish buildings and promote climate change mitigation through its outstanding expertise in construction and building technology.

Consti aims to grow in construction and building technology by responding to the increasing demand driven by an ageing building stock, urbanisation, and climate change. Changes in the way spaces are utilised for example in workplaces and the retail sector, also reinforce the need for renovations.

Consti seeks to outpace market growth in both construction and building technology. By the end of the strategy period in 2027, the goal is to have four equally strong business areas with total net sales amounting to approximately 400 million euros. The profitability target is an operating profit margin exceeding five percent.

Growth in both construction and building technology is based on the profitable development of existing business. During the 2024–2027 strategy period, Consti aims to strengthen its expertise, for example, in facade repairs and processes related to civil engineering. Growth opportunities are also seen among industrial customers. In building technology, the aim is to increase contracting, continuous property services, and comprehensive energy solutions.

The goal is to further utilise Consti's expertise throughout the entire value chain of construction, from project development to maintenance.

In developing responsibility, Consti focuses on promoting occupational safety and wellbeing at work while actively contributing to climate change mitigation. Climate considerations are increasingly the starting point for renovation projects, either through improving energy efficiency or as an alternative to demolition. Research indicates that repairing and developing an existing building results in a lower long-term carbon footprint than replacing it with a new building of similar scale.

Alongside energy renovations, Consti is developing services that address the impact of climate change on, for example, building envelopes and maintenance requirements. Consti aims to be a leader in responsibility within the industry.

Business area differences levelled out

In 2024, Consti succeeded in increasing its net sales, despite the contraction of the renovation and overall housebuilding construction market. The Building Technology and Public Sector business areas increased their net sales significantly. The Building Technology business area's share of the group's net sales rose from 20 percent to 28 percent, and the Public Sector business area's share grew from 16 percent to 17 percent. The net sales of Building Technology's technical real estate services also increased according to targets. Overall, the share of maintenance services in the group's net sales remained at the previous year's level of about 12 percent.

The long-term profitability target was not achieved in the challenging market of 2024. The improvement of operational efficiency focused on ensuring business performance, with a particular emphasis on bidding activities and production efficiency. Production efficiency was improved in particular by developing procurement and civil engineering expertise as well as prefabrication in building technology.

The development of energy efficiency services continued, with the first pilot site successfully modelled, simulated, and incorporated into the customer's renovation plans.

Occupational safety improved

In developing responsibility, the indicators for occupational safety and well-being show clear progress: sickness absences decreased, and the accident frequency rate improved from ten to seven. Consti's own carbon footprint was reduced, among other things, by switching to biodiesel in production vehicles. The recycling of construction site waste was further enhanced, and the waste recycling rate reached the target of 70 percent for the first time.

A major focus in sustainability and corporate responsibility was compliance with the new EU Corporate Sustainability Reporting Directive (CSRD), ensuring the necessary data collection processes were in place. For Consti, essential environmental sustainability factors include climate change, resource use, and circular economy. In terms of social sustainability, key areas identified include the company's own workforce and the employees in the value chain. These themes, as well as governance-related sustainability matters, are addressed in the Board of Directors' Report.

Consti remains committed to being a responsible and reliable, number one partner, and a versatile expert in construction and building technology. This commitment is built on customer-centric, efficient, skilled, and responsible execution.

We are growing in both construction and building technology, dedicated to customer-oriented, efficient, skilled, and responsible execution

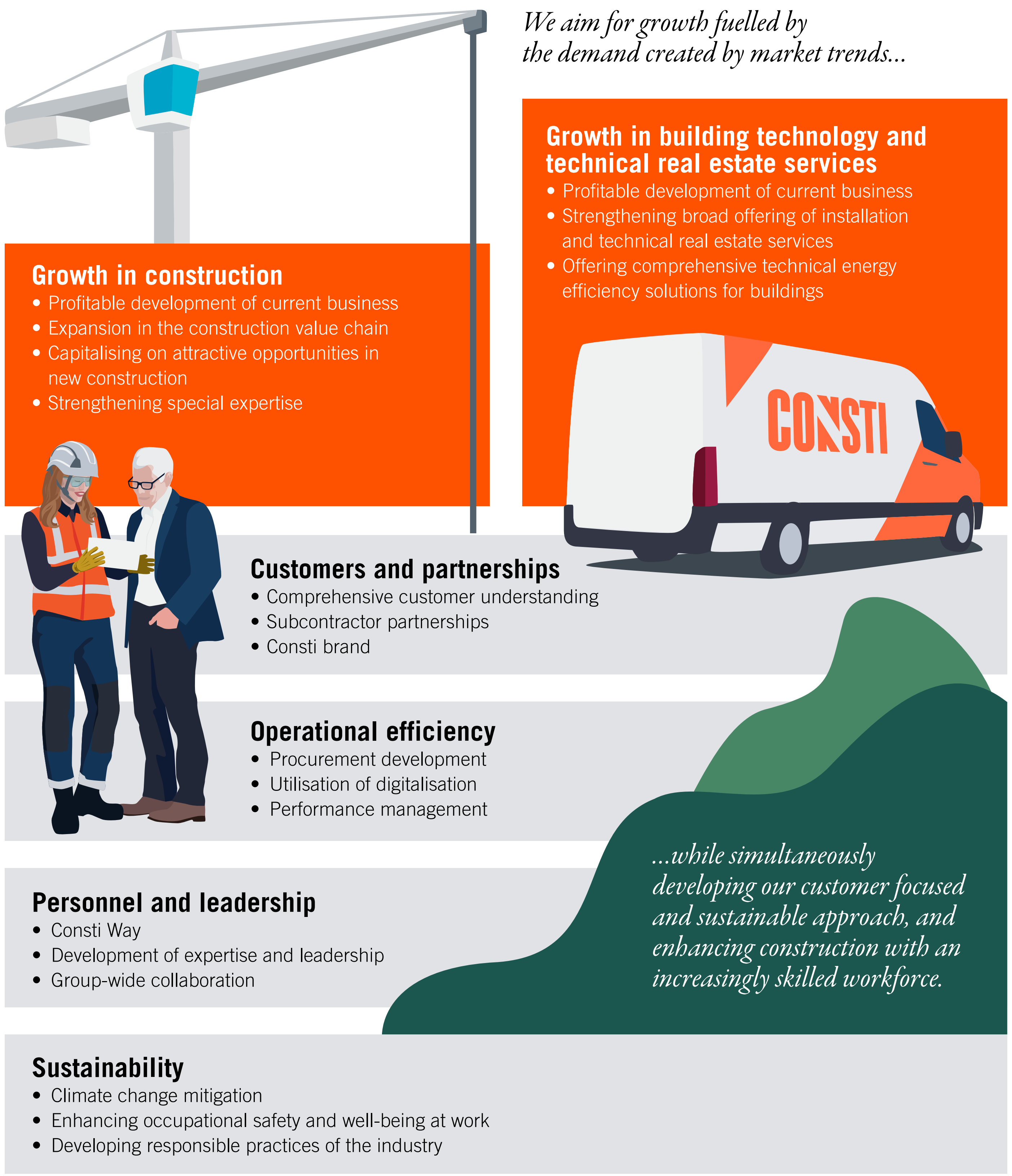
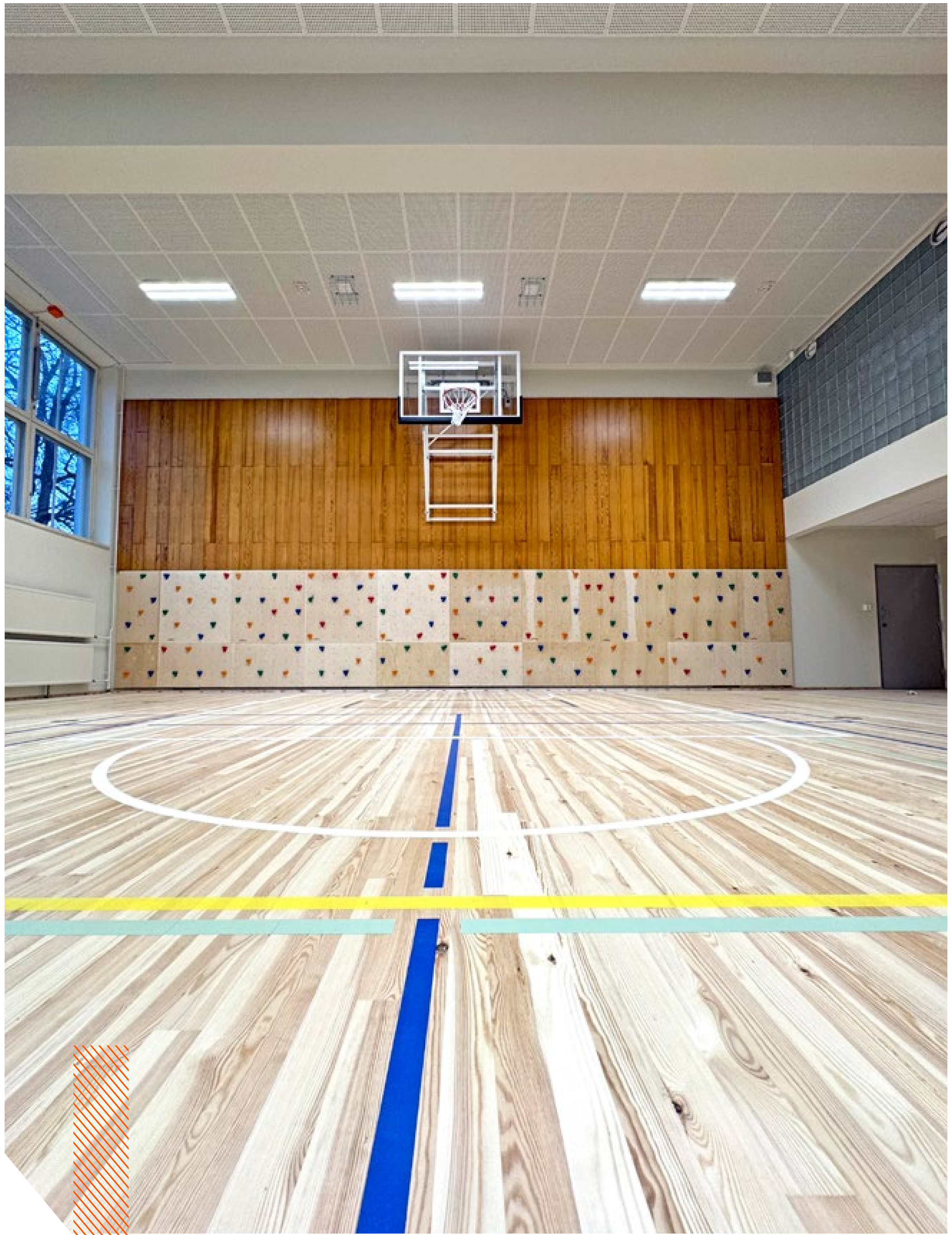


Photo: Elina Saajanne



CASE

Taivallahti Comprehensive School
The primary objectives of the renovation of Taivallahti Comprehensive School in Helsinki were to improve energy efficiency, as well as to enhance safety, functionality, and accessibility.

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CONSTI PLC BOARD OF DIRECTORS' REPORT

BOARD OF DIRECTORS' REPORT

Consti is one of Finland's leading companies focused on renovation contracting and technical building services. Consti offers comprehensive renovation and building technology services and selected new construction services to housing companies, corporations, investors and the public sector in Finland's growth centres.

Consti has four business areas: Housing Companies, Corporations, Public Sector and Building Technology. All these also contain Servicing and maintenance services which is not reported as its own business area. Consti however reports its Service operations' sales per financial year. Consti's Service business includes service contracting as well as technical repair and maintenance services to contract customers.

Business areas are reported in one segment. In addition, Consti reports net sales for each business area.

The Group's parent company is Consti Plc. The business areas operate in subsidiaries completely owned by the parent company: Consti Korjausrakentaminen Oy (Housing Companies, Corporations and Public Sector), Consti Talotekniikka Oy (Building Technology) and Sähkö-Huhta Oy. RA-Urakointi Oy was merged into Consti Korjausrakentaminen Oy in the end of December 2024.

Consti Group's 2024 net sales increased 1.9 percent and were 326.7 (320.6) million euro. Net sales grew in Building Technology and Public Sector business area but decreased in Corporations and Housing Companies business areas. Operating result (EBIT) was 10.2 (12.3) million euro. Operating result from net sales was 3.1 (3.9) percent.

Operating environment

The renovation market contracted

In 2024, building construction continued to decline, but the decrease levelled off from the previous year. The sharp decline in building construction is primarily due to the halt in new housing production after an exceptionally intense period of housing construction. Residential new construction decreased by approximately 30 percent for the second consecutive year. In other building construction, the changes have been far less significant.

Renovation is needs-based and thus less sensitive to economic cycles than new construction. However, the steady growth of renovation over the past 20 years came to a halt in 2023, and the decline continued in 2024. In its September review, the Confederation of Finnish Construction Industries RT estimated that the development of renovation in 2024 was -4 percent. Euroconstruct's estimate, published in December, is -0.9 percent.

According to Euroconstruct's estimate, total housebuilding construction output, including both new construction and renovation, shrank by about 6 percent in 2024 compared to the previous year.

Nearly two-thirds of renovation work is focused on residential buildings, and more than half of this is estimated to be professional renovation. In residential renovations, building technology plays a key role, accounting for about 35 percent of the value of renovations.

The sharp drop in new construction has meant that more money is currently being spent on renovating existing homes than on building new ones. At the same time, competition for renovation projects and building technology contracts has intensified significantly. In 2024, the value of residential building renovations remained almost on level with 2023, i.e. around nine billion euros. The value of other renovations was about six billion euros.

In non-residential buildings, in addition to technical age-related repairs, renovations include a great deal of building purpose modifications, such as converting old, underutilized office buildings into hotels or apartments, or improving them to better meet current needs.

About one-fifth of all renovation is maintenance and upkeep, with a higher-than-average share in non-residential buildings.

Hospital and school projects maintained commercial construction

New construction of non-residential buildings remained roughly on level with 2023 in 2024. Growth has been driven by large hospital and school projects. Office construction has also continued in the Helsinki metropolitan area. Industrial construction, on the other hand, decreased. Several planned energy-related projects are expected to boost industrial construction in the coming years.

Euroconstruct estimates the overall development of new construction to be about -11 percent in 2024.

Residential renovation outlook improved at the end of the year

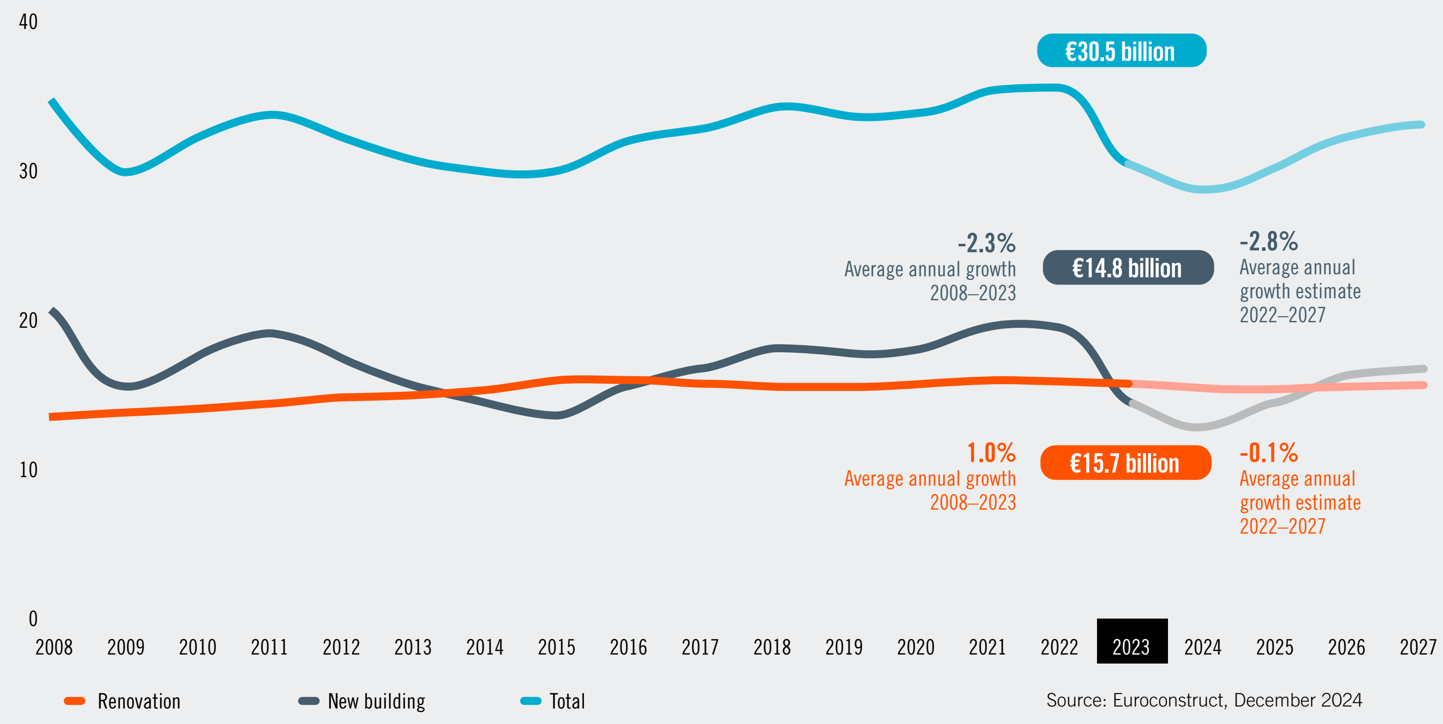
Renovation has been reduced partly by the same reasons as new construction, such as rising interest rates, inflation, and repair costs, as well as increased maintenance costs for properties, such as the rising cost of heating.

However, residential renovation is estimated to have remained almost at the previous year's level in 2024. Euroconstruct's estimate is a -0.4 percent change from 2023, and the same message is conveyed by the Renovation Barometer published by the Finnish Real Estate Federation in November. The outlook for housing companies improved, especially at the end of the year, due to a clear decline in interest rates.

According to the Finnish Real Estate Federation's Renovation Barometer, water and sewer systems remain the top renovation priority for apartment buildings. The next most common renovations are roof and facade repairs, as well as heating system modernisations. The rising cost of district heating in many cities is a key factor driving heating system upgrades.

Renovations of commercial and office spaces have also been postponed due to the rapid rise in costs. In addition, the oversupply of commercial spaces and the decline in property prices have slowed down repairs. As the economic situation improves, the oversupply is expected to encourage property owners to improve the competitiveness and rentability of their spaces.

The market growth of new construction and renovation in Finland (€ billion)



Growth curve in 2025

Both total housebuilding construction and renovation are expected to return to a growth trajectory in 2025. Euroconstruct's forecast for housebuilding construction growth in 2025 is 5.3 percent. Following a weak comparison year, new housing construction is expected to grow by about 26 percent. Non-residential construction is expected to grow by about 2 percent.

The renovation market is projected to return to moderate growth. Euroconstruct's growth forecast is 0.3 percent, while RT's is 1.0 percent. The anticipated growth is primarily driven by residential building renovations.

The demand for renovation is supported by the large number of residential buildings that are reaching the age for pipeline renovations. Properties built in the 1970s, which have the largest amount of residential floor space, are now in need of renovation. Additionally, many properties from the 1980s, a significant portion of which are row houses, are also reaching renovation age, with 1980s apartments representing the largest share in terms of quantity.

In addition to building technology renovations, many housing companies have an increasing need for facade repairs, which have often been overshadowed by pipeline renovations for financial reasons. The importance of facade repairs and maintenance continues to grow as winters become increasingly wet. Alongside technical repair needs, expectations for living comfort have risen. The repair needs of commercial spaces are also driven by changing space requirements.

The EU's Energy Efficiency Directive, which came into force in May 2024, is driving the need for energy renovations. The directive aims to reduce the energy consumption and greenhouse gas emissions of buildings. In commercial properties, the demand for energy renovations is also influenced by user requirements – including both financial considerations and environmental certification standards. The need for energy renovations applies to both residential housing companies and various commercial spaces.

Overall, the need for renovation is maintained by both the aging building stock and societal changes such as urbanisation, population aging, changes in working methods and retail, and sustainability goals. Renovation plays a central role in reducing the carbon footprint of the built environment, as the number of new buildings grows by only about one percent per year.

Both new construction and renovations are strongly concentrated in growth centres in Finland.

Long term goals

Consti's mission is to improve the value of Finnish buildings and promote climate change mitigation with outstanding expertise in construction and building technology. Consti's vision is to be "Our customer's number one partner and expert in multiple types of construction". To achieve its vision and goals, Consti has defined strategic focus areas, which are: Growth in construction, Growth in building technology and technical real estate services, Customers and partnerships, Operational efficiency, Personnel and leadership and Sustainability.

The company's long-term financial goals are to achieve:

- Growth: net sales growing faster than the market
- Profitability: EBIT margin exceeding 5 percent
- Free cash flow: Cash conversion ratio exceeding 90 percent
- Balance sheet structure: Net debt to adjusted EBITDA ratio of less than 2.5x
- The Company's aim is to distribute as dividends at least 50 percent of the Company's annual net profit

Sales, result and order backlog

Consti Group's 2024 net sales were 326.7 (320.6) million euro. Net sales increased 1.9 percent. Housing Companies net sales were 93.2 (102.4), Corporations net sales were 98.1 (112.2), Public Sector net sales were 58.3 (54.3) and Building Technology net sales were 95.7 (65.7) million euro. These figures include Service Business's net sales amounting to 40.4 (39.8) million euro.

Net sales grew in Building Technology and Public Sector business area but decreased in Corporations and Housing Companies business areas.

Consti Group's 2024 operating result (EBIT) was 10.2 (12.3) million euro. Operating result from net sales was 3.1 (3.9) percent. Earnings per share (undiluted) was EUR 0.91 (1.17). Operationally year 2024 advanced as expected and projects largely progressed as planned. The approximately 1-million-euro gain recorded from the sale of the property-related relining business supported profitability in the reference period. Relative profitability was primarily influenced by changes in the relative net sale shares of the business areas compared to the reference period, and partly by allocation of resources in tendering and negotiation activities to secure order backlog, along with the sharply intensified competition.

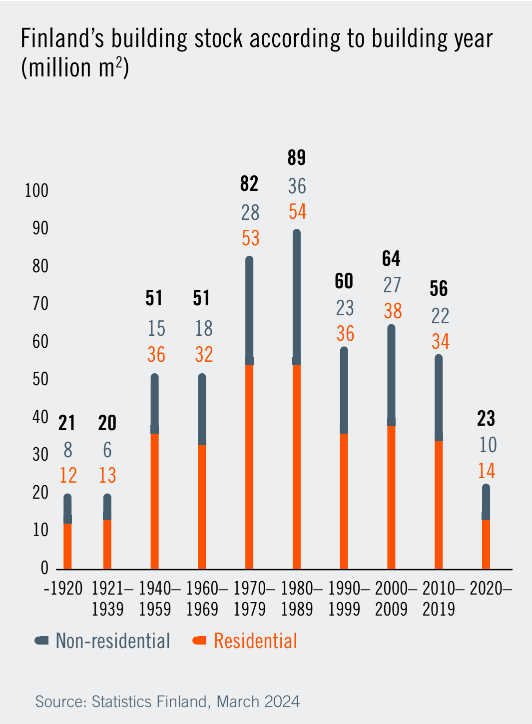
During 2024, Consti had nearly 800 projects in progress. Almost equal shares of the net sales came from projects in the Corporations, Housing Companies, and Building Technology business areas, each accounting for slightly more than a quarter, while approximately 17 percent came from projects in the Public Sector business area.

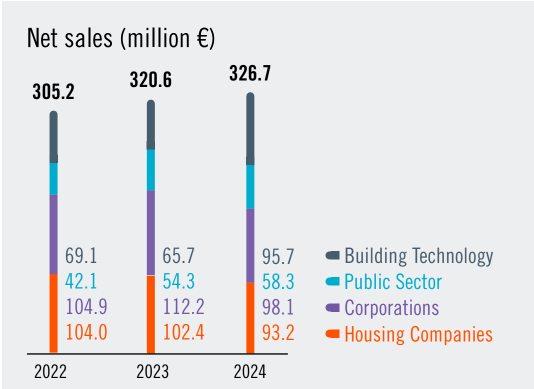
Significant projects completed for corporations and real estate investors in 2024 included the commercial renovation of the common areas of the Jumbo shopping centre in Vantaa and the extensive renovation and concept change of the Hobo Hotel for Ilmarinen in central Helsinki. The renovation and tenant changes for the office building at Fredrikinkatu 42 for pension insurance company Varma, carried out in collaboration with the Building Technology business area, started in the summer of 2023 and will be completed in early 2025. The major renovation for the Turku International School, carried out by the Turku unit and started in the summer of 2024 for Hemsö, will be completed in late 2025.

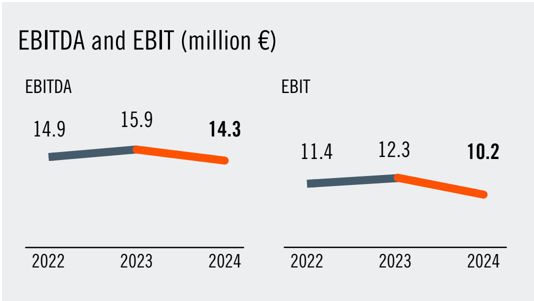
In 2024, significant renovation projects for housing companies included, among others, pipeline renovation projects for As Oy Satosammal in Espoo and As Oy Särkiniementalo in Lauttasaari, Helsinki, as well as facade projects for As Oy Westendin tornit in Espoo and As Oy Perämiehenkatu 5 in Punavuori, Helsinki, where facades, balconies, and roof terraces are being repaired. Other significant projects include pipeline renovation contracts for As Oy Tunturinlukko and As Oy Multisillankatu 3 in Tampere, the demanding copper roof replacement for Koy Helsingin Väinämöisenlinna on Aleksanterinkatu in Helsinki, microbial repairs and earthworks for the row houses of As Oy Säästö-Teerelä and As Oy Antreantie in Espoo. In Jyväskylä, pipeline renovation work for As Oy Ahdinkatu 26 and the concrete works for the equipment foundations at Metsä Wood's laminated veneer lumber factory, and in Oulu, facade repairs for As Oy Tuirantulli and As Oy Huvilatie 10.

Projects in the Building Technology business area this past year included HVAC and electrical work for the completely renovated restaurant services hub in the REDI shopping centre, HVAC work for Vantaa Energy's new high-temperature plant, sprinkler contracts for Finlandia Hall and the new airport hotel, as well as several projects carried out in collaboration with other Consti business areas, such as HVAC work for the extension of Helsingin Uusi yhteiskoulu (HUYK), HVAC work for the renovation and tenant change contract at Fredrikinkatu 42, and electrical work related to space changes in the Ilmalanrinne office building. HVAC and electrical work for the renovation and expansion project of the Tampere government office building, started in 2023, continued in 2024 and the project will be completed at the end of 2025.

During 2024, the Public Sector business area continued to be a strong implementer of school projects in Helsinki. Four extensive school renovation projects were carried out simultaneously, the most central being Pihlajisto Elementary School and Helsinki Vocational College (Stadin ammattiopisto). The school projects will be completed between 2025 and 2026. The most significant projects completed by the Public Sector business area in 2024 were the major renovation of Taivallahti Comprehensive School and new construction projects of Helsingin Uusi yhteiskoulu and Oulunkylä Elementary School and Daycare. The extensive renovation project for the rental housing company owned by HEKA on Myllypuronite will be completed in 2025.







A new project in the Public Sector business area is the Kontulankaari 22 project for Helsinki City Housing (HEKA), which will provide 218 rental apartments to be completed in 2026. In the Building Technology business area, electrical work for the new psychiatric hospital building in Ohkola, Mäntsälä, started at the end of 2024. The contract is part of the Laakso Joint Hospital project complex, and the new hospital building will be completed in 2026. New projects in the Housing Companies business area include the facade, balcony, and roof terrace renovation contract for As Oy Perämiehenkatu 5 in Helsinki, to be completed in May 2025, and the pipeline renovation project for As Oy Salpa-Kannel, to be completed in spring 2026. Additionally, new orders received at the end of 2024 in the Housing Companies business area include the expansion and renovation project for the Lapland Hotel from Capman in central Oulu and the pipeline renovation for As Oy Postikeskus in Tampere, both to be completed by the end of 2025. In the Corporations business area, tenant change and renovation work started in November 2024 in a property owned by Sponda on Unioninkatu in Helsinki, to be completed in autumn 2025. Additionally, the extensive renovation of Sokos Hotel Vaakuna in Hämeenlinna started in December 2024 as a takt production project, to be completed in summer 2025.

The order backlog at the end of the financial year 2024 decreased 11.1 percent compared to the end of the previous financial year and was 240.1 (270.0) million euro.

During 2024, the order intake value decreased 7.5 percent compared to previous year and was 259.0 (280.0) million euro.

Investments

Investments into tangible and intangible assets in 2024 were 1.2 (2.0) million euro, which is 0.4 (0.6) percent of net sales. The largest investments were made into property, plant and equipment, which primarily include machinery and equipment purchases. Investments into right-of-use assets (IFRS 16) in 2024 were EUR 1.7 (3.0) million. The majority of investments into right-of-use assets during the reporting period were related to renewed leasing contracts of vans used in project and service business as well as to the accounting of business premises and warehouses lease agreements that are valid until further notice, in accordance with the IFRS 16 -standard. In 2024 investments related to business combinations were 0.0 (1.1) million euro.

Cash flow and financial position

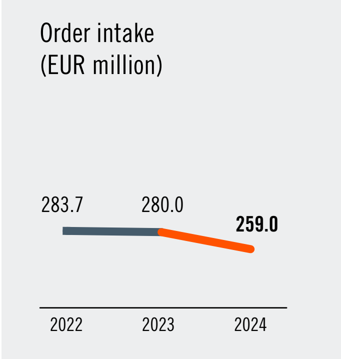
The operating cash flow before financing items and taxes in 2024 was EUR 8.4 (15.1) million. Free cash flow was EUR 7.2 (13.1) million. The cash conversion (%) was 50.5 (82.2) percent. The cash flow in 2024 was mainly affected by the change in working capital. The cash flow effect of change in working capital in FY 2024 was -6.6 (+0.3) million euro. Working capital was tied up as the financial position of project portfolio changed during FY2024.

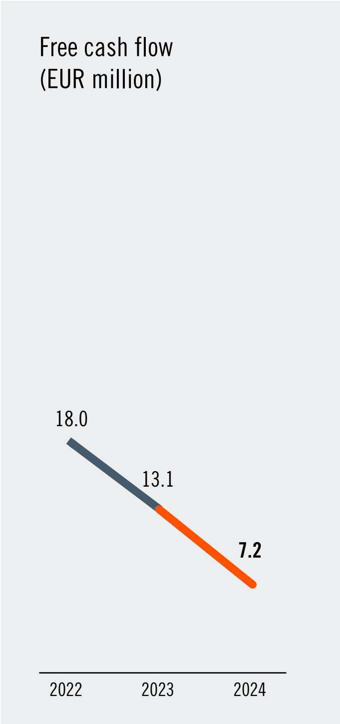
Consti Group's cash and cash equivalents on 31 December 2024 were EUR 14.2 (21.0) million. In addition, the company has undrawn revolving credit facilities and unused credit limits amounting to 8.0 (8.0) million euro in total. The Group's interest-bearing debts were 16.9 (20.1) million euro. External loans are subject to two financial covenants based on the ratio of the Group's net debt to adjusted EBITDA and gearing. On the balance sheet date, the interest-bearing net debt was 2.7 (-0.9) million euro and the gearing ratio 6.1 (-2.3) percent. At the balance sheet date, the Group's interest-bearing net debt to adjusted EBITDA ratio was -0.13 according to the confirmed calculation principles.

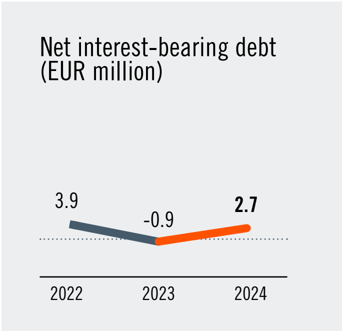
The balance sheet total on 31 December 2024 was 117.2 (121.3) million euro. At the end of the reporting period tangible assets in the balance sheet were 7.8 (8.8) million euro. Equity ratio was 41.3 (38.6) percent.

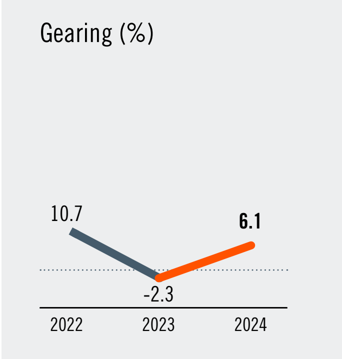
Within the framework of the EUR 50 million domestic commercial paper program initiated in October 2019, Consti may issue commercial papers with maturity of under one year. During 2024, Consti did not issue any new commercial papers, and there were no outstanding commercial papers issued by Consti at the reporting date of 31 December, 2024.

The long-term loan refinanced by the company in June 2021 includes an extension option that allows to extend the maturity of the loan in two phases by a maximum of two years. The Company exercised the first extension option in May 2022, and the second extension option in April 2023. With the use of the second extension option, the last maturity date of the loan was moved to June 2026.









The company's long-term financial goals are to achieve:

Growth: net sales growing faster than the market

Profitability: EBIT margin exceeding 5 percent

Free cash flow: Cash conversion ratio exceeding 90 percent

Balance sheet structure: Net debt to adjusted EBITDA ratio of less than 2.5x

The Company's aim is to distribute as dividends at least 50 percent of the Company's annual net profit

Research and development work

Research and development at Consti consist of strategic development of new businesses, services, and methods, as well as continuous improvement of existing business operations.

Business development continued to focus on efficiency-enhancing issues, such as procurement expertise, the development of internal online training, the implementation of the Consti Way operating models, and environmentally friendly products and services. In terms of operational responsibility and sustainability, particular emphasis was placed on improving waste sorting as well as monitoring and reporting on sustainability.

As an environmentally friendly service, the development of the Consti Optimi building technology system continued. Utilising simulation, Consti Optimi harnesses waste heat, solar thermal energy, solar power, and geothermal energy for heating and cooling buildings, enabling overall energy savings up to 50 percent. Additionally, the method significantly reduces the carbon footprint of a building's heating, cooling, and ventilation. The first customer site has been modelled, simulated, and included in the customer's renovation plans. The Eco Consti service for housing companies was further developed into a more comprehensive solution. The Eco Consti service aims to address the energy efficiency needs of housing companies in particular.

In building technology, prefabrication has been piloted, where ducts and pipes are delivered to the construction site pre-cut to the correct length and with subcomponents attached. This aims to improve the ergonomics, quality, and logistics of building technology installations, as well as overall production efficiency.

Consti also contributes to the development of the industry through joint projects. Collaborative contracting and lean methods continued to be emphasised in these projects. The aim of collaborative contracting and alliance models is to improve the construction culture and manage the risks associated with demanding renovation projects. In 2024, collaborative contracting was used in large hospital projects such as the implementation phase of the new ward hospital at Jorvi and the implementation phase of building technology at LYS Laakso Joint Hospital.

Consti is also involved in the three-year RAIN3 project led by LEAN Construction Finland ry, which continues to promote green transition and flow-related issues and utilise lean principles to improve productivity in the construction industry.

Information about key intangible resources

Consti's primary key resource is the expertise of its employees, which is crucial, e.g., for the overall success of project deliveries. It is essential for the company to be able to attract qualified employees and retain those who have accumulated knowledge about Consti and its construction and building technology services.

Personnel

At the end of 2024 Consti employed a total of 1,012 (1,008) employees. The average employee count during 2024 was 1,044 (1,011 during 2023 and 971 during 2022). At the end of the reporting period 340 (353) employees worked in Housing Companies, 208 (222) in Corporations, 61 (63) in Public Sector and 391 (357) in the Building Technology business area. The parent company employed 12 (13) people. Personnel expenses for financial year 2024 amounted to EUR 69.3 (66.5) million.

Of the personnel employed at the end of the year, 2 (3) percent worked with fixed-term employment contracts. At the end of the year Consti employed 440 (440) white-collar workers and 572 (568) blue-collar workers.

At the end of the year 87 (85) percent of Consti employees were male. 13 (15) percent of the staff were female, which is slightly above the Finnish industry average.

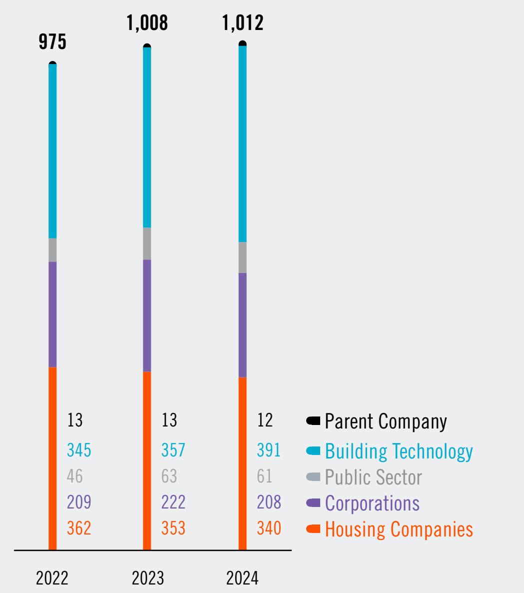
In 2024, we continued to strengthen our safety culture. Safety management expertise was developed, and the increase in the number of occupational safety observations reflects the progress of the safety culture across the entire organisation. The safety level further improved, with the accident frequency rate decreasing to 7 in 2024 (from 10 in 2023).

In the area of personnel development, we clarified development processes and created new practices to support supervisory activities.

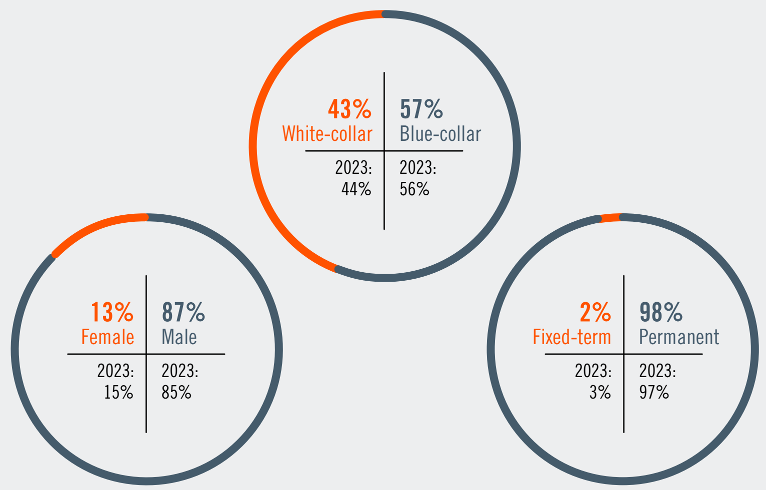
Management Team

Consti Plc's Management Team at the end of the reporting period consisted of CEO Esa Korkeela and the following persons: Anders Löfman, CFO; Risto Kivi, Business Area Director Housing Companies; Pirkka Lähteinen, Business Area Director Corporations; Jukka Kylliö, Business Area Director Public Sector; Jaakko Taivalkoski, Business Area Director Building Technology; Heikki Untamala, Director Legal & Compliance and Aija Harju, HR Director.

Number of personnel at period end



Personnel distribution at period end



CONSTI PLC BOARD OF DIRECTORS' REPORT

The Annual General Meeting 2024 and Board authorisation

The Annual General Meeting of Shareholders of Consti Plc held on 3 April 2024 adopted the Financial Statements and discharged the Members of the Board of Directors and the CEO from liability for the financial year 1 January–31 December 2023. The Annual General Meeting resolved that a dividend of 0.70 euro per share for the financial year 2023 is paid. The dividend shall be paid in two instalments. The record date for the first instalment of the dividend, EUR 0.40 per share, was 5 April 2024 and the dividend was paid on 12 April 2024. The record date of the second instalment of the dividend, EUR 0.30 per share, together with the dividend payment date, was resolved by the Board of Directors in its meeting on 24 October 2024. The record date of the dividend was 28 October 2024 and the dividend payment date 4 November 2024.

The Annual General Meeting resolved that the Board of Directors consists of six members. The current members of the Board of Directors, Erkki Norvio, Petri Rignell, Anne Westersund, Johan Westermarck and Juhani Pitkäkoski were re-elected for the following term of office. Katja Pussinen was elected as a new member of the Board.

Authorised Public Accounting firm KPMG Oy Ab was elected as the Auditor of the Company and Turo Koila, Authorised Public Accountant, will act as the Responsible Auditor. It was resolved that KPMG Oy Ab will also carry out the assurance of the company's sustainability reporting for the financial year 2024 in accordance with the transitional provision of the act changing the Limited Liability Companies Act (1252/2023) and Turo Koila, Authorized Public Accountant, Authorized Sustainability Auditor will act as the principally responsible sustainability reporting assurer.

It was resolved that the annual remuneration of the members of the Board of Directors is paid as follows: The Chairman of the Board of Directors is paid EUR 54,000 and members of the Board of Directors are each paid EUR 42,000. It was also resolved that a EUR 500 fee per member per meeting is paid for Board meetings. It was resolved that the remuneration for the Auditor shall be paid according to the Auditor's reasonable invoice.

The Board of Directors was authorised to decide on the acquisition of a maximum of 686,000 own shares in one or more tranches by using the unrestricted equity of the Company. The proposed number of shares corresponds to approximately nine (9) per cent of the aggregate number of shares in the Company on the date of the notice to the General Meeting. The own shares can be acquired at a price formed in public trading on the acquisition date or at a price otherwise formed on the market. In the acquisition, derivatives, inter alia, can be used. The acquisition of own shares may be made otherwise than in proportion to the share ownership of the shareholders (directed acquisition). Own shares acquired by the Company may be held by it, cancelled or transferred. The authorisation includes the right of the Board of Directors to resolve on how the own shares are acquired as well as to decide on other matters related to the acquisition of own shares.

The Board of Directors was authorised to resolve on the share issue and the issuance of special rights entitling to shares as referred to in Chapter 10 Section 1 of the Companies Act in one or several tranches, either against payment or without payment. The aggregate amount of shares to be issued, including the shares to be received based on special rights, shall not exceed 780,000 shares. The Board of the Directors may resolve to issue either new shares or to transfer treasury shares potentially held by the Company. The Board of Directors is authorized to decide on all other matters related to the issuance of shares and special rights, including on a deviation from the shareholders' pre-emptive rights. The authorization is used, for example, to carry out the Company's share-based incentive plan or for other purposes resolved by the Board of Directors.

These authorizations replace previous authorizations of the Board of Directors, and they shall be valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2025.

Corporate Governance and Auditors

Consti Plc's Board of Directors on 31 December 2024 included Petri Rignell (Chairman), Erkki Norvio, Anne Westersund, Johan Westermarck, Juhani Pitkäkoski and Katja Pussinen. The Board of Directors elected by the Annual General Meeting of Shareholders of Consti Plc on 3 April 2024, held its organising meeting and elected Petri Rignell as the Chairman of the Board. The Board of Directors appointed Petri Rignell, Erkki Norvio and Juhani Pitkäkoski as members of the Nomination and Compensation Committee. The Board of Directors has not established other committees.

Esa Korkeela has acted as CEO of Consti Plc during the financial year 1 January–31 December 2024.

On 31 December 2024, the Board members and CEO owned personally or through a holding company a total of 613,494 Consti Plc's shares, which amounts to 7.65 percent of the Company's entire share base and votes.

Authorised Public Accounting firm KPMG Oy Ab has acted as the Auditor and sustainability reporting assurer of the Company with Turo Koila, Authorised Public Accountant as the Principal Auditor.

Consti complies with regulations of The Finnish Corporate Governance Code. In insider issues Consti complies with EU Regulation on Market Abuse ((EU) 596/2014, "MAR") and 2- and 3-tier regulation supplementing it, the Finnish Securities Markets Act, the insider guidelines of Nasdaq Helsinki Ltd as well as guidance issued by authorities. Consti Plc's Board of Director's report on the Company's corporate governance from 2024 and the remuneration report from 2024 are on Consti Plc's website www.consti.fi > Investors > Corporate governance.

Information on the distribution of holdings and significant holdings, as well as the calculation formulas for the key figures, can be found in the key figures and information for shareholders section of the Annual Report.

Shares and share capital

Consti Plc's share capital on 31 December 2024 was 80,000 euro and the number of shares 8,016,567. Consti Plc held 103,300 of these shares. The Company has a single series of shares, and each share entitles its holder to one vote at the General Meeting of the company and to an equal dividend. Consti Plc's shares are added into the Book-Entry Securities System.

Share based bonus schemes

Consti Plc's Board decided on 28 February 2024 to continue the key employee share-based incentive plan launched in 2016. The plan offers the key employees that belong to the target group of the plan an opportunity to earn the Company's shares as reward by converting half or all of their performance-based bonuses to be earned on the basis of the Company's bonus scheme in 2024 into shares. Before the reward payment, the performance-based bonuses that have been converted into shares will be multiplied by a reward multiplier determined by the Board. The potential reward from the performance period 2024 will be paid to participants partly in shares and partly in cash after a two-year vesting period in 2027. During the performance period 2024, a maximum of approximately 80 key employees will belong to the target group of the plan, including the members of the Management Team. The rewards to be paid for the performance period 2024 will amount up to a maximum total of approximately 300,000 Consti Plc shares at the prevailing share price level, including also the cash portion, providing that all of the key employees that belong to the target group of the plan decide to participate and convert their performance-based bonuses entirely into shares.

The Board of Directors of Consti Plc decided on 17 June 2020 to launch a key employee stock option plan 2020 and on 22 June 2022 to launch a key employee stock option plan 2022. More detailed information on the stock option plans 2020 and 2022, and on the share-based incentive plan is presented in note 28 of the consolidated financial statements.

Consti announced on 13 March 2024, on 1 July 2024 and on 29 July 2024, that between 21 November 2023–20 February 2024 and 21 February 2024–7 June 2024 and 8 June 2024–30 June 2024, a total of 119,300 Consti Plc new shares has been subscribed for with the company's stock options 2020. The subscription price, a total of EUR 605,268.80, has been recognised in the invested non-restricted equity. The subscribed new shares have been registered with the Trade Register on 13 March 2024, 1 July 2024 and 29 July 2024. After the registrations, the total number of shares in the Company is now 8,016,567 shares. The share subscription period for with stock options 2020 has ended on 30 June, 2024.

Trade at Nasdaq Helsinki

Consti Plc has been listed in the Helsinki Stock Exchange main list since 15 December 2015. The trade symbol is CONSTI. On the Nordic list Consti Plc is classified a small cap company within the Industrials sector. During 1 January – 31 December 2024 Consti Plc's lowest share price was EUR 9.04 (9.58) and the highest EUR 12.05 (13.35). The share's trade volume weighted average price was EUR 10.35 (10.96). At the close of the stock day on the last trading day of the reporting period 30 December 2024 the share value was EUR 10.25 (11.80) and the Company's market value was EUR 82.2 (93.2) million.

Related party transaction

There were no significant related-party transactions during 2024. More detailed information on the related party transactions is presented in note 27 of the consolidated financial statements.

Near-term risks and uncertainties

Consti divides risks to the Company's business into strategic and operative risks, as well as financing risks and risks of injury or damage.

Consti's Board of Directors duty is to confirm the Company's risk management principles and evaluate the adequacy and appropriateness of risk management.

Strategic risks

Risks pertain to defining and carrying out strategy. The main goal of Consti's strategy is to utilise the full potential of its customer focused organisation structure. Consti aspires to achieve controlled and profitable growth in attractive renovation and building technology segments. In order to answer more comprehensively to customer needs the company will also offer selected new construction services. Consti's strategy includes both organic growth and acquisitions. Risks related to acquisitions are managed with careful preparation of deals and the monitoring of integration.

Renovation, which Consti is focused on is less vulnerable to economic changes than other areas of the construction industry. The aim is to control market risks by actively following the market and adjusting operations as need be.

Consti aims to ensure that its services are first rate in quality and that it fulfils all regulatory requirements set for the company and its business. Consti strives to ward off shadow economy activity in all of its actions. Consti uses a great deal of its own employees in its operations, which makes it easier to ensure all laws and regulations are adhered to. The Act on Contractor's Obligations and Liability when Work is Contracted Out is followed to ensure the lawful actions of all subcontractors. Consti's actions related to sustainability risks, such as environmental risks, occupational safety risks and shadow economy are explained in more detail in the in the Sustainability Report section of the Board of Directors' Report.

Consti Korjausrakentaminen Oy and Consti Talotekniikka Oy have, in addition to the quality certificate and RALA qualification granted by the Construction Quality Association (RALA), also the RALA environmental certificate and safety certificate.

Operational risks

Operative risks relate to clients and project operations, personnel, subcontractors, suppliers, legislation and legal claims.

Consti's success depends to a large extent on how well it is able to acquire, motivate and retain professional personnel and uphold its employees' competence. The aim is to minimise personnel turnover risk with e.g. continuous training and by supporting voluntary training. To maintain working ability Consti offers its personnel a much broader health care scheme than what is required by law. The Group has a bonus scheme that includes all permanent white-collar staff. Personnel risks also include possible human errors and misconducts. These risks are managed with careful recruiting, job initiation, work supervision and with ethical guidelines created for supervisors.

According to the Act on Contractor's Obligations and Liability, Consti ensures that subcontractors abide to their legal obligations.

Consti uses subcontractors especially for tasks requiring specific competence in demanding work stages and as project-based workers to level out seasonal demand variation. Subcontractor risks are managed with carefully crafted contracts and long-term partnerships. Supplier risks are managed with meticulously formulated contracts and regular assessments of the suppliers' financial position.

The Company has a wide customer base that consists of housing companies, municipalities and other public-sector operators, real estate investors as well as corporations and industrial players. The broad customer base decreases risks related to individual projects and the market environment.

A substantial part of Consti's business comes from tendered projects and services. The Company and its business areas have procedures that determine which tenders the Company participates in and what the decision-making processes regarding these projects are. Consti has jointly agreed upon procedures for internal tender calculation, authorisation for decision making, and project management and monitoring.

Changes in construction, environmental protection, workforce and work safety legislation as well as taxation and financial reporting all have an impact on Consti's operating possibilities. The Company follows and assesses changes in legislation and regulations set by authorities. Litigation risks are managed with careful contract formulation, project planning and monitoring, as well as with the highest possible work quality, and liability insurance. The Group has ongoing and pending legal cases relating to normal business. It is difficult to predict the outcome of these proceedings, but provisions based on the best possible estimate have been recorded in those cases where such provisions are estimated necessary.

Risks relating to injuries or damage

Work safety issues are a central part of Consti's job initiation policy. At worksites safety management starts with a site-specific risk analysis. Actions are depicted both in a separate safety plan and also as a part of the plans made for production and work phases. Separate plans are made for critical work phases as need be. A general safety overview is conducted each week at worksites in safety measurements, where any found deficiencies are immediately corrected.

The most substantial environmental risks come from the possibility of environmentally harmful substances which can be produced for example when processing deconstruction waste, or caused by neglects in end-storage, in addition to which operations can cause noise, construction dust and tremor to nearby surroundings. Consti formulates required environmental plans for worksites, which identify and attempt to control all environmental risks on-site or prepare for the prevention of harmful effects.

Consti abides by legislation, regulation, permit procedures and authority regulations regarding construction, the materials used in building, storage, recycling, waste disposal and other environmental issues. Waste disposal is documented by collecting all consignment notes and documents from the entire supply chain.

ICT risks are assessed and managed in cooperation between the Group's ICT function and business areas and together with partners. The Group has rules and procedures to decrease and manage risks related to ICT and information security.

Financial risks

Consti Group's business has financial risks. Financial risks include interest rate, credit and liquidity risks as well as risk relating to the realisation of payments from long-term contract and service agreements. Risks related to market rate fluctuations are due largely to the Group's long-term variable interest rate loans. Consti monitors the sensitivity of its loans to changes in interest rates and the impact such changes would have on the Group's results.

Consti's credit risk is related to customers who have unpaid invoices or with whom Consti has long-term contracts as well as counterparties to cash and cash equivalents and derivative agreements. Risks related to deposits are governed by the Group's financial administration department.

The Group strives to ensure the availability and flexibility of financing with sufficient credit limit reserves and suitably long loan periods. The Group's working capital management makes every effort to ensure that it abides to covenants included in interest bearing loans, which in turn determine the capital structure provisions. At the balance sheet date, the Group's interest-bearing net debt to adjusted EBITDA ratio was -0.13x according to the confirmed calculation principles. The financial covenant's degree is continuously monitored and assessed in relation to net debt and EBIT realisations and predictions.

There is a risk that revenue and results of operations from long-term contracts recognised using the percentage-of-completion method and presented by financial year do not necessarily correspond to an even distribution of the final overall result over the contract period. Calculating the total result of a contract involves estimates of the total cost of completing the contract and the progress of the work to be invoiced. If the estimates of the final result of the contract change, the effect of this is reported in the period when the change first became known and could be estimated.

Goodwill is based on management estimates. Goodwill is tested for impairment annually or if necessary, more often by the Group.

Dividend and dividend policy and the Board's suggestion for profit distribution

The Annual General Meeting of Shareholders held on 3 April 2024 resolved that dividend of EUR 0.70 per share for the financial year 2023 is paid. No dividend was paid on own shares held by the Company. The dividend shall be paid in two instalments. The record date for the first instalment of the dividend, EUR 0.40 per share, was 5 April 2024 and the dividend was paid on 12 April 2024. The record date of the second instalment of the dividend, EUR 0.30 per share, together with the dividend payment date, was resolved by the Board of Directors in its meeting on 24 October 2024. The record date of the dividend was 28 October 2024 and the dividend payment date 4 November 2024.

According to the Company dividend policy, its goal is to distribute a minimum of 50 percent of the fiscal year's profit as dividend, however taking into consideration the Company's financial position, cash flow and growth opportunities.

Consti Plc's distributable funds on 31 December 2024 were 65.257.023,66 euro, including retained earnings of 35.702.201,55 euro. The Board proposes to the Annual General Meeting that a dividend of 0.70 euro per share be paid for the financial period 1 January–31 December 2024. The Board proposes that the dividend be paid in two instalments. The first instalment of EUR 0.35 per share be paid in April 2025 and the second instalment of EUR 0.35 per share be paid in November 2025. The Board of Directors plans to call the Annual General Meeting of shareholders to convene on Thursday 3 April 2025.

Outlook for 2025

According to forecasts, the renovation market is expected to return to moderate growth.

Euroconstruct's growth forecast is 0.3 percent, while RT's is 1.0 percent. According to Euroconstruct's forecast, the value of residential building renovations will grow slightly, while the value of other renovations will decrease slightly.

Euroconstruct forecasts a 5.3 percent growth for housebuilding construction in 2025. After a weak comparison year, new housing construction is expected to grow by about 26 percent. Non-residential construction is expected to grow by about 2 percent.

The continued weak demand for new construction has maintained tight competition for renovation projects and building technology contracts. Construction demand prospects are weakened by interest rates, persistently high construction costs, and tightened financing availability, and Consti does not expect a significant improvement in construction demand prospects during the first half of 2025.

Despite the market conditions, Consti aims to continue delivering solid results, supported by a healthy order backlog, while focusing on the implementation of its updated strategy.

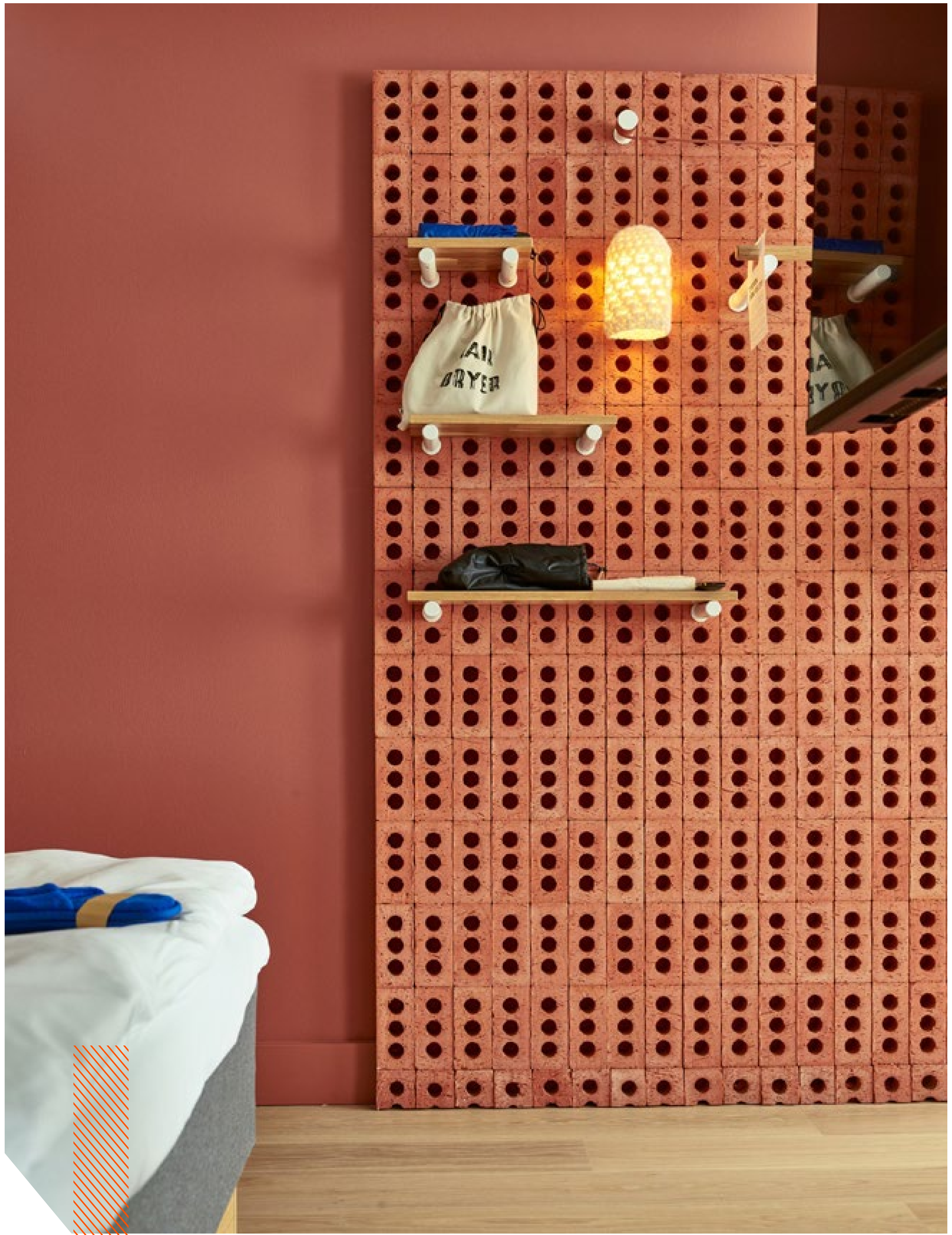
Consti estimates that its operating result for 2025 will be in the range of EUR 9–12 million.

Significant events after the reporting period

No material events have been disclosed after the reporting period.

In Helsinki 6 February 2025
Consti Plc Board of Directors

Photo: Pasi Salminen



CASE

Hobo
The Glo Hotel, located on Kluuvikatu in Helsinki, was transformed into the industrial-themed Hobo Hotel with the aim of maximising the use of existing materials.

SUSTAINABILITY REPORT

Photo: Pasi Salminen

1 GENERAL INFORMATION

1.1 Principles of preparation

1.1.1 Principles of preparing the sustainability report (BP-1, BP-2, IRO-2)

Basic information

Consti Plc (Consti) is one of the leading companies in Finland focused on renovation contracting and technical building services. Consti offers a comprehensive range of renovation and technical building services, as well as selected new construction services, to housing companies, corporations, investors, and the public sector. Consti has offices in Helsinki, Tampere, Turku, Lahti, Hämeenlinna, Oulu, and Jyväskylä.

The parent company of the group is Consti Plc. Operations are divided into four business areas: Housing Companies, Corporations, Public Sector, and Building Technology. Business is conducted in subsidiaries wholly owned by the parent company. The sustainability reporting covers the entire group, i.e., all subsidiaries, and the Scope of consolidation is the same as in the financial statement. The reporting period for the annually published sustainability report is the same as in financial reporting, i.e., the calendar year.

Basis of preparation

This sustainability report has been prepared in accordance with the EU Corporate Sustainability Reporting Directive (CSRD) and the Finnish Accounting Act, using the European Sustainability Reporting Standards (ESRS) required by the directive. The EU Corporate Sustainability Reporting Directive applies to large companies operating in regulated markets in the EU from the financial year 2024 onwards.

Consti has published a corporate sustainability report on its operations since 2014. The reporting has used the Global Reporting Initiative (GRI) standards and guidelines at the reference level since the financial year 2020. In addition, Consti has reported non-financial information in accordance with EU regulations (Non-Financial Reporting Directive, NFRD) as part of the Board of Directors report.

Consti identified the following as material topics for impact materiality: Climate Change, Circular Economy, Own Workforce, Workers in the Value Chain, and Business Conduct. For financial materiality, the material sustainability topics identified were Climate Change, Own Workforce, Workers in the Value Chain, and Business Conduct.

The materiality analysis is described in section 1.4.1.

This sustainability report examines Consti's value chain from suppliers and other partners to customers and end-users. Consti has identified the workers of the value chain, particularly the providers of construction services used by Consti, as a material sustainability theme. Consti has recognised that industrial manufacturers and suppliers are also part of its value chain. However, at this stage, Consti does not yet have fully effective means to examine the early stages of the entire value chain. Consti aims to use established and extensively operating companies in its procurement, which in their operations assure to operate according to sustainable business principles. The most significant suppliers in Consti's procurement chain for services include contractors specialising in building technology, demolition, and complementary structures, as well as construction equipment rental companies. For material procurement, the largest players are domestic large wholesale and central purchasing organisations, as well as major domestic manufacturers of building materials and products.

The sustainability report does not cover the production of construction materials at the beginning of the value chain.

The Scope 3 calculation results presented in the sustainability report include greenhouse gas emissions from the beginning of the value chain. In the end of the value chain emission categories the end-use of sold products and services and the disposal of sold products are also included in Consti's Scope 3 calculation. The value chain is presented in the figure below.

Consti has not used the option to omit information related to intellectual property, know-how, or the results of innovation in its reporting. Consti has not used the option under Articles 19a(3) and 29a(3) of Directive 2013/34/EU to omit information related to ongoing development or negotiations. Consti has used the option for internal references in the statement.

The sustainability report and related claims have been assured (limited assurance) by an independent third party, KPMG Oy Ab, in accordance with its assurance report.

The data points reported in accordance with the ESRS standard and their locations within the sustainability report are presented in the indices published at the end of this report: 5.1 Indices of Disclosure Requirements Content Index 1, and 5.2 Content index 2: Data points resulting from other EU legislation. The indices also outline any deviations and provide relevant clarifications.

The monetary amounts presented in this report are in euros.

1.1.2 Risk management and internal control in sustainability reporting (GOV-5)

Consti's sustainability reporting follows the group's common principles and processes for risk management and internal control.

The identified risks in sustainability reporting are the accuracy and completeness of the reported information and the timeliness of the reporting. To ensure the accuracy and timeliness of the information, Consti has defined a sustainability reporting model that defines the roles and responsibilities for monitoring and reporting sustainability issues. The accuracy and completeness risks are mainly related to the availability of value chain information and the accuracy of estimation.

The implementation of sustainability reporting is the responsibility of Consti's Director of Legal and Compliance, supported by the group's finance department and Sustainability Manager.

According to Consti's operating model, the management of business areas and support functions are responsible for the accuracy and transparency of the information reported from their areas of responsibility. The reported information is collected from the group's common information systems, suppliers or their reporting systems, or public sources.

Consti's internal controls, which are part of common business processes and systematically monitored as part of the reporting of business units and the group's Management Team, are used to ensure the accuracy and timeliness of the reported content.

1.2 Governance and strategy of sustainability

1.2.1 Role of governance, management, and supervisory bodies and the information provided to them and the sustainability issues they handle (GOV-1, GOV-2, SBM-1)

Sustainability governance

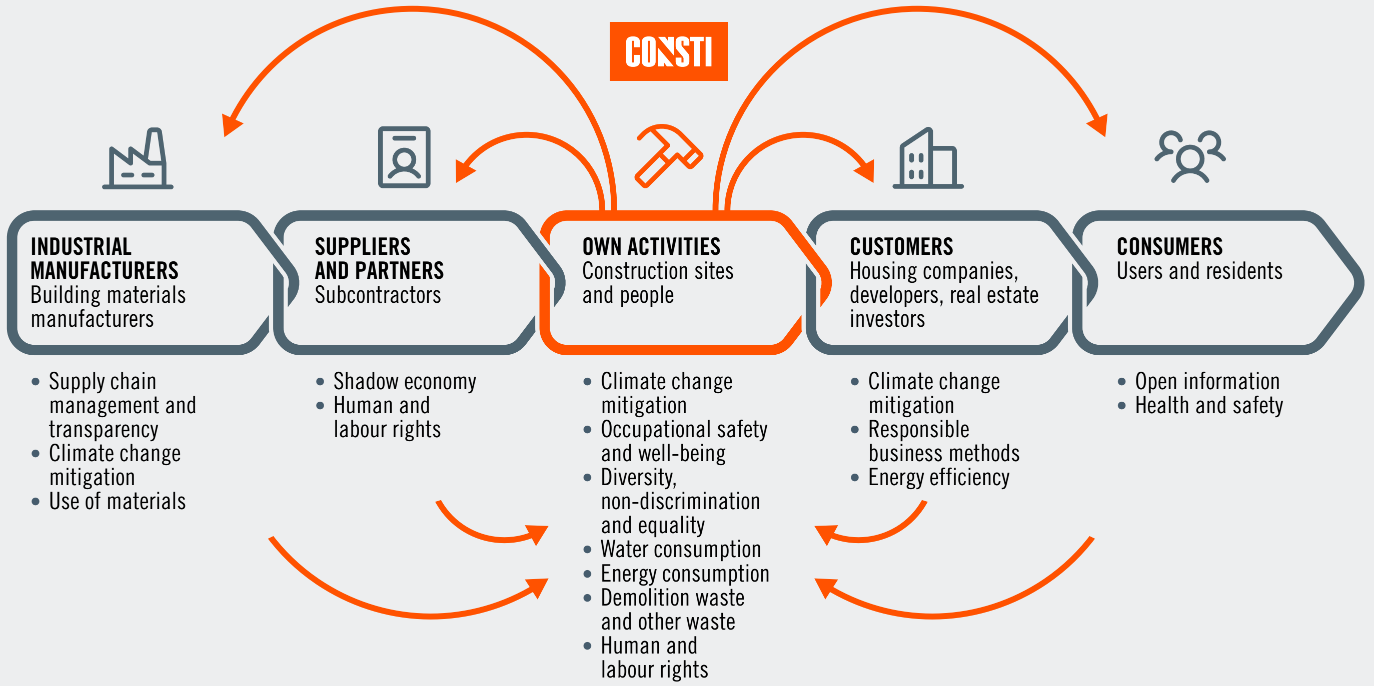
Sustainability is part of business management at Consti, led by the group's CEO with the assistance of the Management Team. The sustainability themes and objectives that are material to the company for the strategy period are presented by the Management Team and approved by the Board. The sustainability goals are based on Consti's strategy and materiality analysis of sustainability issues. In addition to the strategy period goals, goals are set for the financial year.

The group's Management Team defines the guidelines and actions related to sustainability. The group's Management Team is responsible for implementing the decisions. The Board monitors sustainability risks as part of the company's risk management. The entire Board is responsible for monitoring impacts, risks, and opportunities. The names and experience of the Board Members are described in the section "Board" of this chapter.

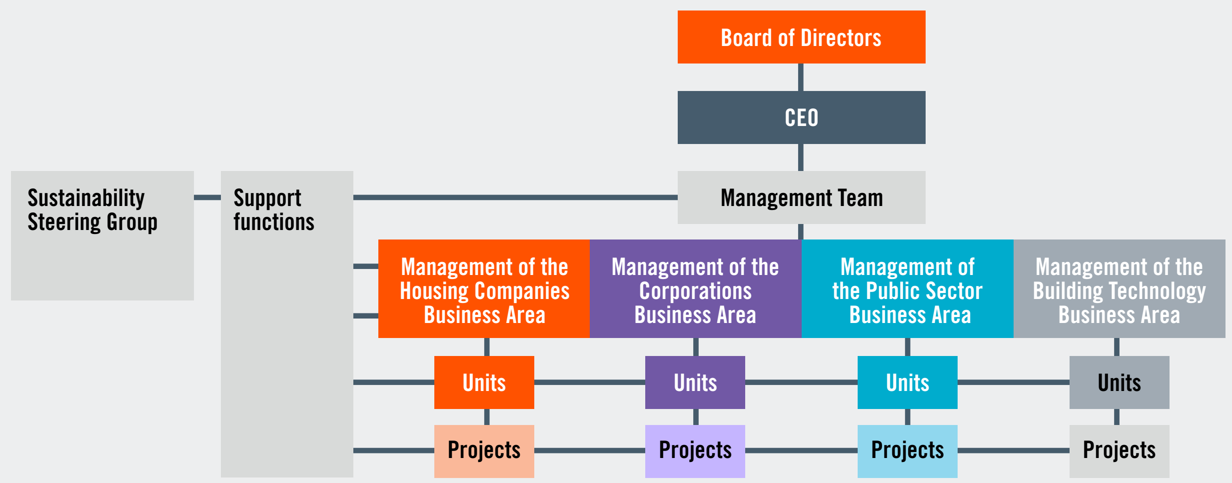
Sustainability development is coordinated by the Corporate Sustainability Steering Group, consisting of the CEO and representatives of support functions. Its key tasks are to coordinate the development of sustainability work, plan actions to implement sustainability themes, and monitor the general development of corporate responsibility and the requirements set for companies. The Steering Group meets regularly, and its term is the strategy period. In addition, a person has been appointed for the environmental theme to coordinate practical sustainability work in working groups consisting of representatives of the business areas. The responsibility for the groups' activities, coordination, and reporting to the Management Team at the group level belongs to the Chair of the Corporate Sustainability Steering Group. The Chair is the group's Director of Legal and Compliance.

The means of managing sustainability-related impacts, risks, and opportunities are described thematically in the chapters on the environment, social responsibility, and governance.

Consti's value chain



Sustainability governance at Consti



Board

The Board of Consti Plc is the highest authority responsible for sustainability in the company, and it approves the key principles and plans and guidelines that steer the company's operations and internal control. The key plans and guidelines relating to responsibility and sustainability are the ethical guidelines for employees and partners, insider guidelines, disclosure policy, environmental principles, occupational safety principles, guidelines for compliance with competition law, and the equality and non-discrimination plan.

The Board approves the company's sustainability goals as part of the company's strategy and monitors the achievement of the goals as part of the strategy implementation monitoring. The Board is informed of any sustainability deviations and misconduct, such as serious work accidents, corruption and bribery suspicions, and other significant events contrary to the company's policies or guidelines. The Board handles other sustainability-related issues and consults the company's internal responsibility experts as needed. The Board handles and approves the sustainability report published as part of the Board of Directors Report.

The Board of Consti met 12 times during the financial year 2024 and addressed the following sustainability topics in its meetings:

- Approved the group strategy for 2024-2027, including the sustainability themes related to the strategy.
- Addressed and approved the group's sustainability projects for the strategy period 2024-2027.
- Addressed the content of the training related to the development of occupational safety processes.
- Addressed and approved the content of the human rights management process.
- Addressed the description of compliance content and the preliminary preparation schedule for the sustainability report.
- Addressed strengthening guidelines regarding insiders, disclosure policy, and business operations, strengthening the risk management process, as well as the key content and preparation schedule of the sustainability report
- Addressed and approved the principles and guidelines for business operations.
- Addressed and approved the human rights principles.
- The Board addressed the HR function's strategic projects, including topics related to employee competence and leadership development, as well as safety development projects.
- The Board discussed occupational safety and HR issues monthly.

The Board Members

At the end of 2024, the Board of Consti Plc had six members. Two of them, or 33.3 percent, were women, and 66.6 percent were men. All members were independent of the company and its significant shareholders.

PETRI RIGNELL

Chairman
Member of the Nomination and Compensation Committee

MSc. (tech.), born 1962
Board Member since 2008
Finnish citizen
Independent of the company and of significant shareholders

Key work experience
Kreate Oy, CEO 2016–2017
IVG Polar Oy, CEO 2010–2013
CapMan Real Estate, Industrial Advisor 2007–2010
Projektikonsultit Oy, CEO 1994–2007
Polar Yhtiöt, Foreman 1989–1994
Lemminkäinen Oy, Project Engineer 1985–1989

Key positions of trust
Nordec Oy, Chairman of the Board since 2021
Kreate Oy, Chairman of the Board since 2017
Setera Communications Oy, Member of the Board since 2017
PriRock Oy, Chairman of the Board since 2007

Consti Plc's shares through his holding company 25,100 (31 December 2024)

ERKKI NORVIO

Board Member
Chairman of the Nomination and Compensation Committee

MSc. (tech.), M.Sc. (econ.), born 1945
Board Member since 2008 (Chairman 2008–2011)
Finnish citizen
Independent of the company and of significant shareholders

Key work experience
Ramirent Plc, CEO 1986–2005 and Deputy CEO 1984–1985
Partek Oy, 1972–1984

Key positions of trust
CableCrew Oy, Board Member since 2022
Norvier Oy, Chairman of the Board since 2007

Consti Plc's shares through his holding company 106,463 (31 December 2024)

ANNE WESTERSUND

Board Member

M.A. studies, translator degree, born 1964
Board member since 2019
Finnish citizen
Independent of the company and significant shareholders

Key work experience
Rokmind Oy, Partner since 2018
WesAnne Oy Ab, CEO since 2017
Cargotec Oyj, SVP Head of Customer Value Programme 2015–2017, SVP Communications and Public Affairs 2013–2015, VP Communications and Marketing 2010–2013
Vattenfall AB, VP Communication Nordic 2005–2010
Vattenfall Oy, Customer Service Director 2002–2005
Silja Line, Marketing Manager 2000–2002

Key positions of trust
Hurrikaanit Group Oy, Board Member since 2022
Rokmind Oy, Chairman of the Board since 2019
Oy Hedengren Ab, Board Member since 2018

Consti Plc's shares through her holding company 2,000 (31 December 2024)

JOHAN WESTERMARCK

Board Member

Lic.Sc. (Econ.), M.Sc (Tech.), born 1965
Board Member since 2020
Finnish citizen
Independent of the company and of significant shareholders

Key work experience
Bittium Corporation, CEO, since 2023
Citec Group Oy Ab, CEO, 2017–2022
Maintpartner Group Oy, CEO, 2012–2017
Maintpartner Oy, CEO, 2010–2012
Maintpartner Ab, CEO, 2009–2010
Eltel Group Oy, VP, Business Development, 2007–2008
Eltel Networks GmbH, CEO, 2006–2007
Eltel Group Oy, VP, Business Development, 2004–2006
Elcoteq Oyj, VP, Sales and Marketing, 2001–2004
Ahlstrom Machinery Oy: Regional Director, Service Business 1997–2001, Manager, Marketing Development 1995–1997, Project Engineer 1992–1995

Does not own Consti Plc shares (31 December 2024)

JUHANI PITKÄKOSKI

Board Member
Member of the Nomination and Compensation Committee

LL.M, born 1958
Board Member since 2022
Finnish citizen
Independent of the company and of significant shareholders

Key work experience
Caverion Corporation, CEO 2013–2014
YIT Corporation, CEO 2008–2013, in various management positions 1994–2008
Oy Huber Ab, Director of the Factory Service Unit 1991–1994, Attorney at Law 1988–1991

Key positions of trust
Saimaa Group Oy, Board Member since 2023

Consti Plc's shares 2,000 (31 December 2024)

KATJA PUSSINEN

Board Member

MSc (Econ and Bus Admin), BBA, Born 1975
Board member since April 2024
Finnish citizen
Independent of the company and of significant shareholders

Key work experience
Kreate Ltd, HR Director since 2019
Kreate Ltd, HR Manager 2017–2019
Skanska Ltd, HR Manager 2013–2016
Soraset Ltd, HR and Office Manager 2006–2012

Does not own Consti Plc shares (31 December 2024)

Board Committees

The Board has formed a Nomination and Remuneration Committee from among its members. The tasks of the Nomination and Remuneration Committee are defined in the written rules of procedure approved by the Board. The committee's tasks include preparing the forms of remuneration and incentive systems for senior management and all employees and approving their key principles.

CEO and Management Team

The CEO of Consti is responsible for implementing sustainability measures in accordance with the goals and strategy approved by the Board. The CEO reports to the Board on material impacts, risks, and opportunities related to sustainability and the progress of sustainability goals as needed and provides the Board with a sustainability review and a separate environmental review once a year, alone or together with the company's sustainability experts. In addition, the CEO presents an occupational safety review at all Board meetings according to the Board's annual calendar.

The Management Team prepares sustainability-related matters to be presented to the Board and monitors the implementation of approved sustainability measures and the impacts, risks, and opportunities related to sustainability regularly in its meetings. The Management Team also approves group-level guidelines that complement the principles approved by the Board, such as information security, accident investigation, and personal data processing.

The Director of Legal and Compliance, who is a member of the Management Team, is responsible for business compliance and sustainability reporting. The Director of Legal and Compliance is the Chair of Consti's Sustainability Steering Group and reports on sustainability themes and measures to the rest of the Management Team quarterly or as the theme's timeliness requires. Consti's corporate responsibility experts provide the Management Team with a sustainability review twice a year.

Sustainability risks and related internal control are addressed in the Management Team when the matters require handling or decisions. The Management Team addresses reviews related to HR and occupational safety in all its meetings, and addresses reviews related to e.g., the environment, energy, information security, and compliance as needed, if the matters require handling or a decision.

Business Area Directors are responsible for ensuring that the sustainability principles and goals defined by the company are integrated into the daily work of employees and that the suppliers, customers, and other partners used by the company operate according to Consti's sustainability principles.

Board Members' expertise in sustainability

The Board Members of Consti have years of experience in business related to the company's business areas through operational or trust positions. The Board can obtain external expert assistance in sustainability matters if necessary. The Board has participated in training organised for the Board on, for example, CSRD requirements. The Board Members and their experience are presented in section 1.2 *Governance and strategy of sustainability*, under "*Board Members*".

The Board Members receive information on sustainability issues as needed through sustainability reviews and regular reviews on, for example, occupational safety, as well as through the annual sustainability report.

Corporate governance

Consti's business and governance responsibility are guided by the Finnish Companies Act and Securities Market Act, as well as other legislation applicable to Consti, Consti Plc's articles of association, the values and ethical principles approved by the company's Board, and the rules and guidelines of Nasdaq Helsinki Oy applicable to listed companies. In insider matters, Consti complies with the EU Market Abuse Regulation and the regulations issued under it. Consti complies with the Corporate Governance Code prepared by the Finnish Securities Market Association for listed companies, which is available at www.cgfinland.fi. Consti is part of the Reliable Partner programme maintained by Vastuu Group Oy.

Consti's governance is the responsibility of the Board and the CEO. The company's auditor is responsible for external auditing.

At Consti, the primary responsibility for internal control lies with the line management, supported by the group's support functions. The purpose of internal control is to protect the company's resources from misuse, ensure the proper authorisation of business transactions, and ensure the reliability of financial and sustainability reporting. Consti does not have a separate internal audit function, but the responsibilities of internal audit are divided within the company among different bodies and business areas. The external auditor's audit plan takes into account that the company does not have a separate internal audit function.

1.2.2 Incorporating sustainability performance into incentive systems (GOV-3)

Shareholders decide annually on the Board's remuneration at the general meeting in accordance with the remuneration policy and applicable legislation. The proposal for the Board's remuneration is prepared by the Board's Nomination and Remuneration Committee. The Board's remuneration at Consti is not tied to the company's performance.

The Board approves the CEO's salary and remuneration, as well as the principles and metrics applied to the remuneration of other members of the Management Team and the CEO. The Board monitors and evaluates the implementation of remuneration annually. The CEO, together with the Chair of the Board, decides on remuneration matters concerning other senior management in accordance with the principles and guidelines approved by the Board.

The sustainability goals of the CEO's incentive system are the successful implementation of Consti's strategy for 2024-2027, including the promotion of responsibility and lean principles, improving accident frequency rates, and promoting an occupational safety culture. In the CEO's incentive system, (STI) the share of the performance bonus can be up to 60 percent of the annual base salary. The share of sustainability-related goals in 2024 was 24 percent of the annual base salary, including the successful implementation of the strategy. The strategy and its sustainability goals are described in sections 1.2.3 and 1.4.4 of this chapter.

The sustainability goals included in the operational goals of other Management Team members depend on the member's area of responsibility, including CSRD reporting, ensuring the accuracy and correctness of reporting, the successful implementation of the strategy for 2024-2027, including the promotion of corporate responsibility and lean principles, and improving accident frequency rates and promoting an occupational safety culture. The share of sustainability-related goals in 2024 was 14-24 percent of the annual base salary.

The sustainability goals of the personal remuneration of other employees are mainly related to quality and occupational safety.

Consti's climate aspects have not been taken into account in the remuneration of governance, management, and supervisory bodies, nor has their performance been evaluated in relation to the reported greenhouse gas emission reduction targets.

The principles of Consti's remuneration and the total remuneration of governance, management, and supervisory bodies are described in more detail in notes 3 and 15 of the parent company's financial statements.

1.2.3 Business model, value chain, and strategy (SBM-1)

Business model and value chain

Consti offers a comprehensive range of renovation and building technology services, as well as selected new construction services, to housing companies, corporations, real estate investors, and the public sector in Finland's growth centres.

The operations are divided into four business areas: Housing Companies, Corporations, Public Sector, and Building Technology. All business areas include service business. Service business includes, for example, maintenance and servicing of building technology.

Renovation almost always improves a building's energy efficiency, indoor air quality, and user comfort, such as accessibility and safety. Renovation includes not only technical repairs related to the age of the buildings but also a lot of building purpose modifications, such as converting old, underutilised office buildings into hotels or apartments or improving the usability of spaces by renewing the layout.

Consti's business model emphasises mitigating climate change, which is increasingly the starting point for renovation either through improving energy efficiency or as an alternative to demolishing the building. Energy efficiency is promoted both through building technology and automation as well as through construction techniques, particularly with facade repairs and improving insulation. Climate change increases rainfall and humidity in Finland and adapting to this requires especially careful maintenance of facades.

Consti operates in the construction value chain as a contractor, i.e., a provider of construction services to the client and the end-user of the spaces. Clients, i.e., Consti's largest customers, are cities and municipalities, Finnish pension insurance companies, real estate investors, as well as housing companies.

In addition, the construction value chain includes architects, designers, and other experts, who usually work on behalf of the client. End-users are the staff, patients, and students of public buildings such as schools and hospitals, the employees of office buildings, the entrepreneurs and customers of commercial spaces, and the residents of residential buildings. Except for housing companies, the client is generally responsible for communication with the end-users. The value chain is described in section 1.1.1.

Renovation is largely based on manual labour and specialised skills acquired through experience, as well as collaboration and project management skills, which are also key factors in the production of the construction services offered by Consti.

The value of Consti's work is particularly evident in the extension of the lifespan of buildings, the improvement of energy efficiency and the usability, accessibility, and healthiness of spaces, and the increase in the value of the building. Improving energy efficiency also reduces the carbon dioxide emissions of the building during its use.

At the end of 2024, Consti Group employed 1012 construction and building technology professionals, about 98 percent of whom were in permanent employment. In addition, Consti directly and indirectly employs thousands of workers.

Relationships with workers in the value chain are described in section S2 *Workers in the Value Chain and Relationships with goods and service suppliers* in chapter G1 *Business Conduct.*

Strategy

Consti's mission is to improve the value of Finnish building stock and mitigate climate change through excellent competence in construction and building technology. During the strategy period 2024–2027, Consti aims 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 changes in the way spaces are utilised for example in workplaces and the retail sector.

In both construction and building technology, the growth sought by Consti is based on developing the current business. The goal is to make Consti's expertise more widely available throughout the construction value chain, from project development to maintenance. This way, Consti's expertise in sustainable renovation practices and project-specific implementation options can be used as efficiently as possible in the value chain.

Consti aims to be a leader in its field in corporate responsibility. The key sustainability goals for Consti's strategy period 2024–2027 are mitigating climate change, promoting occupational safety and well-being, and developing responsible practices in the industry. These goals are discussed in more detail in connection with the respective themes.

To mitigate and adapt to climate change, Consti is developing energy efficiency expertise and services that take into account the requirements brought by climate change, for example, for the building envelope and maintenance. The decisive factor in the adoption of energy efficiency improvements and energy efficiency services (e.g., building-specific optimised heating solutions) offered by Consti is the benefits they provide to the customer and the customers' willingness to invest in sustainable solutions. In Consti's view, cost-effectiveness is strongly emphasised in customers' decision-making. Increasing recycling and the reuse of building components in construction are shared challenges in the industry.

Business resilience

Consti's climate-related resilience analysis was conducted in conjunction with the double materiality analysis. The scenario analysis examined Consti's business through its characteristic projects and the supporting functions. Consti supplemented this analysis in accordance with the TCFD[1] recommendation. (Figure: *Transition risks and physical risks*, page 48). Consti takes into account the time intervals of 1 year, less than 5 years and more than 5 years in the double materiality analysis, and 5 years and more than 5 years in the supplementary analysis. There was no significant change in the transition events based on the TCFD classification over a one-year time span. Table: E1 *Climate change mitigation, risks and opportunities* can be found in section 2.2.2 *Material impacts, risks and opportunities*.

Consti has identified acute climate risks and regulatory issues as particularly significant among climate-related risks. The Construction Act, EU taxonomy, and the Energy Performance of Buildings Directive require increasingly diverse expertise, especially from designers. A risk for Consti may be the extension of project schedules due to insufficient design expertise. Also, the action and monitoring processes related to taxonomy reporting may add schedule pressure and costs as they increase. Regulation requires monitoring legislation, implementing necessary changes, and possibly adapting services both in Consti's own operations and in its value chain.

Acute climate risks related to climate change may reduce productivity, for example, due to transportation difficulties and problems with global supply chains. The need for construction sites to protect themselves from extreme weather conditions is increasing, and heavy rain and stormwater floods may delay work in urban and suburban areas. Long heatwave periods require rescheduling work and taking care of the working conditions of the staff.

Consti sees the development of new, low-emission products and services as an opportunity. This may strengthen Consti's competitive position and ability to respond to changing customer needs. Significant opportunities are also linked to resource efficiency. The energy efficiency of Consti's operations and the use of low-emission

[1] Source: TCFD. (2017). Final Report - Recommendations of the Task Force on Climate-related Financial Disclosures. https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf

energy sources, proper recycling of waste, and efficient production processes such as the use of prefabricated components may reduce costs. Resource efficiency can also give Consti a reputation advantage.

1.2.4 Sustainability due diligence process (GOV-4)

Consti's business is based on a decentralised organisational structure and operating model. This means that Consti's business areas and profit units have significant decision-making authority and independent powers to conduct business. Responsibility for risk management is at the group level, where clear operational frameworks and requirements are set, and processes and goals are defined for the line organisation to implement the requirements. The achievement and compliance with the goals are regularly monitored. The reporting line is open and transparent from individual projects to the group level.

Consti's due diligence process includes the following elements

Identification, assessment, and prioritisation: The aim is to identify the most likely and significant sustainability risks in Consti's internal and external operations in all business areas, including the subcontracting and supply chain. Based on the mapping, the most significant risk areas are prioritised for further assessment. Since Consti operates only in the domestic construction market, the assessments are mainly focused on risks generally identified in the construction industry, and the necessary measures are prioritised based on the identified and known impacts.

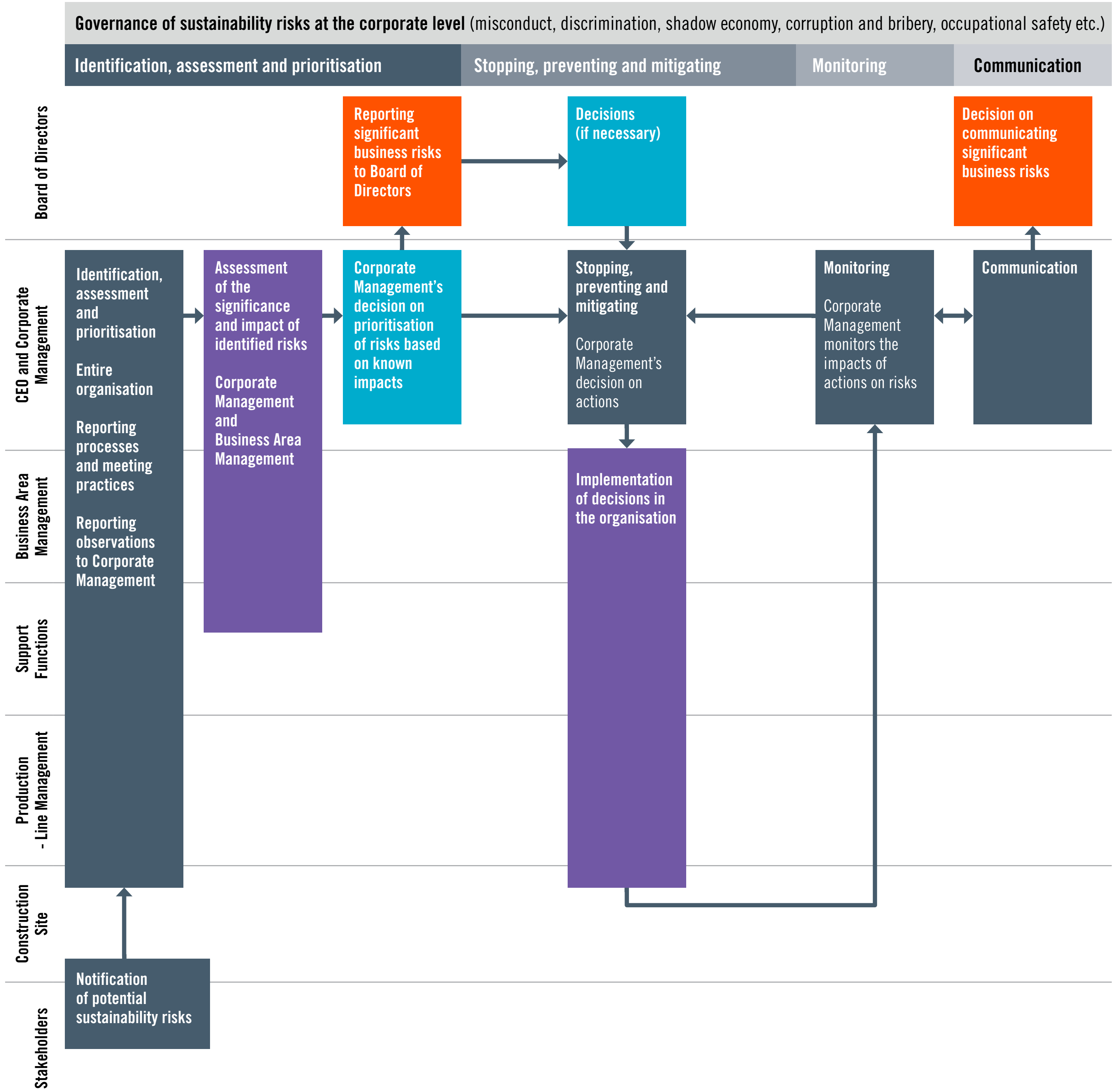
Stopping, preventing, and mitigating: Based on the prioritisations, plans are made to prevent or mitigate actual or potential adverse impacts related to responsible business that are directly linked to the company's or business partner's operations, products, or services.

Key response methods to risks related to business relationships may include continuing the business relationship during risk mitigation efforts, temporarily suspending the business relationship during risk mitigation, or terminating the business relationship. The business relationship is terminated either due to the severity of the adverse impacts or after failed mitigation attempts if the company assesses mitigation as impossible. The decision takes into account the measures taken to eliminate the risks.

Monitoring: Consti monitors the implementation and effectiveness of its due diligence measures, i.e., the measures aimed at identifying, preventing, and mitigating adverse impacts on people and the environment, including correcting business relationships. Monitoring supports the development of due diligence measures and processes.

Communication and transparency: The processes of due diligence and the measures taken to identify and address actual or potential adverse impacts are also communicated externally.

Description of Consti's due diligence process



1.3 Stakeholder interests and views (SBM-2)

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

The primary goal of stakeholder cooperation is to map the needs of customers and partners, strengthen cooperation with partners and long-term customers, and make Consti's offerings, expertise, and new industry solutions known. Cooperation with educational institutions aims to make Consti known as an employer and increase knowledge of renovation as an industry. The goal of workplace communication, in addition to daily work-related communication, is to identify issues important to employee well-being and provide employees with the opportunity to influence the continuous development of the work community.

Continuous dialogue with stakeholders is conducted, especially in customer meetings, joint projects, industry seminars, fairs, and other events, school visits, and student events, as well as through various written surveys such as employee surveys and customer satisfaction surveys conducted at the end of projects. Stakeholder views were more broadly surveyed through surveys during the preparation of sustainability themes in 2020. Since then, stakeholder views have been mapped as part of regular communication, and the views collected in this way have also been used in the double materiality analysis conducted in 2023. In 2024, stakeholder views on Consti's impact opportunities in sustainability and responsibility issues and the significance of sustainability-related aspects and requirements on Consti's operations were surveyed. Partners, employees, and customers all considered the following sustainability factors, which Consti can positively influence, to be significant or very significant: waste and recycling, training and skill development of own staff, equal treatment and equal opportunities for all, corporate culture and responsible business practices, and relationships with suppliers (e.g., good treatment of suppliers and fair payment practices). The views of authorities on Consti's sustainability factors have not been separately surveyed, as authorities promote sustainable development through legislation. Consti complies with the regulations applicable to its operations and monitors industry regulations.

Examples of incorporating stakeholder perspectives include enhancing recycling expertise through internal training, improving waste monitoring, and advancing procurement practices. Efforts to improve occupational safety have included measures such as safety management. To develop staff competencies, collaboration with educational institutions has been increased, for instance through apprenticeship training and facilitating work-based completion of construction-related bachelor's degrees at Universities of Applied Sciences.

In 2024, a plan for regular stakeholder cooperation was prepared. The results of stakeholder surveys are reported to the Board. Stakeholders have not directly participated in defining Consti's sustainability goals.

The table *Stakeholder views and impacts on business* provides a summary of Consti's key stakeholders and how the themes important to them are considered in the company's strategy and business model.

Stakeholders' views and impacts on business

Key stakeholders	Themes important to stakeholders	Means and measures	Impact on operations, business model and strategy
Consti's owners	Taking care of the competence of the personnel. Combating the shadow economy.	Board work, general meetings, meetings with investors and their representatives, "Uudistajat" stakeholder magazine, newsletters, annual reports and financial reviews, website.	The development and management of personnel competence and the continuous promotion of occupational safety and well-being are part of the strategy.
Students in the field	Sustainability issues in general.	Cooperation with educational institutions such as site visits, internships, theses, guest lectures, fairs and recruitment events, websites, social media channels.	Increase cooperation with educational institutions.
Public sector operators	Corporate culture and responsible business principles. Education. Equal treatment. Health and safety at work.	Regular customer contacts, customer events, industry seminars and fairs, "Uudistajat" stakeholder magazine and newsletter, customer satisfaction surveys, websites, social media channels.	Increased sustainability requirements in invitations to tender guide Consti towards more responsible operations. E.g. occupational safety issues and waste management.
Partners	Corporate culture and responsible business principles. Know-how. Equal treatment.	Industry seminars and fairs, "Uudistajat" stakeholder magazine and newsletter, website, social media channels.	Development of procurement as part of efficiency improvement. Supporting knowledge in the value chain.
Real estate investors	Corporate governance, such as combating the shadow economy and relations with the supply chain. Safety in a broad sense.	Regular customer contacts, customer events, industry seminars and fairs, "Uudistajat" stakeholder magazine and newsletter, customer satisfaction surveys, websites, social media channels.	Promoting safety is part of the strategy. Combating the shadow economy is a key part of procurement.
Housing company representatives	Sustainability issues in general.	Regular customer contacts, active communication before/during the project/ after the end of the project, customer satisfaction surveys, customer events, industry seminars and fairs, "Uudistajat" stakeholder magazine and newsletter, website, social media channels.	Highlighting sustainable solutions and alternatives in the offering.
Consti's personnel	Sustainability issues in general. Only themes related to water, biodiversity and greenhouse gases are less relevant.	Continuous communication through supervisors and through an internal communication channel, personnel briefings, personnel surveys, development discussions, personnel events, training, occupational safety and health activities.	The development and management of personnel competence and the continuous promotion of occupational safety and well-being are part of the strategy. Sustainability perspectives in guidelines and training.

1.4 Material impacts, risks, and opportunities of sustainability

1.4.1 Identification and assessment of material impacts, risks, and opportunities (IRO-1)

The key principle of Consti's risk management is continuous, systematic, and preventive action to identify risks, define the company's accepted risk level, assess and manage risks, and effectively handle and control risks when they materialise so that the company achieves its strategic and financial goals. Sustainability risk management is part of the group's management, monitoring, and reporting systems. Financial and operational risks and the measures taken are regularly reported to the Management Team. Strategic and sustainability risks are addressed annually in the review of strategic projects. The results are discussed by the Board, the group's Management Team, and the Business Area Management Teams.

In assessing risks related to production, the key is to ensure uninterrupted and continuous production under all conditions. The environmental risk assessment process for production is guided by management systems in accordance with the RALA environmental certificate. Key identified risks are included in the company-level risk management process. The environmental impacts of construction sites are assessed, among other things, through project-specific risk assessments.

In identifying and assessing material impacts, risks, and opportunities, it is essential to identify and assess the risks, threats, and opportunities that may be significant for the implementation of the strategy and the achievement of short- and long-term goals, as well as to identify and assess the company's impacts on society and the environment. In addition to the company's own operations, the identification and assessment of impacts, risks, and opportunities covers the key upstream and downstream actors in the value chain, including procurement, construction site operations, customers, and end-users. The value chain is described in section 1.1.1 *Principles of preparing the sustainability report.*

Consti's material impacts, risks, and opportunities related to sustainability have been identified in a double materiality analysis. The preliminary materiality analysis was conducted in November-December 2023 and refined during 2024. Consti aims to develop the analysis of double materiality in the future, for instance in terms of identifying dependencies on impacts, risks and opportunities.

Consti organised three separate workshops in November-December 2023. In addition to the CEO, the first and second workshops were attended by the responsible persons of Consti's ESG groups and an external expert (a total of 9 people). The third workshop was attended by the CEO and the persons responsible for finance and sustainability.

In the first workshop, a common understanding of the definition of sustainability and sustainable practices was strengthened, and the material sustainability themes for Consti were initially identified. The background information used included the results of the materiality analysis conducted in 2020 and the extensive corporate responsibility work preceding it, including the stakeholder survey, value chain definition, and climate scenario (IPCC 6th Assessment Report[2]). External stakeholders in 2020 included customers, construction students, and investment analysts following Consti, and internal stakeholders included Consti employees. In addition, the first workshop in autumn 2023 reviewed the sustainability themes of the 2021–2023 strategy period and their relevance in the strategy period starting in 2024. After this, the sustainability themes covered by the ESRS standards and their sub-topics and sub-sub-topics were reviewed, and the material sustainability factors were initially assessed for impact materiality and the impacts, risks, and opportunities were prioritised.

In prioritisation, the probability and severity or effect of the impact, risk, or opportunity were considered. Impacts were assessed based on scale, breadth, and the ability to correct the impact.

In the second workshop, financial materiality was examined, and the financial sustainability risks and opportunities were initially assessed.

In the third workshop, the results of the previous workshops on impact materiality were compiled, preliminary assessments were made of the financial sustainability risks and opportunities of the sustainability factors, and the material sustainability themes for Consti were defined. Financial risks have not been assessed in euros.

After the workshops, Consti's Board approved the company's preliminary double materiality analysis at its meeting on 19.12.2023.

During 2024, the preliminary materiality analysis has been updated, among other things, by incorporating the actual and potential positive and negative impacts on the environment, society, or business assessed in the workshops. At the beginning of 2024, the views of the most important stakeholders for Consti on corporate responsibility issues related to Consti were heard. Also, the assessments of the scale, breadth, ability to correct, and probability of impacts were refined during 2024. Based on the refinement, in addition to previously identified risks, the protection of whistleblowers was identified as a material risk.

The Board decided at its meeting on 24 October 2024 to confirm Consti's double materiality analysis, which also took into account the written questions and observations of KPMG Oy Ab and the changes made to the preliminary double materiality analysis based on them.

The next materiality analysis will be carried out during 2025.

[2] IPCC. Sixth Assessment Report. https://www.ipcc.ch/assessment-report/ar6/ and https://www.ilmatieteenlaitos.fi/kuudes-arviointiraportti

1.4.2 Material sustainability topics

The material sustainability topics identified for Consti's operations are:

- E1 Climate Change
- E5 Resource Use and Circular Economy
- S1 Own Workforce
- S2 Workers in the Value Chain
- G1 Business Conduct

For impact materiality, greenhouse gas emissions and energy consumption were identified as the most important sustainability factors in terms of climate change. In terms of resource use and circular economy, demolition, packaging and surplus waste were identified as key sustainability factors. Education and skills development, as well as health and occupational safety, were identified as the most important sustainability factors for the company's own workforce. For employees in the value chain, the most important sustainability factor is health and safety at work. In business conduct, the most significant impact comes from preventing and detecting corruption and bribery, corporate culture, business conduct principles, as well as relationships with suppliers of goods and services in the value chain.

The sustainability factors with the most significant financial impacts are presented in the table *Consti's material sustainability factors*.

The process for identifying and assessing the impacts, risks and opportunities of the following sustainability topics is described in section 1.4.1.

E1 Climate change

Climate change is a significant sustainability factor for the construction industry. The construction industry is one of the largest sources of carbon dioxide emissions, and combating climate change requires significant changes in industry practices and materials. According to the construction industry's materiality analysis, climate change mitigation and adaptation are key themes. This includes the sustainable use of natural resources, energy, and materials, as well as the design of long-lasting buildings and infrastructure[3]. Additionally, low carbon emissions and energy efficiency are important goals guiding the construction industry's activities.

The environmental footprint of a building is formed from the production of raw materials, logistics, construction itself, and ultimately the use of buildings. Consti is involved in all of this. As a renovation contractor, Consti balances the carbon footprint of construction by reducing emissions as a result of repairs. Renovating old buildings means that fewer raw materials and energy are needed for new construction. Climate change is a key sustainability factor for Consti.

E2 Pollution

According to the ESRS standard E2, the sub-topics of pollution include air, water, and soil pollution, pollution of living organisms and food, hazardous substances, substances of particular concern, and microplastics.

The standard refers to air pollution as the emissions of a company into the air (both indoors and outdoors) and the prevention, limitation, and reduction of such emissions. Paragraph 7 of the standard refers to standard E1 and defines the compounds related to air pollution. These include carbon dioxide ($CO2$), methane ($CH4$), nitrous oxide ($N2O$), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride ($SF6$), and nitrogen trifluoride ($NF3$).

Consti's business does not fall within the industries defined by the EU Emissions Directive[4]. In addition, Consti's business operations do not generate significant emissions in the sense and extent referred to in the definition of the regulation or standard. On this basis, Consti has determined that the disclosure requirements presented in standard E2 are not material to Consti's business. Material information on air pollution related to Consti's business operations is taken into account in standard E1.

According to the ESRS standard, soil pollution refers to the release of substances, vibrations, heat, or noise into the soil by human activities, with consequences that may harm human health or the environment, damage tangible property, or impair or prevent the recreational use or other legitimate use of the environment, regardless of whether such discharge occurs at or outside the production site of the company, or when using the company's products and/or services. Soil pollutants include inorganic pollutants, persistent organic pollutants (POPs), pesticides, and nitrogen and phosphorus compounds.

Consti has assessed the impacts of its business and value chain operations on soil contamination to be insignificant. Consti's business operations are largely focused on the renovation of existing properties in the built environment. This activity does not result in the release of substances, vibrations, heat or noise into the soil in such a way that the consequences could cause harm to human health or the environment, damage tangible property, or impair or prevent the recreational or other legitimate use of the environment. On this basis, Consti has considered that the disclosure requirements set out in standard E2 are not material to Consti's business.

E3 Water and marine resources

In the ESRS E2 standard, water pollution refers to the emissions of a company into the water and the prevention, limitation and reduction of such emissions. Point 7 of the standard contains a reference to standard E3 Water and marine resources, which deals with water consumption, especially in water risk areas, and water recycling and storage. This also includes responsible management of marine resources, including the nature and quantity of marine resource commodities (such as gravel, deep-sea minerals, fish and shellfish) used by the company. The standard covers the negative impacts of such activities in the form of pollution of water and marine resources, including microplastics.

Consti's business is not one of the industries defined in the EU Emissions Directive. In addition, Consti's business operations do not generate significant water pollution in the sense and extent referred to in the definition or standard of the regulation. On this basis, Consti has considered that the disclosure requirements set out in standard E3 are not material for Consti's business.

E4 Biodiversity and ecosystems

Consti's business operations do not include activities that would involve a significant risk that they might eradicate, for example, plant species critical to local biodiversity or impede water filtration or spread invasive plant or animal species that could cause significant harm to ecosystems. On this basis, Consti has considered that the disclosure requirements set out in standard E4 are not material for Consti's business.

E5 Resource use and circular economy

In the construction industry's materiality analysis, resource use and material efficiency, climate change mitigation, lifecycle responsibility, and regenerative construction have been identified as key and material sustainability factors. These sustainability factors identified in the construction industry's materiality analysis apply to Consti as Finland's largest renovation contractor. Consti has identified waste recycling as a material sustainability factor from standard E5.

S1-S2 Own workforce and workers in the value chain

The construction industry is a labour-intensive sector, which is why Consti has identified standards S1 and S2 as material sustainability factors.

S3 Affected communities

Consti's business does not target affected communities as described in the standard. Based on this, Consti has determined that the disclosure requirements presented in standard S3 are not material to Consti's business.

S4 Consumers and end users

Consti's business is focused on Finland, where companies' activities are widely regulated and guided by consumer protection, product safety, and individual protection legislation, which Consti is also obliged to comply with in its operations. Based on this, Consti has determined that the disclosure requirements presented in standard S4 are not material to Consti's business.

G1 Business conduct

Sustainable corporate culture and its strengthening are essential in Consti's operations. Based on this, Consti has determined that the disclosure requirements presented in standard G1 are material to Consti's business.

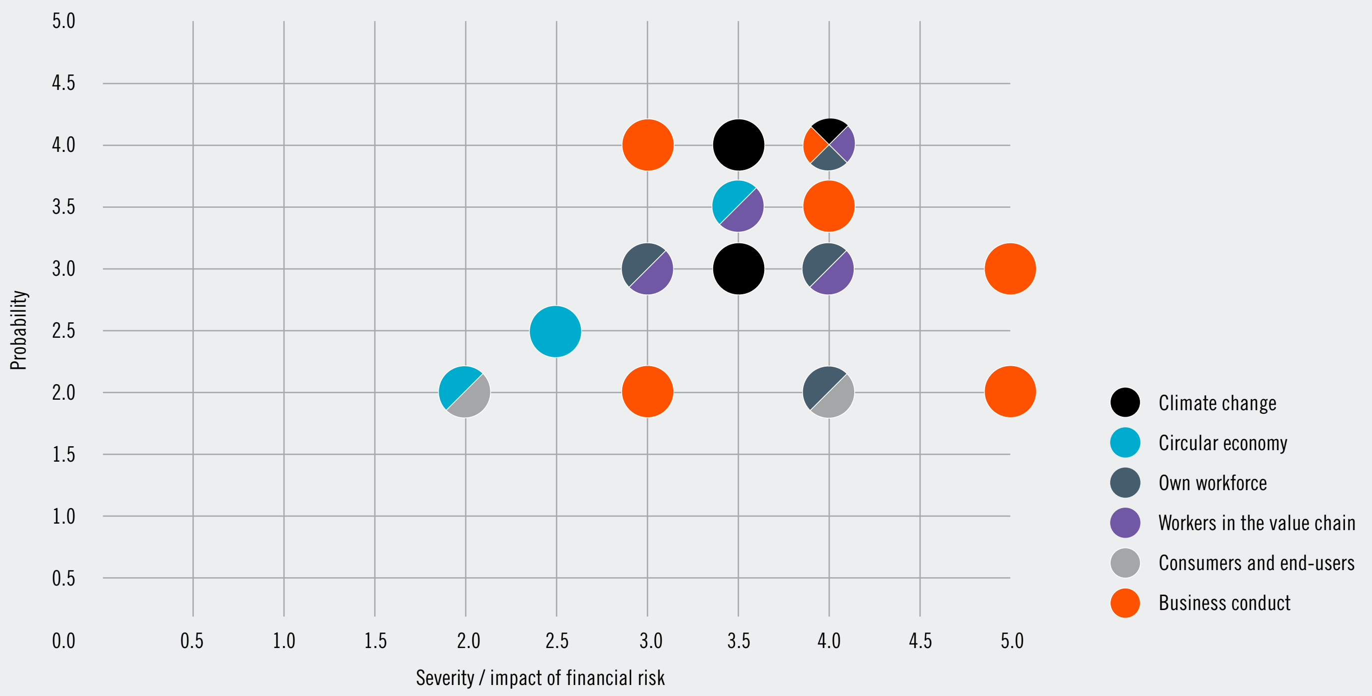
Consti's material sustainability factors

	Topic	ESRS-Standard	Subtopic	Sustainability factors
IMPACT MATERIALITY	Climate change	ESRS E-1	E1-6	Scope 1, 2 and 3 greenhouse gas emissions
	Climate change	ESRS E-1	E1-5	Energy consumption
	Circular economy	ESRS E-5	E5-5	Demolition waste, packaging waste, surplus waste
	Own workforce	ESRS S-1	S1-13	Training and skills development
	Own workforce	ESRS S-1	S1-14	Health and safety at work
	Workers in the value chain	ESRS S-2		Health and safety at work
	Business conduct	ESRS G-1	G1-3	Prevention and detection of corruption and bribery
	Business conduct	ESRS G-1	G1-1	Corporate culture and business conduct policies
	Business conduct	ESRS G-1	G1-2	Relations with suppliers
ECONOMIC MATERIALITY	Climate change	ESRS E-1		Storm (including blizzards, dust and sandstorms)
	Climate change	ESRS E-1		Heavy rain (rain, hail, snow or freezing)
	Climate change	ESRS E-1		Flood (coastal, river, stormwater and groundwater floods)
	Climate change	ESRS E-1	E1-6	Scope 1, 2 and 3 greenhouse gas emissions
	Climate change	ESRS E-1		Heat load
	Climate change	ESRS E-1		Temperature fluctuations
	Climate change	ESRS E-1		Changes in wind conditions
	Climate change	ESRS E-1		Changes in rainfall conditions and types (rain, hail, snow or freezing)
	Climate change	ESRS E-1		Precipitation or hydrological variation
	Climate change	ESRS E-1		Heat wave
	Climate change	ESRS E-1	E1-5	Energy consumption
	Own workforce	ESRS S-1	S1-13	Training and skills development
	Own workforce	ESRS S-1	S1-14	Health and safety at work
	Workers in the value chain	ESRS S-2		Health and safety at work
	Business conduct	ESRS G-1	G1-2	Relations with suppliers
	Business conduct	ESRS G-1	G1-3	Prevention and detection of corruption and bribery
	Business conduct	ESRS G-1	G1-4	Confirmed cases of corruption or bribery
	Business conduct	ESRS G-1	G1-1	Protection for whistleblowers

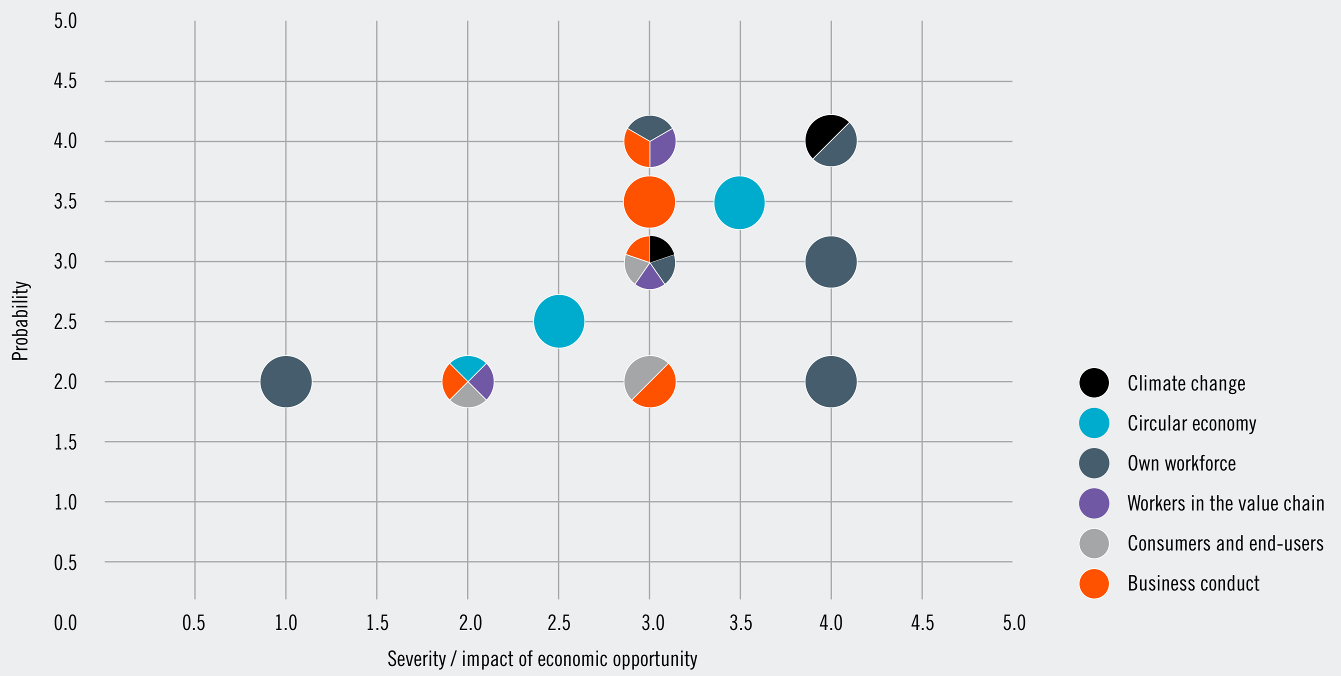
[3] Rakennusteollisuus. (2023). Rakennusteollisuuden vastuullisuuden olennaisuusanalyysi. Loppuraportti. [The materiality analysis of the Confederation of Finnish Construction Industries RT. Final Report]. https://www.epressi.com/media/userfiles/151418/1709905156/rakennusteollisuuden-vastuullisuuden-olennaisuusanalyysi-loppuraportti.pdf
[4] Euroopan parlamentti. (2023). Climate change: the greenhouse gases causing global warming. https://www.europarl.europa.eu/topics/en/article/20230316STO77629/climate-change-the-greenhouse-gases-causing-global-warming

Assessment scale for impacts, risks, and opportunities

Financial risks and their probabilities



Economic opportunities and their probabilities



The significance of impacts was assessed on a scale of 1–5, where 1=very low, 2=low impact, 3=moderate impact, 4=significant impact, and 5=very significant impact. The probabilities of risks, as well as their severity and impact, were assessed on the same scale. Each assessment was also made for timeframes of 1 year, less than 5 years (medium term), and more than 5 years (long term).

Sub-topics that received a high rating were defined as material sub-topics. In terms of impact materiality, this means a value of at least 14–16, and in terms of financial materiality, a value of at least 15–16[5]. Additionally, any sub-topic with a severity or impact value of 5 (very significant) was defined as a material sub-topic. Sub-topics with low materiality were not included in the table.

1.4.3 Interaction of material impacts, risks, and opportunities with strategy and business model (SBM-3)

In Consti's view, sustainability-related impacts on Consti's business and strategy are mostly positive. The essential opportunities relate to the growth of Consti's business, as a significant part of Consti's business and expertise involves extending the lifecycle of the built environment, repairing as an alternative to demolition and new construction, improving energy efficiency, and enhancing buildings' ability to withstand the stresses caused by climate change. All of this reduces the carbon footprint of the built environment and the costs for property owners. The increase in sustainability requirements strengthens Consti's opportunity to continue offering work both directly and indirectly.

So far, the increase in sustainability requirements has caused changes in Consti's daily operations, particularly in the recycling of construction waste and ensuring sustainability expertise, such as monitoring and reporting skills.

The key sustainability risks affecting Consti's strategic objectives relate to success in supply chain management, occupational safety, and preventing corruption and bribery. These risks particularly affect Consti's own and construction service providers' activities both in the short and long term and are due to the nature of the business. The most significant area for development is identifying and measuring the sustainability impacts of the value chain. Ensuring the training of Consti's own personnel is also a prerequisite for taking advantage of the opportunities created by sustainability requirements. The risks related to occupational safety and their management are described in section 3.1. S1 *Own Workforce*. The risks related to corruption and bribery and their management are described in section 4.1. G1 *Business Conduct*.

In managing climate risks, it is essential for Consti to reduce greenhouse gas emissions and find solutions to the challenges posed by acute climate risks, such as intensifying storms and rains on construction sites. Climate risks are due to external factors, and Consti expects climate risks to increase over a five-year time horizon. Preparing for risks requires new skills and perspectives on contract agreements and site planning. The risks related to environmental themes and their management are described in chapters E1 *Climate Change* and E5 *Recycling*.

Consti's strategy and business model are described in more detail in section 1.2.3.

1.4.4 Sustainability goals and metrics (MDR-T, MDR-M)

The sustainability goals and metrics are based on Consti's strategy. The preparation of the measurement criteria and underlying assumptions is coordinated by Consti's Sustainability Steering Group, and they have been approved by the Group's Management Team. The metrics for the sustainability topics identified as material and their limitations are described in the section of this report on the sustainability topic in question.

Consti's sustainability targets for the strategy period 2024–2027	Goals for 2024	Indicator	Realisation or result 2024
E - Environment			
Reducing emissions from own operations (Scope 1 and Scope 2). Consti will be carbon neutral by 2035	Reducing emissions from own operations (Scope 1 and Scope 2)	Emission intensity tCO_2eq / net sales M€	7.8
Reducing Scope 3 emissions	Calculation of Scope 3 emissions for 2023 and 2024	Realised/Not realised	Realised
Commitment to the SBTi climate target	Commitment to the SBTi climate target	Realised/Not realised	Not realised
Monitoring and control of energy consumption at worksites established and emission reduction targets set	Plan for reducing worksite emissions	Realised/Not realised	Realised
Strengthening competence required due to climate change, especially in energy efficiency solutions, facade repair and maintenance, yard construction, and providing related services to customers	3 Energy efficiency projects completed	Completed qty	8
	3 Consti Optimi customer projects completed	Completed qty	0
Increasing the relative share of net sales according to the taxonomy	% increase	%	14.7%
Construction site waste recycling rate 70%	Construction site waste recycling rate 70 %	Recycling rate, %	70%

[5] The value is determined as follows: Step 1: multiply the probability of each topic by its severity or impact for periods of less than 5 years and more than 5 years. Step 2: determine the average of the values calculated in step 1 for periods of less than 5 years and more than 5 years.

Consti's sustainability targets for the strategy period 2024–2027	Goals for 2024	Indicator	Realisation or result 2024
S - Social responsibility			
To provide our own personnel with an equal working environment that encourages competence development	Increasing the number of women in different personnel groups	Share of women, % of total staff	12.7%
	Fixed-term employment contracts < 5%	Fixed-term employment, % of total staff	2%
Promoting well-being at work	Promoting work ability - task-specific written instructions for the most physically demanding tasks	Reducing absenteeism due to musculoskeletal disorder, day/person	2.9 day/person
Reduction of occupational accidents and sick leave absences	Fewer sickness absences than before. Accident frequency <10	Sick leave absences, % and accident frequency	Sick leave absences 4.1% (5.2%) Accident frequency 7 (10)
Competence and leadership development	Create a leadership development programme for line supervisors, a competence development framework	Realised/Not realised	Realised
Committed and healthy personnel	Committed and healthy personnel. Employee turnover < 10%	Employee turnover, %	12.6%
	Age balance	Age distribution, all employees	Balanced
Provide the partners' personnel with an equal working environment that encourages competence development	Mapping and describing human rights processes	Realised/Not realised	Realised
G - Sustainability governance			
Developing partner cooperation to improve sustainability, quality, service and efficiency	Development plan for supplier ESG sustainability assessment methods	Realised/Not realised	Not Realised
	Identification of the main actors in the value chain	Realised/Not realised	Realised
	100% of subcontractors committed to Consti's Code of Conduct	Subcontractors committed to Consti's Code of Conduct, %	Realisation estimate 90%
	No incidents that violate the Code of Conduct	Incidents that violate the Code of Conduct, pcs	Realised, 0 pcs
Reduce the shadow economy in the construction sector together with other operators in the sector	Confirmed cases of corruption or bribery 0 cases	Confirmed cases of corruption or bribery, pcs	Realised, 0 pcs
Reduce shadow economy risks in own operations	Development plan for supplier ESG sustainability assessment methodology	Realised/Not realised	Not Realised
Increasing taxonomy expertise in business to benefit customers	Increase in the number of taxonomy-compliant projects	Realised/Not realised	Realised

2 (E-ENVIRONMENT) ENVIRONMENTAL INFORMATION

2.1 EU taxonomy

2.1.1 General

The EU taxonomy is the European Union's classification system for environmentally sustainable economic activities. Its goal is to harmonise corporate sustainability reporting and guide investments towards sustainable activities. The classification system includes six environmental objectives: 1) climate change mitigation, 2) climate change adaptation, 3) the sustainable use and protection of water and marine resources, 4) the transition to a circular economy, 5) pollution prevention and control and 6) the protection and restoration of biodiversity and ecosystems.

Companies must report the share of their revenue, capital expenditures, and operating expenses that are eligible for the taxonomy (taxonomy eligibility) and the extent to which their economic activities are environmentally sustainable according to the taxonomy requirements (taxonomy alignment).

To be taxonomy-aligned, economic activity must meet the sector-specific requirements defined for each environmental objective in the taxonomy. 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, the activity must not cause significant harm to other environmental objectives (DNSH principle, do no significant harm). Additionally, the activity must comply with the ethical labour and human rights principles of the UN, OECD, and ILO.

2.1.2 Taxonomy reporting

In the financial year 2024, companies must report both the taxonomy eligibility and taxonomy alignment of their activities concerning all six environmental objectives. The share of revenue, capital expenditures, and operating expenses is reported. Consti has assessed the taxonomy eligibility and taxonomy alignment of its activities based on the best interpretation of the EU taxonomy regulations[6], climate and environmental delegated acts[7], and the guidelines provided by the European Commission. Additionally, Consti has considered the interpretation guidelines published for the construction industry by Green Building Council Finland and the Confederation of Finnish Construction Industries RT.

The first phase of Consti's taxonomy review is done at the contract stage. The site management is responsible for monitoring the fulfilment of the criteria and taking necessary actions. The finance department reports the euro-denominated realisation of taxonomy-aligned revenue based on pre-agreed criteria and monitoring.

2.1.3 Reporting principles

Construction and the use of buildings have a significant impact on climate change. In renovation, the energy efficiency of the building is always improved both technically and structurally.

The EU's six environmental goals for the construction industry include the *Substantial contribution to climate change mitigation* target as well as the *Substantial contribution to the transition to a circular economy* target. Consti estimates that approximately 76.7 (85.3) percent of its revenue is taxonomy-eligible with regard to the above objectives. Based on Consti's assessment, its activities are not taxonomy-eligible for other environmental objectives.

According to Consti's interpretation, 14.7 (9.8) percent of its revenue is taxonomy-aligned. Taxonomy-aligned activities consist of the activities in the taxonomy sections 7.2 *Renovation of existing buildings*, 7.3 *Installation, maintenance, and repair of energy efficiency equipment*, 7.4 *Installation, maintenance and repair of charging stations for electric vehicles in buildings*, 7.5 *Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings* and 7.6 *Installation, maintenance and repair of renewable energy technologies.*

For renovation projects falling under category 7.2, a key requirement for significantly contributing to climate change mitigation is either compliance with the applicable requirements for large-scale renovations or, alternatively, achieving a reduction of at least 30% in primary energy demand as a result of the renovation. Consti estimates that in the financial year 2024, three major renovation projects met both the significant promotion criteria and the non-significant harm criteria required by section 7.2. Projects that did not meet the significant promotion criteria or the non-significant harm criteria, for example, in terms of construction waste recycling, were not included in the taxonomy-aligned revenue.

Section 7.3 *Installation, maintenance, and repair of energy efficiency equipment* includes, among other things, adding insulation to parts of the existing building envelope, replacing old windows and doors with energy-efficient ones, energy-efficient lighting, and installing, replacing, maintaining, and repairing HVAC and water heating systems and fixtures.

Section 7.4 *Installation, maintenance and repair of charging stations for electric vehicles in buildings* includes installation, maintenance and repair of charging stations for electric vehicles.

Section 7.5 *Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling energy performance of buildings* includes, among other things, 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.

Section 7.6 *Installation, maintenance and repair of renewable energy technologies* includes, among other things, the installation, maintenance, and repair of solar power systems and solar panels, as well as the use of renewable energy for heating.

Consti estimates that its financial activities are taxonomy-aligned with the above-mentioned criteria and that and that its financial activities meet the non-significant harm (DNSH) criteria defined for these categories.

For *Climate change adaptation* (DNSH 2 criterion), Consti has conducted a climate risk assessment for its reported taxonomy-aligned economic activities. Consti has identified the material climate risks that may be significant and has planned adaptation measures for these risks.

With regards to *Sustainable use and protection of water and marine resources* (DNSH 3 criterion), Consti's projects, with the exception of residential buildings, meet the requirements for water fixtures with limited flow, according to Consti's assessment.

With regard to the *Transition to a circular economy* (DNSH 4 criterion), Consti interprets that the requirement for waste recycling: "prepared for reuse, recycling and other material recovery" is fulfilled to the extent that the sorting, reuse, recycling and other recovery of waste generated by Consti's operations can be ensured and the recycling rate verified.

With regard to *Pollution prevention and control* (DNSH 5), Consti interprets that the building components and materials it uses meet the criteria.

[6] EU 2020/852
[7] EU 2021/2139, 2023/2485, 2023/2486

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When assessing taxonomy alignment, the alignment of activities included in section 7.1. *Construction of new buildings* was also examined. Part of Consti's economic activities involve new construction, but the information required to meet the taxonomy requirements is not yet sufficiently available in the company. Based on this, Consti's activities in the "New construction" section are not taxonomy-aligned.

Consti has assessed its minimum safeguards for preventing bribery and corruption, tax regulation, fair competition, and human rights. According to Consti's assessment, the company meets the minimum safeguards. In its assessment, Consti has taken into account the OECD Guidelines for Multinational Enterprises[7], the EU Taxonomy's Final Report on Minimum Safeguards (2022), the UN Guiding Principles on Business and Human Rights, and the ILO's ethical labour and human rights principles. The principles and measures included in Consti's minimum safeguards are described in chapter 4, sections 4.1.4 *Operating principles* and 4.1.7 *Preventing and detecting of the shadow economy*.

The definition of the EU taxonomy revenue indicator corresponds to the items presented in Consti's consolidated income statement. Consti's revenue mainly consists of projects recognised over time. The assessment of the technical criteria for projects recognised over time is based on the information available at the time of the financial statements. If the assessment changes as the project progresses, the taxonomy status of the project is updated. Retroactive adjustments to previously reported information are not made in this case.

Proportion of Net sales from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

		2024		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	Codes	Net sales	Proportion of Net sales	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Net sales, year N-1	Category enabling activity	Category (transitional activity)
		m€	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Renovation of existing buildings	CCM 7.2	36.0	11.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	Y	Y	Y	N	Y	5.6		T
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	10.2	3.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	N	Y	N	N	Y	3.9	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.0	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	N	N	N	N	Y	0.0	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	1.1	0.3	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	N	N	N	N	Y	0.2	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.7	0.2	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N	Y	N	N	N	N	Y	0.0	E	
Net sales of environmentally sustainable activities (taxonomy-aligned) (A.1)		48.0	14.7														9.8		
Of which enabling		12.0	3.7													Y	4.1	E	
Of which transitional		36.0	11.0													Y	5.6		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL;N/ EL	EL;N/ EL	EL;N/ EL	EL;N/ EL	EL;N/ EL	EL;N/ EL										
Construction of new buildings	CCM 7.1 /CE 3.1	12.1	3.7	EL				EL									7.5		
Renovation of existing buildings	CCM 7.2 /CE 3.2	190.6	58.3	EL				EL									68.1		
Net sales of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		202.7	62.0														75.6		
A. Net sales of Taxonomy-eligible activities (A.1+A.2)		**250.7**	**76.7**														85.3		
B. TAXONOMY-NON ELIGIBLE ECONOMIC ACTIVITIES																			
Net sales of Taxonomy-non-eligible activities		**76.0**	**23.3**																
TOTAL (A+B)		**326.7**	**100.0**																

[7] Työ- ja elinkeinoministeriö. (2019). TEM oppaat ja muut julkaisut 2019:5. OECD:n asianmukaisen huolellisuuden ohjeet vastuulliseen liiketoimintaan. [OECD's appropriate care instructions responsible business]. https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/161430/TEM_oppaat_5_2019_OECDn_asianmukaisen_huolellisuuden_ohjeet_04032019.pdf?sequence=1

Capital expenditures

In Consti's business model, investment needs are small, as the company's capacity is largely generated by manpower. Consti Group's investments in intangible and tangible assets were 1.2 (2.0) million euros. The investments mainly include machinery and equipment purchases. Investments in right-of-use assets (IFRS 16) were 1.7 (3.0) million euros and were mainly related to renewed leasing agreements for production vehicles, and the treatment of indefinite-term leases for office and warehouse spaces in accordance with the IFRS 16 standard. Investments in intangible and tangible assets resulting from business combinations were 0.0 (1.1) million euros.

According to Consti's estimate, its capital expenditures as defined in the Taxonomy Regulation totalled approximately 2.9 (6.2) million euros in the financial year 2024.

Based on Consti's assessment, its capital expenditure in 2024 was not eligible for the classification system.

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

		2024		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
		CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year N-1	Category enabling activity	Category (transitional activity)
	Codes	m€	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
-	–																		
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0.0	0.0														0.0		
Of which enabling		0.0	0.0														0.0		
Of which transitional		0.0	0.0														0.0		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.0	0.0														0.0		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**0.0**	0.0														0.0		
B. TAXONOMY-NON ELIGIBLE ECONOMIC ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**2.9**	**100.0**																
TOTAL (A+B)		**2.9**	**100.0**																

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Operating expenses

According to Consti's estimate, its operating expenses defined in the taxonomy regulation were approximately 1.0 (1.1) million euros for the financial year 2024.

Based on Consti's assessment, these operating expenses were not eligible for the classification system.

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

		2024		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
		OpEx	Proportion of OpEx %	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year	Category enabling activity	Category (transitional activity
	Codes	m€	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
-	-																		
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0.0	0.0														0.0		
Of which enabling		0.0	0.0														0.0		
Of which transitional		0.0	0.0														0.0		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.0	0.0														0.0		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		**0.0**	**0.0**														0.0		
B. TAXONOMY-NON ELIGIBLE ECONOMIC ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**1.0**	**100.0**																
TOTAL (A+B)		**1.0**	**100.0**																

Activities related to nuclear power and fossil gases

ROW	NUCLEAR ENERGY RELATED ACTIVITIES	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	FOSSIL GAS RELATED ACTIVITIES	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

2.2 E1 Climate change

2.2.1 Goals (E1-4)

Consti aims to reduce its own energy consumption and emissions so that its own operations (Scope 1 and Scope 2) are carbon neutral by 2035. The goal supports the Paris Climate Agreement's target of limiting global warming to a maximum of 1.5 degrees compared to pre-industrial times.

Key sustainability factors	Consti's sustainability targets for the strategy period 2024–2027	Goals for 2024	Indicator
Climate change: Greenhouse gas emissions	Reducing emissions from own operations (Scope 1 and Scope 2). Consti will be carbon neutral by 2035	Reducing emissions from own operations (Scope 1 and Scope 2)	Emission intensity tCO_2eq / net sales M€
	Reducing Scope 3 emissions	Calculation of Scope 3 emissions for 2023 and 2024	Realised/Not Realised
	Commitment to the SBTi climate target	SBTi commitment accepted	Realised/Not Realised
Climate change: Energy consumption	Monitoring and control of energy consumption at worksites established and emission reduction targets set	Plan for reducing worksite emissions	Realised/Not Realised
	Strengthening the competence required for climate change, especially in energy efficiency solutions, facade repair and maintenance, yard construction, and providing related services to customers	3 Energy efficiency projects completed	Actual pcs
		3 Consti Optimi customer projects completed	Actual pcs
	Increasing the relative share of net sales according to the taxonomy	% increase	%

In 2024, Consti decided to switch from fossil diesel to biodiesel in company cars and half of the production vehicles where this was feasible.

In 2024, emission-free electricity was procured for four offices. Later in the year, the Lahti office transitioned from natural gas to biogas.

2.2.2 Material impacts, risks, and opportunities (IRO-1)

The material impacts, risks, and opportunities related to climate change have been identified in the double materiality analysis presented in section 1.4.1. *Identification and assessment of material impacts, risks, and opportunities*. As part of the double materiality analysis, physical risks related to climate change adaptation and their management were examined, among other things. The significant impacts, risks, and opportunities related to climate change mitigation and energy are described in the table: E1 *Climate change mitigation, risks and opportunities*.

E1 Climate change mitigation, risks and opportunities

Sustainability area	Material impacts, risks and opportunities	Management	Stakeholder insight
Greenhouse gas emissions and energy consumption: Consti's impact			
E1-6 Consti's operations cause greenhouse gas emissions	**Opportunity:** Succeeding in reducing emissions caused by Consti and its value chain reduces emissions from the built environment, which accounts for a significant share of society's emissions.	Consti's strategic goal is to mitigate climate change both in its own operations and in the built environment more broadly through renovation. Own operations are guided by the green transition plan, which includes, among other things, the transition to fossil-free fuels and fossil-free electricity and heat.	According to stakeholders, Consti's negative impact on greenhouse gas emissions is not significant.
	Risk: Expertise related to emissions in planning and the supply chain. If Consti fails to reduce its own greenhouse gas emissions (Scope 1 and Scope 2), it will make it more difficult for customers to achieve their reduction targets.		
E1-5 Consti's operations consume energy	**Opportunity:** Reduced energy consumption reduces costs throughout the value chain and supports the achievement of emission reduction targets.	Green transition plan. Up-to-date monitoring of energy consumption at construction sites.	
	Risk: If Consti fails to reduce its energy consumption, it may increase costs and make it more difficult for customers to achieve their reduction targets.		
E1-6 Consti's services and used products consume energy and generate emissions	**Opportunity:** Consti has extensive experience in comprehensive renovation projects. Productised services such as Consti Optimi and Eco Consti enable the expansion of service offerings. Energy efficiency requirements encourage the development of expertise, business operations, and new business models that benefit society as a whole.	Active monitoring of regulation and implementation of measures arising from the requirements. Increasing the competence of personnel and management in both environmental requirements and customer needs. Development of the overall service and its provision.	Consti's customers attach importance to Consti's energy efficiency expertise and the energy efficiency of its services.
	Risk: Regulations impose significant demands for new production methods to reduce emissions. If Consti fails to achieve or maintain the required level of expertise, projects may not be executed in accordance with customer needs and regulatory requirements.		
Greenhouse gas emissions and energy consumption: impact on Consti			
E1-6 Consti's value chain generates Scope 3 emissions	**Opportunity:** Incentive to develop the company's own operations and explore new business models. Encourages the enhancement of expertise, the offering of new services, and the improvement of operational efficiency. Provides the opportunity to sell products and services that meet and enable the customer's own circular economy goals.	More than 90% of Consti's greenhouse gas emissions come from elsewhere in the value chain. Low emissions must be taken into account when selecting the largest and recurring procurement batches. Developing cooperation with suppliers and service providers to determine the carbon footprint. Increasing procurement know-how.	Partners believe that greenhouse gases can have a significant negative impact on Consti's business.
	Risk: Expertise within the procurement chain in identifying, measuring, and reducing climate impacts across the entire value chain. If sustainability requirements cannot be met due to a lack of expertise, it may hinder the achievement of customer goals and damage Consti's reputation as a competent and sustainable partner.		
Consti's value chain consumes a lot of energy	**Opportunity:** Successfully enhancing expertise, particularly in procurement, can provide Consti with a competitive advantage. An increase in renovation work instead of new construction could expand Consti's business.	The aim is to use low-emission concrete and recycled iron where possible. Worksites are instructed to save energy.	
	Risk: The production of concrete and steel used in construction consumes a significant amount of energy and generates substantial emissions. Heating construction sites also requires energy. If Consti is unable to reduce energy consumption across its entire value chain, it may increase costs, hinder the achievement of customer goals, and weaken Consti's competitiveness.		

Material impacts, risks, and opportunities related to climate change mitigation and energy

Transition and physical risks

		Climate-related risks	Climate-related potential Financial risks	Management	
TRANSITION RISKS	Policy and legislation	Increased pricing of greenhouse gas emissions.	Increase in costs and/or decrease in demand for products and services as a result of possible fines and penalties.	Monitoring changing legislation and implementing necessary change measures. Continuous product and service development, where regulation is taken into account.	Medium term
		Increased regulation of products and services.	If products and services cannot be designed to meet regulatory requirements, it will lead to a decrease in revenue. There is also a possibility of being entirely excluded from competitive biddings.		
		Increasing emissions calculation reporting.	Increase in operating costs, e.g. the price of materials required by regulation that are more resistant to changing weather conditions and measures to protect against the weather, the increase in insurance premiums.		
		The Building Act, the EU taxonomy and the Energy Performance of Buildings Directive may slow down the planning process.	If the design process schedule is extended, there may be a need to accelerate the construction schedule. The increase in taxonomy-related project action and monitoring processes may also add scheduling pressure and costs.		
	Technology	Replacing existing products and services with low-emission ones requires expertise that may be or may become in short supply, which in turn increases costs.	The demand for services decreases, the development of new products and services is costly. This leads to a decrease in turnover and productivity.	Continuous product and service development, which also takes into account customer needs. Accurate risk assessment at the start of research and development.	
		Failed investment in new technologies and services.	Research and development spending on failed technological solutions.		
		Increased costs due to the transition to lower-emission technologies.	Investment in technology development.		
			The increasing cost of implementing new policies and processes.		
	Markets and consumers	Decrease in demand for goods and services due to change in consumer preferences.	Increase in production costs due to variable market-driven raw material requirements (e.g. energy, water) and production requirements (e.g. recycling).	Continued electricity price hedging as part of a larger electricity procurement pool. Engaging in active dialogue with the supplier network – exploring the possibility of risk sharing. Maintaining active dialogue with customers to understand their needs and how they evolve.	
		Increase in raw material costs.	Sudden and unexpected changes in energy prices.		
		Market volatility e.g. as a result of uncertainty about future regulation or new technologies at an experimental stage.	Decreased demand for services.		
	Reputation	Changes in consumer preferences.	Decreased turnover as a result of a decrease in demand for services.	Regularly monitoring customer feedback and responding to customer needs. Cooperation with partners and continuous mapping of their expertise in the market. Personnel surveys and correcting the development areas identified in them. Responsible operations that extend to every Consti employee.	
		Negative stigma of the construction sector.	Return on reduced production capacity (e.g. delayed design approvals, supply chain interruptions).		
		Increased concerns from customers, financiers and other stakeholders or negative feedback from stakeholders.	Decrease in orders, difficulties in finding competent partners and weaker financing opportunities.		
		Loss of employer reputation, due to e.g. poorly managed environmental issues, would weaken the availability of labour.	Difficulties in attracting skilled employees and partners can lead to wage competition, increasing personnel costs and reducing productivity.		
PHYSICAL RISKS	Acute	Essential for Consti: storm, heavy rain, flood, heat load and heat wave.	Decrease in productivity, e.g. as a result of transportation difficulties and supply chain problems. The need for better protection from weather phenomena. Reduced availability of insurance coverage. Heavy rain and stormwater floods may cause delays at the construction site.	Develop the ability to prepare for and react to problems caused by physical climate risks in planning and on construction sites. This is done in collaboration with partners in the value chain.	
	Chronic	Defined as material for Consti: temperature variations, changes in wind conditions, changes in rainfall conditions and types, precipitation or hydrological variation.	Decrease in sales and productivity due to increased labour costs (e.g. health, safety, absenteeism). Decrease in sales and productivity in the form of shorter working hours suitable for renovation (e.g. too high temperatures).		Long term
			Increase in operating and production costs and decrease in revenue and profitability as volumes fall.		
			Increase in premiums and possible difficulties in access to insurance cover in "high risk" areas. The resulting need for better protection can increase costs.		

Climate-related opportunities

	Climate opportunities	Climate-related economic opportunities
Resource efficiency	The introduction of more efficient modes of transport to the market and their utilisation.	Reduction of operating costs (e.g. through efficiency improvements and cost reductions).
	Use of more efficient production processes on work sites, e.g. prefabrication and streaming.	Possibility to increase production capacity, which supports revenue growth.
	Successful recycling and transition to a circular economy.	Potential material savings and reduced waste fees.
	Moving to more efficient buildings, reducing water use and consumption.	Possibility to offer energy efficiency services more widely.
	Use of low-emission energy sources.	Reputation benefits as a sustainable partner.
Energy source	Economic incentives from society.	Utilisation of incentives in one's own activities. Reduces vulnerability to future fossil fuel price increases.
	Use of new technologies.	Reduces greenhouse gas emissions and potential emission charges and can also reduce sensitivity to changes in energy prices.
		Increases access to capital (e.g. when investors favor low-emission operators and require the supply of energy-efficient buildings).
Products and services	Development of new products or services through research and development and innovation.	A better competitive position to meet changing consumer preferences, supporting revenue and earnings growth.
	Ability for diversified business.	Reputational benefits that lead to increased demand and support revenue and productivity growth.
	Change in consumer preferences.	
	Development and/or expansion of low-emission products and services.	
	Substitution/diversification of resources.	Increasing the reliability of the supply chain and the ability to operate in different conditions brings competitive advantage and cost savings.
		Revenue growth through new products and services related to ensuring resilience.
Market	Access to new markets.	Expansion in the value chain.
	Use of public sector incentives.	Diversification of financing options and lower financing prices (e.g. green bonds).
Resilience	Introduction of energy efficiency measures expands know-how.	Increased supply chain reliability and ability to operate in different conditions brings reputational benefits and can lead to increased turnover and productivity.

Consti has not assessed how the company's assets and business may be exposed to climate-related transition events that cause transition risks or opportunities. Consti has not assessed to what extent its assets and business may be exposed to identified transition events and to what extent they are sensitive to them.

2.2.3 Operating principles (E1-2)

Consti is committed to continuously improving environmental and energy efficiency. Consti is committed to reducing its own Scope 1 and Scope 2 emissions in its environmental principles and has set CO_2eq emission reduction targets for its own operations. In addition, Consti has defined emission reduction targets for Scope 3 emissions (2.2.5 *Transition plan*).

Consti develops environmental competence and culture through, among other things, training for staff and management and increasing partners' understanding of Consti's responsible operations and requirements.

Environmental management and performance are guided by the requirements of RALA's quality and environmental certificates. Consti's environmental goals are not based on reliable scientific evidence.

The implementation of operating principles is the responsibility of Business Area Directors in addition to the CEO.

2.2.4 Measures (E1-3)

Climate change mitigation, greenhouse gas emissions, and energy

A key measure has been to create methods for systematically monitoring energy consumption at construction sites. Guidelines have been prepared for construction sites to improve energy efficiency. Construction sites can also utilise the group's competitive electricity contract, for example, to obtain a guarantee of origin for the use of emission-free electricity. Most of the energy consumption in Consti's own operations occurs at construction sites.

Internally, Consti has instructed staff to reduce energy consumption through, among other things, guidelines available on the intranet.

Consti's emission reductions are implemented gradually by transitioning to electric production and company cars, replacing the use of fossil fuels with emission-free alternatives, and switching to emission-free electricity or other emission-free energy at offices and work sites. A key aspect of implementing the transition plan is continuous staff training and ensuring sustainable practices. CO_2eq emissions from Consti's own operations are calculated annually, and a statutory energy audit report is prepared every four years. Partners are required to act responsibly in terms of the environment, for example, in subcontracting agreements.

Consti regularly reviews its emission calculation principles to ensure they comply with current requirements. Consti continuously strives to improve its data collection processes and increase cooperation with supply chain partners. The goal is to develop increasingly accurate and comprehensive methods that support Consti's climate goals.

Consti develops energy-efficient services for its customers, such as Consti Optimi, a site-specific multi-energy system that utilises waste heat from the building.

Greenhouse gas emissions in the value chain

Consti has also set targets for greenhouse gas emissions in the value chain. This is explained in more detail in section 2.2.5 *Consti's transition plan*. According to Consti's ethical guidelines, Consti's partner commits to promoting the efficient use of resources, such as energy and materials, in its operations and strives to reduce the use of substances that negatively impact the climate. Subcontractors are required to handle waste efficiently, which in practice means minimising landfill waste and effective sorting.

Climate change adaptation

Adapting to climate change requires adaptation to both acute threats, such as extreme weather events, and chronic threats, such as warming winters and permanent changes in snow, storm, and humidity conditions. Acute risks, especially extreme weather events, are significant risks for Consti's operations.

Consti prepares for threats caused by extreme weather events at the organisational level as required by the situation. In production, Consti can prepare for heatwaves by cooling workspaces, planning work so that it is not done during the hottest part of the day, and ensuring statutory breaks. Storms and heavy rains are prepared for by monitoring weather forecasts and planning the removal of rainwater and snow from construction sites more precisely, as well as protecting materials and spaces.

In addition, Consti offers services to its customers that help buildings withstand extreme weather events and, for example, the increasingly common wet winters and slanting rains in Finland.

Energy consumption and mix (E1-5)

Energy consumption and mix	2024
- Fuel consumption from coal and coal products (MWh)	280.3
- Fuel consumption from crude oil and petroleum products (MWh)	4,991.0
- Fuel consumption from natural gas (MWh)	349.9
- Fuel consumption from other fossil sources (MWh)	478.1
- Consumption of electricity, heat, steam and cooling from fossil sources purchased or procured (MWh)	0.0
Total fossil energy consumption (MWh)	**6,099.3**
Share of fossil energy sources in total energy consumption (%)	**52%**
Energy consumption from nuclear sources (MWh)	**2,087.1**
Share of nuclear sources in total energy consumption (%)	**18%**
- Fuel consumption from renewable sources, including biomass (including industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)	316.8
- Consumption of electricity, heat, steam and cooling from renewable sources purchased or procured (MWh)	3,123.2
- Self-generated non-fuel renewable energy consumption (MWh)	0.0
Total renewable energy consumption (MWh)	**3,440**
Share of renewable energy sources in total energy consumption (%)	**30%**
Total energy consumption (MWh)	**11,626.4**
ENERGY INTENSITY (MWh / net sales) Energy intensity	0.00004

Gross Scope 1, 2, 3 and total GHG emissions (E1-6)

Greenhouse gas emissions	2024
Scope 1 greenhouse gas emissions	
Scope 1 gross greenhouse gas emissions (tCO_2 eq.)	2,038.3
Percentage of Scope 1 greenhouse gas emissions covered by regulated emissions trading schemes (%)	0.0%
Scope 2 greenhouse gas emissions	
Location-based gross emissions of greenhouse gases (tCO_2 eq.)	2,651.1
Market-based gross Scope 2 emissions of greenhouse gases (tCO_2 eq.)	509.7
Significant Scope 3 greenhouse gas emissions	
Total indirect (Scope 3) gross greenhouse gas emissions (tCO_2 eq.)	76,480
1 Purchased goods and services	68,732
2 Capital goods	246
3 Fuel and energy related activities (not included in Scope 1 or 2 emissions)	787
4 Upstream transport and distribution	167
5 Operational waste	3,759
6 Business travel	336
7 Commuting of employees	34
8 Upstream leased assets	-
9 Downstream transport	-
10 Processing of products sold	-
11 Use of products sold	2,253
12 End-of-life handling of sold products	166
13 Downstream leased assets	-
14 Franchising	-
15 Investments	-
Total greenhouse gas emissions	
Total greenhouse gas emissions (location-based) (tCO_2 eq.)	81,169
Total greenhouse gas emissions (market-based) (tCO_2 eq.)	79,028

Greenhouse gas emissions intensity	2024
Greenhouse gas intensity based on net sales, Scope 1, 2, 3 (location-based), tCO_2 eq / EUR	0.0002
Greenhouse gas intensity based on net sales, Scope 1, 2, 3 (market-based), tCO_2 eq / EUR	0.0002

Measurement basis

According to the GHG Protocol standards, the mandatory greenhouse gas emission categories for greenhouse gas emissions calculation are Scopes 1, 2, and 3. The greenhouse gas emissions calculation has determined the climate impact of Consti's own operations and value chains. In the calculation, different greenhouse gas emissions have been converted into carbon dioxide equivalent tonnes (tCO_2eq). Emission factors are updated annually to ensure accuracy. By categorising emissions into different emission categories, the aim is to avoid double counting. The calculation approach is based on operational control in accordance with GHG protocol standards.

The calculation results undergo internal quality assurance. If estimates, assumptions, or limitations are used in the calculation, they are reported separately. Verification of the calculations is part of the sustainability report verification.

The most common and well-known calculation guideline for determining the carbon footprint is the international greenhouse gas emissions protocol (Greenhouse Gas Protocol), which provides a framework for calculation and its scope and sets guidelines for documenting the input data used and reporting the results.

Scope 1 emissions describe Consti's direct greenhouse gas emissions from sources owned or controlled by Consti. The calculation covers, among other things, emissions from the fuel consumption of vehicles and direct emissions from energy consumption at construction sites. Scope 1 emission calculation is based on fuel-specific emission factors provided by fuel suppliers to Consti or on applicable nationally or internationally recorded emission factors.

Scope 2 emissions describe indirect greenhouse gas emissions that arise from the use of purchased energy by Consti, such as electricity or district heating. Consumption data for emission calculations is collected directly from suppliers, their external reporting systems or Consti's own operational systems. The emission factor for electricity used at offices is obtained either directly from energy suppliers or from applicable nationally or internationally reported emission factors. The applicable emission factors do not specify the percentage of biomass or biogenic carbon dioxide.

Market-based calculation takes into account Consti's energy procurement choices, such as certificates for fossil-free energy or purchase agreements with fossil-free energy suppliers.

Location-based calculation is based on applicable national or international average emission factors and does not take into account the company's own energy procurement choices.

Scope 3 emissions describe indirect greenhouse gas emissions generated elsewhere in Consti's value chain, including upstream and downstream value chains. All Scope 3 emission categories that were identified as material for Consti's operations were included in the calculation. Consti's reported Scope 3 emissions include greenhouse gas emissions from the following emission categories:

1) purchased goods and services,
2) capital goods,
3) fuel and energy-related activities (which are not included in Scope 1 or 2 emissions),
4) upstream transportation and distribution,
5) waste generated in operations,
6) business travel,
7) employee commuting,
11) use of sold products and
12) end-of-life treatment of sold products. Other emission sources, such as franchising operations, are not material for Consti's business.

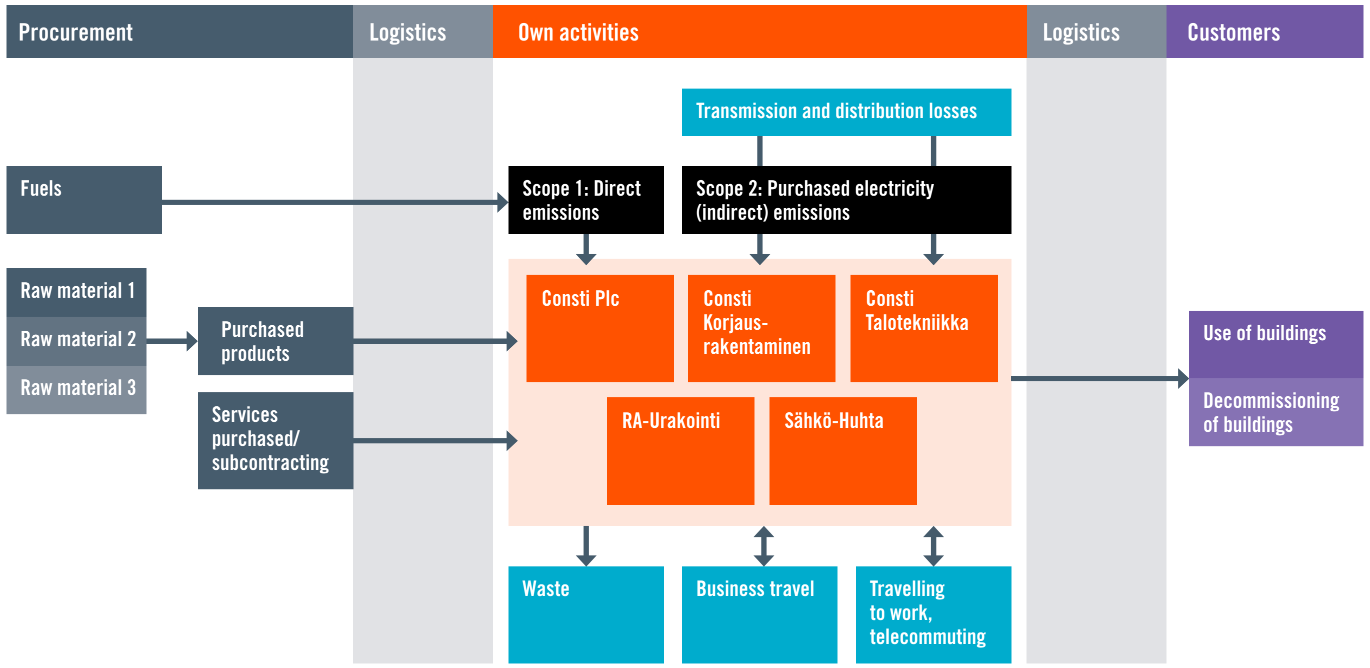
The waste data is described in more detail in section 2.3 E5 *Resource use and circular economy* - 2.3.1 *Goals*.

In Consti's Scope 3 calculation, the following standards applicable to carbon footprint calculation have been used:

- The Corporate Accounting and Reporting Standard
- The Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

The calculation of Scope 3 emissions take into account the GHG emissions of the parent company and subsidiaries, not the emissions of investment targets.

Content of Consti's emissions calculation



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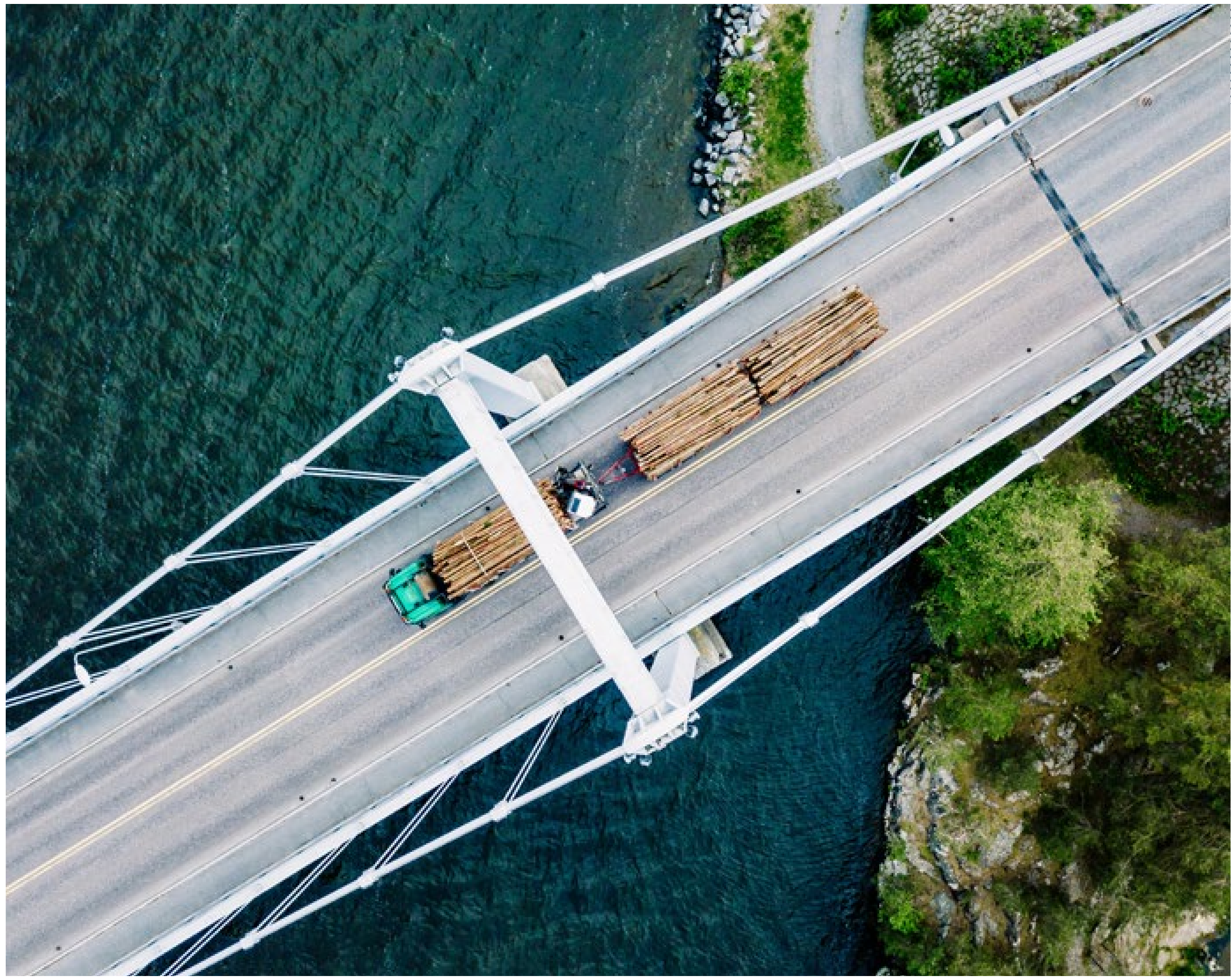

The Scope 3 calculation was performed by Nordic Impact Oy. The input data used in the calculation were obtained from Consti's operational systems, partners, suppliers or other applicable sources. Different emission factors were used for each input unit in the calculation. Additionally, other conversion factors may have been used to support the calculation.

Before performing the calculation, the emissions calculation consultant reviewed the baseline data and assigned the most descriptive emission factors to them. The accuracy of the baseline data and corresponding emission factors was assessed indicatively using a three-level scale: "accurate," "moderate," "inaccurate." The criteria in the accompanying table were used as the evaluation scale for data accuracy.

The Scope 3 inventory is calculated in CO_2 equivalent tonnes. The calculation results have undergone internal quality assurance. In the absence of accurate data, assumptions have been used in the calculation. For the emission calculation of purchased goods and services, the input data was Consti's actual cost data from purchase invoices classified by value, and the emission factors used were spend-based emission factors, which are business area specific estimates of emissions based on input-output modelling. The emission calculation for fuel and energy procurement was based on Consti's actual fuel and energy consumption data. The emission data for waste calculation was based on emission reports provided by waste companies used by Consti. The emission calculation for purchased logistics was based on the actual cost data of purchased freight and spend-based emission factors. The emissions caused by business travel were calculated based on the unit of operational data, either using average emission data for passenger cars or spend-based emission factors. The emission calculation for commuting was based on the results of a commuting survey conducted for the staff at Consti's main office and emission factors for passenger cars (gasoline/diesel/electric car) and public transport (bus/train/metro/tram) based on the distance travelled. The greenhouse gas emissions caused by the end-use and disposal of sold products include the energy consumption of Consti's new construction projects completed during the calculation year during the use of the buildings and the assumption of demolition processes at the end of the buildings' life cycle. The input data for the calculation is based on life cycle assessment reports (LCA) of construction projects or, secondarily, for example, area-based estimates of energy consumption during the use of buildings. The main sources for the emission factors used in the calculation are global databases such as EXIOBASE and UK Government GHG Conversion Factors for Company Reporting, in addition to which, for example, Traficom's data on passenger car emissions has been used.

Scope 1, 2, and 3 emission calculation has been externally verified in connection with the verification of this sustainability report.

ACCURATE	MODERATE	INACCURATE
Emission source directly measurable.	The source of emissions can only be measured indirectly.	Source estimated indicatively/not available.
Emission factor primary.	Emission factor secondary.	Emission factor indicative.

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Consti's transition plan

Theme	Measures taken in 2024	Targets 2030 Scope 1 and 2: -70% Scope 3: -10%, Base year 2024		Targets 2035 Scope 1 and 2: -100% Scope 3: -25%, Base year 2024	Targets 2050 Scope 1 and 2: -100% Scope 3: -50 %, Base year 2024
Scope1 and 2	Scope 1 and 2 calculation	Gradual transition of the vehicle fleet and machinery to emission-free energy sources		All vehicles and machinery are emission-free	Emission-free own operations
		Gradual transition to emission-free energy sources in offices		Emission-free energy at the offices	
		Gradual transition to emission-free energy sources at worksites		Emission-free energy at worksites	
Scope 3	Scope 3 calculation	Exploring opportunities for reducing emissions with partners		Continuous development and upkeep of cooperation	Business processes, procedures and procurement are based on the requirements of sustainable business and their maintenance and continuous improvement
	Examination of the comprehensive recycling rate of waste	Cost and suitability estimates of low-emission services and materials	Deployment of low-emission services and materials		
		A development plan outlining the required standards and measures to achieve the emission reduction potential, based on suitability assessments	Implementation and monitoring of suppliers' ESG responsibility requirements		
		Monitoring the achievement of sustainability targets and emission reduction potential			
		Waste recycling target 80%		Waste recycling target 85%	Waste recycling target of 90% and utilisation of the circular economy as part of the services provided
		Exploring the potential for utilising the circular economy in business operations	Setting circular economy targets and leveraging circular economy opportunities in our own service offering		
Assessment of the prerequisites, requirements and impacts of sustainable business	Mapping the impacts and necessary measures	Developing business processes and practices to meet sustainability requirements		Business processes and operating methods in line with the requirements set for sustainable business	Business processes, procedures and procurement activities are based on the requirements of sustainable business and their maintenance and continuous improvement
	Taking sustainability and customer needs into account in the service offering	Developing and offering solutions for energy efficiency	Incorporating services that support energy efficiency and sustainable development into the service offering		
			Integrating sustainability targets into performance-based compensation for roles and tasks that promote these targets		
			Collaboration with customers and stakeholders to achieve customer needs and sustainability goals		

2.2.5 Transition plan (E1-1, E1-7, E1-8, E1-9)

The goal of the Paris Agreement is to keep the global average temperature increase well below 2 degrees Celsius, aiming to limit the average temperature increase to 1.5 degrees Celsius, compared to pre-industrial times. Consti aims to mitigate climate change with its actions and has set emission reduction targets, taking into account the update of the Confederation of Finnish Construction Industries RT's Roadmap for Low-Carbon Construction Industries 2035[8] and Green Building Finland's Action Plan for a Carbon-Neutral Built Environment[9]. Climate targets are not science-based.

Consti aims for its own operations (Scope 1 and Scope 2) to be carbon neutral by 2035.

To clarify monitoring and comparison of results, Consti has decided to use the 2024 emissions as the baseline for Scope 1-3 emissions in its transition plan. Consti's transition plan is based on Scope 1, 2, and 3 emission calculations[10]. The majority of Consti's emissions come from Scope 3 emissions in the value chain. The most significant emission reduction targets by 2030 are: reducing emissions from energy consumption at construction sites, requiring suppliers to provide emission data on significant material groups, mapping new low-carbon materials, promoting the circular economy and efficient recycling of waste.

Consti also continues to develop climate-friendly services.

In its transition plan, Consti does not use financed greenhouse gas removals to offset its own emissions.

Consti has utilised climate scenarios based on the identification of climate-related hazards and the assessment of exposure and sensitivity[11].

Consti has investigated the cost impacts[12,13], related to Scope 1 and Scope 2 emissions to support the implementation of its transition plan.

Consti's strategy aims to mitigate climate change. The transition plan will be integrated into the business strategy and financial planning and aligned with them during 2025–2027. The implementation of the transition plan, which also includes Scope 3 emissions, will begin in 2025. The transition plan has been approved by Consti's Management Team and Board of Directors.

[8] Gaia (2024) Vähähiilinen rakennusteollisuus 2023 – tiekartan päivitys. [Low carbon construction industry 2023 – roadmap update]. https://rt.fi/wp-content/uploads/2024/06/Loppuraportti-RT-vahahiilisyys-7.6.2024_FINAL.pdf
[9] FIGBC. (2022). Hiilineutraalin rakennetun ympäristön toimintaohjelma. [Action Plan for a Carbon-Neutral Built Environment]. https://figbc.fi/julkaisut/hiilineutraalin-rakennetun-ympariston-toimintaohjelma
[10] The presented climate targets are not science-based
[11] Consti has not analysed various climate scenarios to identify and assess physical risks, as well as transition risks and opportunities, in the short, medium, and long term.
[12] Consti has not conducted an analysis or quantitative assessment of the company's investments and financing that support the implementation of its transition plan.
[13] Consti has not conducted a qualitative assessment of the potential embedded greenhouse gas emissions of the company's key assets and products. Consti does not currently have internal carbon pricing mechanisms in place.

2.3 E5 Resource use and circular economy

2.3.1 Goals (E5-3)

Consti's goal for the recycling rate of construction site waste is at least the target of 70 percent mentioned in the Waste Decree (978/2021, §27). In 2024, the average recycling rate of Consti's own construction site waste was 70 percent, compared to about 56 percent the previous year.

Section 2.2.5 of Chapter 2. E1 *Transition plan* presents Consti's objectives and measures to promote circular economy.

Key sustainability factors	Consti's sustainability targets for the strategy period 2024–2027	Goals for 2024	Indicator
Circular economy: Demolition waste, packaging waste, surplus waste	Construction site waste recycling rate 70%	Construction site waste recycling rate 70%	Recycling rate, %

Goals for 2050:

2030
- Consti's recycling rate 80%
- Exploring the potential of circular economy in business.

2035
- Consti's recycling rate 85%
- Setting circular economy goals and leveraging circular economy opportunities in service offerings

2050
- Consti's recycling rate 90%
- Utilising circular economy as part of the offered services

Use and disposal of waste

Total amount of waste diverted from disposal	Prepared for reuse	Recycling	Other recovery operations	Total
Non-hazardous waste	6.7	11,220.9	3,473.4	14,701.1
Hazardous waste	0,0	2.5	28.6	31.1
Total	**6.7**	**11,223.4**	**3,502.0**	**14,732.1**

Amount of waste diverted for disposal	Incineration (without energy recovery)	Landfilling	Other disposal	Total
Non-hazardous waste	0.0	174.4	0.0	174.4
Hazardous waste	4.0	1,022.5	20.1	1,046.6
Total	**4.0**	**1,196.9**	**20.1**	**1,221.0**

Total waste generated	Exploitation	Final treatment	Total
Non-hazardous waste	14,701.1	174.4	14,875.5
Hazardous waste	31.1	1,046.6	1,077.6
Total	**14,732.1**	**1,221.0**	**15,953.1**

Non-recycled waste	Total amount	Percentage (%)	Recycling rate
Total amount	**4,723.0**	**30%**	**70%**

2.3.2 Material impacts, risks, and opportunities (IRO-1)

The material impacts, risks, and opportunities related to resource use and the circular economy have been identified in the company's double materiality analysis, which is described in section 1.4.1. The analysis examined Consti's operations in different locations and industries from the perspective of resource use.

The most significant environmental risks related to resources other than energy in Consti's operations arise from potential emissions of harmful substances to the environment, for example, due to negligence in handling or disposing of demolition waste. Additionally, noise, vibration, and construction dust may spread to the surrounding environment during operations. Consti's principles and measures to manage harmful impacts are discussed in sections 2.3.3 and 2.3.4 of this chapter, as well as in the table on *Material impacts, risks, and opportunities related to resource use and the circular economy.*

Impacts on the value chain

The impacts of waste sorting can extend widely throughout the value chain. Waste sorting may lead to stricter requirements for subcontractors performing demolition work and material suppliers, affecting their production and delivery processes. Transportation companies may need to adapt their processes to handle separate waste streams, which can increase logistics costs but also improve efficiency and environmental friendliness. Consumers may appreciate the company's environmentally friendly practices, enhancing the company's reputation. Waste sorting facilitates the work of recycling companies by providing pre-sorted materials, improving recycling process efficiency and reducing costs.

Material impacts, risks, and opportunities related to resource use and the circular economy

Sustainability area	Material impacts, risks and opportunities	Management	Stakeholder insight
Waste and circular economy: Consti's impact			
E5-5 Consti's operations generate waste	**Opportunity:** Achieving circular economy goals will reduce the amount of waste and waste treatment operations and costs. The risk of sanctions is reduced. Reduces the need for new raw materials. If Consti succeeds in handling waste extensively in its value chain, it will support the achievement of its customers' environmental targets. **Risk:** The ability of production planning to minimise waste generation and manage waste effectively. If Consti fails to meet recycling targets, the amount of waste will not decrease, and waste management costs will rise. Additionally, the risk of sanctions increases.	Consti's target is a recycling rate of 70%. The amount of material needed on site is planned as carefully as possible and the materials are protected so that they are not damaged or wasted. In some tasks, waste can also be reduced by prefabrication. Waste treatment is carefully planned. Up-to-date waste reporting helps in achieving and monitoring the goal.	All Consti's stakeholders consider waste recycling to be a significant sustainability factor that Consti can positively influence.
Waste and circular economy: Impact on Consti			
E5-5 Consti's operations generate waste	**Opportunity:** Opportunity to develop Consti's own business and new business models. Encourages competence development and production efficiency and generates cost savings. Expertise related to waste and circular economy can give Consti a competitive advantage as a partner. **Risk:** The ability of demolition contractors to sort, report and recycle waste from demolition work poses a risk to the achievement of Consti's targets. If Consti's value chain does not reach the waste reduction and recycling target, it may result in additional costs and penalties for Consti. It would also weaken the achievement of Consti's customers' targets and Consti's competitiveness as a partner.	Consti guides employees in the value chain to act in accordance with Consti's recycling targets, for example in site orientation. Obligations supporting sustainability objectives are included in supply agreements.	Consti's customers and personnel consider waste and recycling expertise to be a significant sustainability factor that can have a positive impact on Consti's business.

2.3.3 Operating principles (E5-1)

Consti complies with the legislation and official regulations regarding the recycling and disposal of materials used in construction. The operations also take into account international agreements and the EU's energy consumption and greenhouse gas reduction targets. Consti is committed to reducing its emissions in accordance with its transition plan. In its environmental principles, Consti is also committed to reducing waste and recycling efficiently. Detailed recycling targets and circular economy goals are presented in chapter 2 E1 *Climate Change*, section 2.2.5 *Transition Plan*. The recycling rate is increased in cooperation with waste management partners.

Material use is optimised through good planning. Installed equipment and materials are valuable, and waste is minimised by ordering products systematically. Existing building materials and components can also be reused in planning, reducing the need for new materials and conserving natural resources. By designing building components and technical systems so that repairs and replacements can be made without extensive demolition work, the amount of waste generated can be reduced. Material efficiency can be improved through more precise planning and the use of dimensioned building materials. Consti aims to use any surplus material in other projects where applicable. Surplus material is the difference between the amount of material ordered for a specific phase of the construction site and the amount used in that phase to achieve the desired outcome.

Recycled material is material that has been removed from a site and processed into raw material for new material or reused as is.

Consti monitors the development of circular economy practices, among other things, as a member of the Helsinki Circular Economy Cluster. So far, recycled materials or recycled building components are not used in renovation.

Both Consti Korjausrakentaminen Oy and Consti Talotekniikka Oy have RALA environmental and safety certificates. RALA certification is a management system evaluation procedure developed for the Finnish construction industry based on ISO systems, supporting the development of operations in line with sustainable development.

The implementation of operating principles is the responsibility of the business directors in addition to the CEO.

2.3.4 Measures (E5-2, E5-4, E5-5)

Reducing the harmful environmental impacts of construction sites means minimising energy consumption and minimising noise, dust, and waste generated from site traffic, demolition work, and construction, as well as careful handling of environmentally harmful substances. Site-specific environmental plans identify environmental risks and plan measures to prevent harm and prepare to combat harmful impacts. The harmful impacts of construction projects on the environment are also reduced by developing staff competence.

Waste and by-products

According to the Waste Act, waste must be sorted at its place of origin, i.e., on Consti's construction sites. Consti's construction sites prepare project-specific waste management plans together with the waste management contractor. The waste management provider prepares a waste transfer document for each load, enters the information in the SIIRTO register and reports waste data by site.

Consti complies with waste management legislation, regulations, and guidelines and monitors their development. Environmental competence is developed through continuous training and communication with staff. Partners commit to acting responsibly towards the environment by signing a subcontracting agreement.

The company's key strategic measures related to resource use and the circular economy are:

- Transitioning to the use of fossil-free energy in stages. More information on this can be found in section 2.2.5 of this chapter – *Transition Plan*.
- Improving energy efficiency by optimising the use of electricity, heat, and fuels. More information on this can be found in section E1 *Climate Change* of this chapter.
- Increasing the recycling rate of waste.

Resource inflows and outflows related to products and services

Consti has not assessed resource inflows or outflows related to products and services as a significant sustainability factor. The materials and products used in Consti's renovation projects are mainly defined by the client and their designers, so Consti does not have a direct impact on the proportion of materials and products designed according to circular economy principles.

Consti has not yet identified a suitable method for measuring the amount of surplus material or a measurement method related to the utilisation of surplus materials.

Measurement criteria

Waste management is a licensed activity supervised by the authorities. Consti's reported waste data is based on information reported to Consti by waste management contractors.

Waste quantities include waste transferred from the construction site, including material and energy recovery, landfill disposal, and hazardous waste treatment.

The metric has not been validated by an external party.

3 S-SOCIAL RESPONSIBILITY

Consti's social responsibility review covers Consti's own workforce and the workforce of suppliers (subcontractors) providing construction services to Consti from the value chain. In accordance with ESRS standards, Consti's own workforce (Consti employees) covers personnel employed by Consti and those working for Consti through temporary employment agencies or through their own company. At the end of 2024, the share of those working through temporary employment agencies or their own company of Consti's own workforce converted into full-time equivalent (FTE) was approximately seven percent.

Consti aims to provide an equal and skill-development encouraging work environment for both its own workforce and, in particular, for employees of construction service providers in the value chain.

3.1. S1 Own workforce

3.1.1 Goals (S1-5)

Consti's key social responsibility goals relate to health and safety, equality and human rights, and skills development.

The indicators for achieving goals related to the own workforce include the proportion of women in the workforce, the low proportion of fixed-term employment contracts, sick leave absences, accident frequency, and staff turnover. The goals, progress, and indicators are presented in the table below.

3.1.2 Material impacts, risks, and opportunities (IRO-1)

The material impacts, risks, and opportunities related to Consti's own workforce have been identified and assessed as part of the double materiality analysis described in section 1.4.1. The most significant impacts, risks, and opportunities related to the own workforce concern health and safety, as well as training and skills development. Consti has not identified a significant risk of child or forced labour in its own workforce materiality analysis.

The impacts related to health and safety most clearly affect site personnel regardless of employment status. Health and safety risks can result from long-term work, such as typical strenuous work postures in construction or exposure to harmful substances, or sudden accidents such as cuts or falls. The impacts related to training and skills development are emphasised for Consti's employed workforce. Consti's principles and measures to manage harmful impacts are discussed in sections 3.1.3 - 3.1.5 of this chapter and are also described in the table *Material impacts, risks, and opportunities related to the own workforce*.

According to Consti's assessment, climate change and the related transition plan do not have significant impacts on its own workforce. Climate change and Consti's transition plan slightly increase the need for skills related to energy efficiency services, facade repairs, and maintenance services offered to customers. Increasing the recycling rate of construction site waste also requires continuous training for staff. If Consti succeeds in strengthening its sustainability expertise required by climate change, it has the opportunity to offer more jobs and strengthen its position as a desirable employer. If Consti fails to increase and maintain sufficient sustainability expertise, its reputation as an attractive employer and partner may suffer.

Own workforce

Key sustainability factors	Consti's sustainability targets for the strategy period 2024–2027	Goals for 2024	Indicator
Own workforce: Equality and human rights	To provide our own personnel with an equal working environment that encourages competence development	Increasing the number of women in different personnel groups	Share of women, % of total person
		Fixed-term employment contracts < 5%	Fixed-term employment, % of total person
Own workforce: Health and safety at work	Promoting well-being at work	Promoting work ability – task-specific written guidelines for the most physically demanding tasks	Reducing absenteeism due to musculoskeletal disorders
	Reduction of occupational accidents and sick leave absences	Fewer sickness absences than before. Accident frequency <10	Sick leave absences, % and accident frequency
Own workforce: Training and skills development	Competence and leadership development	Creating a leadership development program for line managers, a framework for skills development	Realised/Not Realised
	Committed and healthy personnel	Committed and healthy personnel. Employee turnover < 10%	Employee turnover, %
		Age balance	Age distribution, all employees

Material impacts, risks and opportunities related to own workforce

Sustainability area	↑↓	Material impacts, risks and opportunities	Management	Stakeholder insight
Education and skills development, health and safety: Consti's impact				
Consti trains and develops the skills of its personnel.	↑	**Opportunity:** Developing and maintaining competence at a sufficient level enables sustainable operations and the provision of high-quality services that support sustainability, as well as increases job satisfaction and commitment. An opportunity to develop the business of Consti and other actors in the value chain, as well as to develop new business models and save costs. Opportunity to develop know-how, improve production efficiency and save costs in the value chain on a broad scale.	Consti Academy offers competence development services to all Consti employees: field-specific qualification training and special competence training, taking into account the qualification requirements and recommendations of the construction industry. Occupational safety expertise will be improved by e.g., developing proactive safety work and safety management.	According to stakeholders, Consti's opportunities to have a positive impact on the training and skills development of both its own personnel and those in the value chain are significant.
	↓	**Risk:** Failure to improve the effectiveness of education and skills development may be reflected in poor quality of work and increased costs, which causes reputational damage to both Consti and the entire industry. It also reduces job satisfaction and commitment and can increase staff turnover. Insufficient skills weaken competitiveness and opportunities to provide services that support sustainability.	The starting point is that improving occupational safety is everyone's responsibility. Occupational safety principles and management are based on Finnish occupational safety legislation and the policies of the Confederation of Finnish Construction Industries RT. Consti complies with labour legislation and the construction industry's Collective bargaining agreement (CBA) and recommendations, and it has a RALA occupational safety certificate. Occupational safety observations are encouraged. Grievances can be reported anonymously. Early intervention model in use. Personnel have more extensive occupational health care services than the statutory obligation. Supporting work-life balance by offering e.g. teleworking opportunities and different forms of working hours depending on the nature of work. Possibility of sports and cultural benefits.	
Consti takes care of the health and safety of its personnel.	↑	**Opportunity:** A healthy and safe working environment is a fundamental right and health and safety measures have a positive impact on workers' overall physical and mental well-being and ability to work. A healthy and safe working environment increases job satisfaction and commitment and is positively correlated with the quality of work, all of which also bring cost savings.		
	↓	**Risk:** Inadequate measures to ensure health and safety would have a negative impact on workers' overall physical and mental well-being and ability to work. The risk of increased turnover and occupational accidents increases.		
Education and skills development, health and safety: Impact on Consti				
Training and skills development. Health and safety.	↑	**Opportunity:** Expertise supports sustainable operations, increases Consti's service offering, reduces qualitative risks and related financial costs. It also strengthens Consti's reputation as a competent and sought-after partner.	Supporting value chain competence through guidelines, requirements and monitoring. Enabling and encouraging safety observations. Cooperation with educational institutions in the field and provision of internships.	
	↓	**Risk:** Insufficient training and competence in the field would increase Consti's role in ensuring competence in Consti's tasks and the resulting costs. It would also make it more difficult for Consti to find good partners, weaken its service offering, increase qualitative risks and related financial costs, especially for Consti. An unskilled workforce and deficiencies in a safe and healthy working environment would also be a significant reputational risk.		

3.1.3 Operating principles (S1-1)

In addition to legislation, Consti's operating principles guiding responsible personnel activities consist of human rights principles, ethical guidelines, personnel management processes, and the Consti Way operating model. The operating principles cover Consti's entire personnel. The goal is for everyone in the work community to understand their role and the significance of their work in implementing the strategy. The Consti Way, or Consti's way of operating, is based on five elements: cooperation and openness, common operating models, performance management, understanding the customer, and continuous improvement.

The implementation of operating principles is supported by occupational safety, equality, and non-discrimination plans, as well as ethical guidelines, which are applied on all construction sites and thus cover both the own workforce and subcontractors working on the sites. The most essential occupational safety training is targeted at the own workforce. The operating principles are introduced during orientation and are available on Consti's intranet, for instance under a section targeted at new employees. The implementation of operating principles and communication with staff, and consideration of staff feedback in the company's operating methods, are the responsibility of the Business Area Directors together with the HR-Director in addition to the CEO.

Equal treatment and equal opportunities for all

Consti is committed to promoting the diversity and equality of its own workforce. This work is guided by Consti's ethical guidelines and equality and non-discrimination plans. The ethical guidelines and non-discrimination principles include a prohibition on discrimination based on gender, age, origin, race, nationality, language, religion, belief, opinion, political activity, trade union activity, family relationships, pregnancy, health status, disability, sexual orientation, or other reasons related to a person's identity. Indirect discrimination is also prohibited. The prohibition of discrimination applies regardless of whether the employment relationship is permanent, fixed term, or part-time. The principles of equal treatment also cover subcontractors and other stakeholders.

Social protection

All Consti employees are covered by statutory accident insurance and occupational health care that exceeds the statutory minimum, as well as statutory pension schemes, unemployment benefits, and parental leave. Information on health services is available on the intranet, which is accessible to all employees with a contract of employment.

Training and skills development

Consti's personnel management processes guide leadership and skills development. Consti's management and HR function are responsible for implementing the personnel management principles. Leadership and supervisory work are supported by training, which includes familiarisation with Consti's management practices.

Working conditions

Consti complies with Finnish labour legislation and is committed to fair employment terms. Consti complies with the applicable collective agreements in its business operations. Consti employees have the right to join or not join a trade union.

Health and safety

Consti is committed to promoting the physical and mental well-being of its staff. Consti's Management Team guides the promotion and maintenance of work well-being and work ability. The promotion of work well-being and work ability is proactive, aiming to identify factors threatening employees' work ability, initiate measures, and maintain health throughout the career.

Consti's occupational safety is guided by a safety management system consisting of safety principles, processes, and work instructions. The implementation of safety principles is the responsibility of the CEO of the Consti Group according to the requirements defined by the Management Team. The roles and responsibilities of occupational safety are defined in the safety management principles described on the intranet.

Consti has RALA occupational safety certification. The development of operations is based on annual development projects recorded in the occupational safety action programme. Consti's safety group, which includes occupational safety personnel from all business areas, plays an active role in developing operations.

Other work-related rights

Consti operates in accordance with the UN Guiding Principles on Business and Human Rights and respects internationally recognised human rights in line with the UN Universal Declaration of Human Rights and the International Labour Organisation's (ILO) fundamental principles and rights at work.

3.1.4 Communication on impacts with the workforce and workforce representatives (S1-2)

Collective agreements

Consti complies with the Employment Contracts Act, the collective agreements applicable to its business operations and negotiates local agreements with employee representatives to develop cooperation between the employer and employee groups.

Cooperation activities

The goal of cooperation is to develop the company's operations and employees' opportunities to influence the company's decision-making regarding their work, working conditions, and position in the company. Consti organises cooperation events four times a year with representatives of both business area specific personnel groups (formerly the Cooperation Committee + Occupational Safety Committee) and the group's personnel representatives.

Employee survey

Consti conducts an employee survey measuring job satisfaction every two years, which assesses the employees' views on how different operating principles are implemented in practice. The HR function is responsible for conducting the employee survey, supporting the company's management in handling the survey results and considering them in decision-making. The results are reviewed at different organisational levels and with employee representatives. Supervisors and teams are offered training and support in handling the results and forming related development measures. The key results of the employee survey conducted in autumn 2024 are as follows:

Strengths

- My skills are sufficient for the requirements of my job
- My health will allow me to continue working in my current position two years from now
- I know what is expected of me in my work

Areas for improvement

- I receive recognition for a job well done
- I am encouraged and supported to engage in activities that improve my health and well-being
- My immediate supervisor provides inspiring long-term goals

The analysis of the employee survey results is conducted by business area and unit, and an action plan is prepared at the unit level. The response rate for the employee survey was 68 percent.

Occupational safety

Matters related to the promotion of occupational safety are regularly discussed within the personnel groups of the group companies, among different groups of their own workforce. Consti also has a Safety Group that meets twice a year to discuss current safety issues at the group level and to plan the events of the coming six-month period. One of the Business Area Directors serves as the Chair. The occupational safety personnel prepare an annual occupational safety action plan, based on which the Occupational Safety Manager, in cooperation with the occupational safety representatives, defines the key development measures related to occupational safety. The occupational safety action programme is discussed at the company level in personnel groups. Occupational safety is promoted and supported, among other things, through safety briefings.

Ethical reporting channel

Employees can report any ethical issues or legal violations they observe to their supervisor, local management, HR, or through the electronic reporting channel (whistleblowing channel). Consti does not tolerate retaliation against whistleblowers. Reports can also be made anonymously if desired. More details about the reporting channel can be found in section G1 *Governance of sustainability*.

Working conditions, health, and safety

Consti's risk assessment and management are supported by the HSEQ system, which is intended for recording and monitoring safety observations, accidents, near misses, corrective actions, and safety briefings and tours. All employees can submit notifications.

3.1.5 Actions (S1-4, S1-12)

Equal treatment and equal opportunities for all

One of the focus areas of the Consti Way framework is cooperation and transparency, which consists of elements such as equal treatment, sharing information and expertise, building and developing teams, and corporate-level collaboration. As part of continuous development, employees are regularly trained, and it is ensured that all target groups participate in leadership and supervisory training. The 2024 training sessions covered topics such as employment matters, construction law, and various software supporting construction projects.

The traditional male dominance in the construction industry has been recognised, and Consti aims to increase the proportion of women in every employee group and organisational level. In 2024, the number of women did not increase in different employee groups. In 2024, Consti updated its equality and non-discrimination plan and defined metrics and actions to promote equality, non-discrimination, and diversity. The age distribution of Consti's own workforce corresponds to the typical age structure in the construction industry. Due to the generally hazardous nature of construction work, there are no disabled persons working on Consti's construction sites.

The realisation of equality and a respectful work culture is monitored through an employee survey every two years. According to the 2024 employee survey, "fair and equal" treatment was Consti's most apparent strength as an employer. Equality was perceived to be best realised between genders. Differences in responses regarding the realisation of equality related to age, gender, religion, belief, and cultural background were relatively minor.

Training and skills development

The availability and retention of skilled personnel are sought to be ensured through development programmes offered by the employer, as well as by investing in collaboration with educational institutions and enhancing employer attractiveness.

Consti actively encourages its employees to develop their skills and participate in various training programmes. For office staff, a personal development plan is created as part of the development discussions to support skill development at both the individual and team levels. The development plan outlines, in collaboration with the employee, how the employee's skills will be developed throughout the year. Development measures are planned together with the supervisor. To promote continuous development, Consti has the Consti Academy, through which training and development programmes are offered.

The measures used to assess the implementation of skill development include the number of personal development plans and the results of employee surveys related to the opportunities for utilising one's own skills.

Consti employees have a performance bonus system. Personal goals and development areas are set, and progress is monitored in development discussions, which each employee has with their supervisor at least once a year. The performance bonus system is based on both qualitative and financial goals. The performance bonus system does not apply to trainees, thesis workers, employees who have worked less than four months during the bonus year, or those who are not employed at the time of bonus payment. Successes are also rewarded on construction sites. The best construction sites are awarded annually in a competition between sites, with evaluation criteria related to quality, safety, customer feedback, schedule adherence, financial performance, and environmental issues.

Working conditions, health, and safety

Consti's HR management uses a common HR system across the group, minimising the risk of non-compliant working conditions or wages. Depending on the nature of the work, flexible working hours and a hybrid work model, where remote work can be done part of the week, are in place. The company supports employee well-being at different stages of life and enables long careers by offering, for example, job rotation.

At Consti, safety management is based on the prevention of hazards and risks. Risk assessments are conducted regularly, and employees receive safety training on site-specific hazards. General safety training for construction sites, known as ePerehdytys, is mandatory for everyone working on Consti's sites. In addition to ePerehdytys, occupational safety card training and task-specific qualifications (e.g., electrical safety) are required. Site-specific safety training is available in different languages as needed.

Employees and others affected by the construction site are encouraged to make safety observations. Accidents are prevented through common safety standards, proactive measures such as risk assessments, safety observations, safety tours, and safety training. The most common causes of accidents are injuries to hands and feet. To achieve the zero-accident goal, long-term safety focus areas have been defined, including common safety principles, comprehensive risk assessment, and proactive safety development. Actions based on these focus areas guide the development of safety work, set key goals for the annual and strategic period, and improve the predictability of safety work. The main focus area for safety work in 2024 was the development of safety skills and work ability.

Safety observations are recorded in Consti's electronic system. A notification is sent to the site, after which corrective actions are planned for the observation. Safety observations are handled on a site and unit basis. All accidents leading to absence, and potentially serious hazards are investigated according to a uniform process. The investigation is led by the Unit Manager, with the Work Manager leading the investigation in the renovation business area and the Installation Manager in the building technology business area. The investigation is conducted within two weeks of the incident. The goal is to identify possible deficiencies in safety management and create conditions to avoid similar cases.

Health care assesses the health status of individuals in relation to job requirements and workplace exposures through health examinations. The health services for temporary workers are provided by their employer. Common occupational diseases in renovation work include allergic reactions caused by dust or chemicals on the skin or respiratory system. Workplace conditions are aimed to be as health and safety-friendly as possible by ensuring cleanliness, adequate ventilation, and ensuring the appropriateness and sufficiency of personal protective equipment.

Consti has models for rehabilitative activities, early support, and a substance abuse programme to support work performance. Supervisors are provided with guidance and training in managing work well-being. In 2024, supervisors were trained in early support as part of everyday management, and materials supporting the promotion of work well-being were updated.

Other work-related rights

Employment contracts at Consti are always formalised with a written employment contract, and Consti prefers permanent (indefinite) employment relationships.

The realisation of human rights is considered as part of the development of HR processes. Consti has procedures for handling employee personal data that all employees must follow. The data protection policy defines the principles and rules to be followed in all personal data processing. Health-related personal data of employees is handled only by designated individuals in accordance with data protection legislation and only in situations where the law requires it. Health-related data is stored separately from general employee personal data. Consti uses high-level technical and organisational means to ensure data protection and security, and the same is required from companies providing occupational health services as part of contracts.

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3.1.6 Characteristics of own workforce (S1-6, S1-8, S1-9, S1-10, S1-11, S1-13, S1-14, S1-15, S1-16, S1-17)

Characteristics of employees of the company	2024
Number of employees	1,012
Women	128
Men	884
Permanent staff	992
Women	124
Men	868
Temporary staff	20
Women	4
Men	16
Total number of permanent employees who left during the reporting period	129
Turnover of permanent employees during the reporting period	12.7%
Employees working variable working hours	17
Women	6
Men	11
Staff in full-time employment	983
Women	116
Men	867
Part-time staff	12
Women	6
Men	6

The scope of collective bargaining agreements and dialogue between labor market parties, employees with an employment contract	2024
Collective agreements	
Employees covered by collective agreements as a percentage of total employees	90.1%
In the EEA area: whether it is covered by one or more collective bargaining agreements, and if so, the total proportion of employees under such agreement(s)	Operations only in Finland
Dialogue between labour market parties	
Total percentage of employees covered by employee representation	81.4%
Any agreements with the company's employees regarding representation, managed by a European Works Council, the works council of a European Company (SE), or the works council of a European Cooperative Society (SCE)	No contracts

Diversity metrics, employees with an employment contract	2024
Proportion of men and women in management, number	
Woman	1
Man	7
Proportion of men and women in management, %	
Woman	14%
Man	86%
Age distribution of senior management	
Under 30s	0
Ages 30–50	2
People over 50	6

Adequate salary, employees with an employment contract	2024
The pay is based on the generally applicable collective agreement for the sector	Yes

Health and safety	2024
Percentage of own workforce covered by the company's OSH management system*	93%
Proportion of employees with employment contracts in the company's workforce who are covered by the company's occupational safety and health management system	100%
Number of fatalities due to work-related injuries and work-related health issues within the company's own workforce	0
Accident frequency	7
Identified cases of work-related health issues, such as occupational diseases, among employees with employment contracts	1
For the company's own employees, the number of days lost due to occupational injuries, fatalities from workplace accidents, work-related health issues, and fatalities caused by such issues = lost days due to accidents	0

* Employees working through personnel leasing companies are covered by the occupational health and safety management system of the personnel leasing company. Independent contractors are legally responsible for their own occupational health and safety systems

Indicators of earned income (pay gap and total earnings)	2024
Gender pay gap, employees with an employment contract	5.6%
Ratio between the person receiving the highest earned income and the median earnings of employees with an employment relationship in the enterprise	9.5

Cases, complaints and serious human rights implications	2024
Total number of cases of discrimination, including harassment, reported during the reporting period	2
Number of complaints submitted through channels available to the company's own workforce	1
The total amount of fines, penalties, and compensation paid as a result of the aforementioned cases and complaints	0
Identified serious human rights cases	0
Number of serious human rights cases related to the company's workforce	0
Total amount of fines, penalties and damages resulting from incidents	0

Training and skills development	2024
Completed performance appraisals / agreed, employees with an employment contract*	59%
Women (total)	57
Men (total)	219
Average training hours per person, employees with an employment contract	0.3
Women	2.0
Men	2.4

* Office emplyees

Work-life balance indicators	2024
Percentage of persons entitled to family leave	100%
Percentage of persons on family leave by gender, employees with an employment contract	
Women	5.5%
Men	6.1%

Measurement criteria

The figures describing Consti's own workforce include employees with a contract of employment within the Consti Group. The data is collected from HR systems covering the entire Consti Group. The number of employees used in the calculations is reported as of the end of the reporting period (31 December2024). The accident frequency includes the company's entire workforce, i.e., employees, persons working through temporary employment agencies and self-employed persons, as well as employees of subcontractors working at Consti's construction sites. Development discussions are held with office employees. In accordance with the company's policy, development discussions are not held with worksite employees.

3.2 S2 Value chain employees

3.2.1 Goals (S2-5)

Consti aims for all actors in its value chain to operate sustainably and in accordance with Consti's sustainability principles. Consti has identified the employees of construction service providers (subcontractors) used by the company as a key sustainability theme in its operations. Consti aims to provide them with a fair, equal, and safe working environment. Consti strives to ensure that there is no use of child or forced labour, human trafficking, or other forms of modern slavery in its business and supply chain.

Key sustainability factors	Consti's sustainability targets for the strategy period 2024–2027	Goals for 2024	Indicator
Workers in the value chain: Health and safety	Providing the partners' personnel with an equal working environment that encourages competence development	Mapping and describing human rights processes	Realised/ Not Realised

3.2.2 Material impacts, risks, and opportunities (IRO-1)

The material impacts, risks, and opportunities related to value chain employees have been identified in the company's double materiality analysis, described in section 1.4.1 of chapter 1. Consti has analysed the material impacts, risks, and opportunities related to value chain employees at this stage only for the employees of construction service providers (subcontractors). The risks related to occupational safety and their main management methods are the same for both Consti's own workforce and subcontractors' employees, and are described in section S1 Own Workforce. The material impacts, risks, and opportunities related to Consti's subcontractors' employees and their management are described in the table below.

In sourcing materials, Consti strives to ensure the realisation of value chain employees' rights by using established and long-standing companies in the industry that report operating in accordance with sustainable business principles. Currently, Consti does not have reliable means to assess the value chain of material deliveries for the entire production chain of materials. The goal is to find these means in the coming years.

Material impacts, risks, and opportunities related to value chain employees

Sustainability area	↑↓	Material impacts, risks and opportunities	Management	Stakeholder insight
Training and skills development of workers in the value chain, health and safety of workers in the value chain: Consti's impact				
Training and skills development	↑	**Opportunity:** Developing and maintaining the skills of both Consti's own employees and those of its value chain, particularly construction service providers, at a sufficient level enables the provision of sustainability-supporting services for Consti and its value chain. Enhancing skills can improve production efficiency and reduce costs. There is also an opportunity for expansion within the value chain and for versatile collaboration among value chain actors.	Supporting value chain competence through guidelines, requirements and monitoring. Cooperation with educational institutions in the field and provision of internships.	According to Consti's personnel, Consti's opportunity to have a positive impact on the development of the education and skills of employees in the value chain is significant.
	↓	**Risk:** Failure to improve the effectiveness of education and skills weakens opportunities to provide services that support sustainability and causes reputational damage to both Consti and its construction service providers and possibly the entire value chain.		
Health and safety	↑	**Opportunity:** A healthy and safe working environment is a fundamental right and increases job satisfaction and commitment, and correlates positively with well-being at work and quality of work. Health and safety measures have a positive impact on the work ability and commitment of all employees.	At Consti, the starting point is that improving occupational safety is everyone's responsibility. Occupational safety principles and management are based on Finnish occupational safety legislation and the policies of the Confederation of Finnish Construction Industries RT. Consti complies with labour legislation and the construction industry's Collective bargaining agreement (CBA) and recommendations, and it has a RALA occupational safety certificate. Occupational safety observations are encouraged. Grievances can be reported anonymously. Comprehensive identification and risk assessment of site-specific hazards. Processes to prevent the shadow economy.	
	↓	**Risk:** Inadequate measures to ensure health and safety would have a negative impact on the health, well-being, job satisfaction and commitment of all employees. The risk of accidents at work increases. Failure to combat the shadow economy may pose risks to health and safety. All this would weaken Consti's reputation as a partner throughout the value chain.		
Training and skills development of workers in the value chain, health and safety of workers in the value chain: Impact on Consti				
Training and skills development in the value chain. Health and safety in the value chain.	↑	**Opportunity:** Sufficient expertise in the value chain and investments in safety and health support Consti's service offering, reduce qualitative risks and related financial costs. Consti can rely on the quality and scheduling of the service provider's work. The expertise of the value chain, especially construction service providers, strengthens Consti's reputation as a partner throughout the value chain.	Consti ensures statutory qualifications and fulfilment of employer obligations before drawing up a contract and starting work.	According to Consti's personnel and partners, Consti's impact on the training and development of the skills of employees in its value chain and the impact of these actions on Consti's business is significant.
	↓	**Risk:** Deficiencies in the competence, safety and healthcare of employees in the value chain may cause serious safety risks, weaken the functionality of the value chain and increase costs incurred by Consti, for example, due to delays in work. Negative events and negligence also adversely affect Consti's reputation and may lead to exclusion from invitations to tender.		

3.2.3 Operating principles (S2-1)

The guidelines and principles of the safety management system cover not only Consti's own workforce but also the employees of service providers working in Consti's operations. In addition to legislation and Consti's safety principles, the responsibility related to value chain employees is guided by the ethical guidelines for partners approved by the company's board. Consti's material suppliers commit to Consti's ethical guidelines in order agreements. Consti's subcontractors commit to Consti's subcontracting programme, which includes Consti's ethical guidelines. The ethical guidelines include instructions related to the environment, social relations and human rights, and the prevention of corruption and bribery. Regarding human rights, the ethical guidelines are based on the UN Declaration of Human Rights and the OECD Guidelines for Responsible Business Conduct.

The implementation of operating principles is the responsibility of the Business Area Directors in addition to the CEO.

Working conditions, health, and safety

The roles and responsibilities related to occupational safety are defined in the principles of safety management. The responsibilities and a more detailed description of occupational safety measures related to the operating principles are presented in section S1 *Own Workforce*.

The ethical operating principles prepared by Consti for its partners oblige suppliers to provide their employees with a safe and healthy working environment to prevent accidents, injuries, and illnesses and to ensure that employees are aware of and have received sufficient training on Consti's operating principles and requirements.

The partner commits to Consti's ethical guidelines in all its activities. The partner is obliged to actively ensure and monitor the compliance of its own subcontractors throughout the supply chain. The ethical operating principles prepared by Consti for its partners include, among other things, the following work-related rights that suppliers must comply with:

- Human rights and equal treatment of employees
- Freedom of association
- Prohibition of harassment and discrimination
- Prohibition of child and forced labour, and the protection of young workers' rights
- Wages and working hours in accordance with laws and regulations
- Health, safety, and occupational protection
- Right to privacy
- Taking action to remedy potential human rights impacts

A partner who violates or neglects its obligations under the ethical guidelines is obliged to immediately correct its actions, address the actions of its group company, subcontractor, supplier, or own partner, and report the deficiencies and related corrective actions to Consti.

The responsibility for compliance with the ethical operating principles of suppliers lies with the individuals making procurement decisions and the line management guiding them. The procurement manager reports to Consti's CEO. Monitoring and addressing deviations occur in production, i.e., on construction sites. The group's procurement and legal services participate in handling deviations as needed.

3.2.4 Communication on impacts with value chain employees and processes for addressing negative impacts and channels for value chain workers to raise concerns (S2-2, S2-3)

Daily dialogue is conducted with value chain employees on construction sites. Regular meetings are held at the beginning, during, and at the end of the project.

Employees working on construction sites and other partners are encouraged to address any issues they observe immediately. Value chain employees can report observed safety or environmental deficiencies directly to Consti's system or to the immediate supervisor or the site's safety manager. Reports of inappropriate behaviour, corruption, or other concerns can be made to the supervisor, the supervisor's supervisor, or a representative of Consti's HR function, or anonymously through the electronic reporting channel (whistleblowing channel) starting from December 2024.

More details about the ethical reporting channel, raising concerns, and handling reports can be found in chapter G 4 *Governance of sustainability*.

Any violations related to working conditions, health, and safety on Consti's construction sites are addressed immediately on-site. Human rights violations are handled according to the general risk management process. The starting point is that suppliers are given the opportunity to correct their actions. The most serious cases are brought to the attention of Consti's top management and reported to the Board. If the service provider is unwilling or unable to correct its actions, cooperation with the provider will not continue.

3.2.5 Actions (S2-4)

Working conditions, health, and safety

In construction projects, the responsibility of the subcontracting chain is proactively ensured by checking the background of companies and the status of fulfilling social obligations at the tender stage with a report obtained from the Vastuu Group. The report shows, among other things, the status of tax and pension insurance payments and the applicable collective agreements. If necessary, the inclusion of the partner in the sanctions list is checked. These are key means to prevent negative impacts on value chain employees.

The principles and practices related to safety are the same for both own and subcontractors' employees. Service providers must assess the risks of their own work, prepare for them with a safety plan, and submit the plan to Consti's representative.

Before working on Consti's construction site, subcontractors' employees receive general (ePerehdytys) and site-specific safety training, which has site-specific language versions. All those working on construction sites participate in these. The site-specific training covers key site-specific safety issues and instructs on making safety observations. In addition, Consti has internal online training for, among other things, solo work orientation.

Consti's safety principles, environmental principles, and ethical guidelines for partners can be found on Consti's external website in Finnish and English.

In construction projects, the safety performance of different service providers is monitored, and observed safety deviations are actively addressed. To improve safety, suppliers of goods and services are required to engage in proactive safety work, such as making safety observations. Subcontractors' employees make safety observations in the same way as Consti's own workforce. A notification is sent to the site for the observation made, after which corrective actions are planned for the observation. Accidents and reported safety observations are monitored monthly, and work accidents occurring in Consti's operations are registered in Consti's systems.

Accidents and hazardous situations are thoroughly investigated in cooperation with service providers. Authorities are also involved in investigating serious accidents. The investigation creates conditions to avoid similar cases and identifies possible deficiencies in safety management.

In 2024, there were no cases related to working conditions, health, or safety of value chain employees that were brought to the attention of top management or reported to the Board. The observed situations typically involved negligence in occupational safety or deficiencies in client responsibility information. These were handled by the line organisation and support functions. Suppliers or subcontractors were notified of the negligence or deficiencies and required to correct the observed negligence or deficiencies.

More details about supplier management practices can be found in chapter G1 *Business Conduct*.

4 G-GOVERNANCE OF SUSTAINABILITY

4.1 G1 Business conduct

4.1.1 Corporate culture and goals (G1-1)

The main sustainability goals related to conducting business and corporate culture at Consti are to prevent corruption, bribery, and other misconduct, and to ensure sustainable operations throughout the value chain. Consti aims to ensure that its partners operate responsibly and to minimise risks related to the environment, health, corruption, child labour, and human rights violations in the supply chain.

In addition, Consti strives to ensure that Consti's personnel and everyone working at Consti's worksites have a safe working environment that supports well-being at work and where everyone is treated equally.

The corporate culture is guided by the "Consti Way – Our Way of Working," which is based on five elements: collaboration and openness, common operating models, performance management, understanding the customer, and continuous improvement. The Consti Way practices are highlighted in, for example, orientation, supervisor training, and staff events. The achievement of corporate culture goals and employee concerns are monitored through, for instance, regular employee surveys.

The table below describes the key sustainability goals related to conducting business. Goals related to occupational safety are described in section S1. The goals are set for strategic periods and interim goals for 12-month reporting periods.

4.1.2 Material impacts, risks, and opportunities (IRO-1)

The material impacts, risks, and opportunities related to corporate governance and corporate culture have been identified in the double materiality analysis described in section 1.4.1. The most significant impacts, risks, and opportunities are related to preventing corruption and bribery, protecting whistleblowers, and occupational safety. Corruption and bribery situations are particularly harmful to business operations. According to Consti's assessment, the risk of corruption in its operations is elevated in site procurement compared to other activities. An effective and efficient process has a preventive effect on corruption, bribery, and other misconduct, which in turn improves business efficiency and manageability and strengthens trust in customer and partnership relationships.

In identifying, analysing, and managing the impacts, risks, and opportunities related to corporate governance and corporate culture, it is essential to engage both employees and partners in the company's ethical guidelines and safety principles, as well as to have effective processes for reporting and handling suspected misconduct.

Key sustainability factors	Consti's sustainability targets for the strategy period 2024–2027	Goals for 2024	Indicator
Business conduct: Management of relationships with suppliers	Developing partner cooperation to improve sustainability, quality, service and efficiency	Development plan for supplier ESG sustainability assessment methods	Realised/Not Realised
		Identification of the main actors in the value chain	Realised/Not Realised
		100% of subcontractors committed to Consti's Code of Conduct	Share of suppliers committed to the Code of Conduct, %
		No incidents that violate the Code of Conduct	Incidents contrary to ethical guidelines, pcs
Business conduct: Confirmed incidents of corruption or bribery	Reduce the shadow economy in the construction sector together with other operators in the sector	Confirmed cases of corruption or bribery 0 pcs	Cases of corruption or bribery, pcs
Business conduct: Prevention and detection of corruption and bribery	Reduce shadow economy risks in own operations	Development plan for supplier ESG sustainability assessment methodology	Realised/Not Realised
Business conduct: Establishing a sustainable corporate culture and business conduct policies	Increasing taxonomy expertise in business to benefit customers	Increase in the number of taxonomy-compliant projects	Realised/Not Realised

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Material impacts, risks and opportunities related to business conduct

Sustainability area	↑↓	Material impacts, risks and opportunities	Management	Stakeholder insight
Corporate culture and business conduct: Consti's impact				
G1-1 Corporate culture and business conduct policies	↑	**Opportunity:** A corporate culture that supports sustainability forms the foundation for sustainable business operations and their development. Shared operational principles enhance job satisfaction and commitment to tasks, while also correlating with positive developments in areas such as occupational safety, employee well-being, and work quality. Consti's procurement sustainability obligations also support the sustainability expertise of the subcontracting chain and enable cost savings. A sustainably operating value chain provides a competitive advantage to all its participants, particularly among clients who value sustainability.	Consti's business and governance responsibility is guided by the Finnish Companies Act, securities market laws, the subcontractor liability law, and other legislation applicable to Consti, the Articles of Association of Consti Plc, the values and ethical principles approved by the company's Board, as well as the rules and guidelines of Nasdaq Helsinki Oy for listed companies. Key elements of corporate governance and corporate culture include employee training, employee surveys, and guiding and engaging business partners in the company's ethical guidelines and safety principles. Effective processes for reporting suspicions of misconduct and handling such concerns. All of Consti's office staff and management undergo training on key business principles as part of their orientation training. The training includes, among other things, competition law guidelines, data protection guidelines, and uniform anti-corruption and anti-bribery measures followed by Consti. Depending on the job, further in-depth training is required on other operational principles, such as competition, procurement, contract, and labour legislation.	According to Consti's stakeholders, Consti's ability to positively influence responsible principles regarding its corporate culture and business operations is significant.
	↓	**Risk:** A corporate culture and operational principles that do not support sustainability hinder the development of sustainable business operations, reduce job satisfaction and commitment, and weaken occupational safety, employee well-being, and work quality. These negative impacts also lead to additional costs and reputational risks, which could result in Consti or its partners being excluded from bidding competitions.		
G1-2 Management of relationships with suppliers	↑	**Opportunity:** Good relationships with service and goods suppliers form the foundation for sustainable business operations. Strong supplier relationships enhance predictability in procurement success and correlate with positive developments in occupational safety, employee well-being, and work quality. A sustainably operating supply chain is a competitive advantage for all its participants.		
	↓	**Risk:** Relationships with suppliers are a critical part of the construction business and play a key role in the value chain. Poor supplier relationships hinder or even prevent the practice and development of sustainable business operations. A poorly functioning supply chain can pose a risk to procurement success and additionally weaken occupational safety, employee well-being, and, consequently, work quality and productivity. A weak supplier chain can also create reputational risks.		
G1-3 Prevention and detection of corruption and bribery	↑	**Opportunity:** Defined and functional processes help detect misconduct and have a preventive effect through their mere existence. This promotes an anti-corruption culture and fair competition throughout the construction industry. The positive reputation of the value chain is strengthening.		
	↓	**Risk:** Corruption and bribery undermine the conditions for practicing and managing responsible business operations. Failure to prevent and detect corruption and bribery results in financial losses. Additionally, there is a risk of reputational damage across the entire value chain.		

Material impacts, risks and opportunities related to business conduct

Sustainability area	↑↓	Material impacts, risks and opportunities	Management	Stakeholder insight
Corporate culture and business conduct: Consti's impact				
G1-4 Confirmed incidents of corruption or bribery	↑	**Opportunity:** The disclosure of corruption and bribery cases is a sign of the effectiveness of anti-corruption and anti-bribery processes, and it also has a preventive impact on such activities. This enhances trust in the compliance of operations and improves business efficiency and manageability. Prompt responses to detected suspicions have a positive impact on customer relationships.	Consti's business and governance responsibility is guided by the Finnish Companies Act, securities market laws, the subcontractor liability law, and other legislation applicable to Consti, the Articles of Association of Consti Plc, the values and ethical principles approved by the company's Board, as well as the rules and guidelines of Nasdaq Helsinki Oy for listed companies. Key elements of corporate governance and corporate culture include employee training, employee surveys, and guiding and engaging business partners in the company's ethical guidelines and safety principles. Effective processes for reporting suspicions of misconduct and handling such concerns. All of Consti's office staff and management undergo training on key business principles as part of their orientation training. The training includes, among other things, competition law guidelines, data protection guidelines, and uniform anti-corruption and anti-bribery measures followed by Consti. Depending on the job, further in-depth training is required on other operational principles, such as competition, procurement, contract, and labour legislation.	According to Consti's stakeholders, Consti's ability to positively influence responsible principles regarding its corporate culture and business operations is significant.
	↓	**Risk:** If corruption and bribery cases go undetected or are revealed with a delay, it indicates the ineffectiveness of processes. A non-functioning process enables corruption and bribery, undermining trust in operational compliance and increasing risks of sanctions and reputational damage. Corruption and bribery lead to inefficiencies in the procurement process, pose risks of additional costs, quality issues, and sanctions, and can result in the termination of customer relationships and exclusion from bidding competitions.		
Protection of whistleblowers	↑	**Opportunity:** The protection of whistleblowers and awareness of such protection encourage reporting of suspected misconduct. It also strengthens a sustainable corporate culture as well as customer and supplier relationships.		
	↓	**Risk:** If whistleblowers are not protected, it may raise the threshold for reporting suspected misconduct, which in turn may increase misconduct and cause serious harm to customer relationships and fair competition, among other things		
Corporate culture and business conduct: Impact on Consti				
Corporate culture and business conduct. Management of relationships with suppliers. Prevention and detection of corruption and bribery. Confirmed incidents of corruption or bribery. Protection of whistleblowers.	↑	**Opportunity:** A corporate culture that supports sustainable development, operational principles, and strong supplier relationships enhance the ability to make sustainable purchases. Sustainable procurement increases productivity, reduces quality risks and associated costs, and enables the sustainability of the entire value chain. The reputation of a sustainably operating value chain is strengthened, which increases Consti's attractiveness as a contractor. Well-functioning processes have an anti-corruption and anti-bribery effect throughout the value chain. The protection of whistleblowers encourages reporting suspicions of misconduct, which helps prevent misconducts.	Compliance with legal requirements and also requiring it from the value chain. Including requirements in contracts, providing instructions on measures and monitoring supply chain operations and, if necessary, addressing shortcomings. The use of standard contract terms and conditions helps to monitor commitment to and compliance with obligations and to intervene in deviations.	According to Consti's stakeholders, Consti has significant opportunities to positively influence its business through the principles guiding its corporate culture and business operations.
	↓	**Risk:** If the principles and practical actions supporting sustainability, such as supplier relationships, fail, it will impact the ability to make sustainable purchases and achieve Consti's sustainability goals. A weak supply chain is also a significant reputational risk, which could result in being excluded from bidding competitions. Corruption and bribery lead to inefficiencies in procurement processes, cause quality issues, create sanction and reputational risks, and may result in the termination of customer relationships.		

Consti's values

YOU CAN TRUST US
- We live up to our word – we do what we promise.
- High-quality cooperation is important to us, and our goal is to get things right in one go.
- Caring and commitment are the keys to our success.

RESPONSIBILITY IS ACTION
- We take care of the future together
  – We care about people, the environment and our company.
- Promoting occupational safety and well-being is the foundation of our operations.
- We value diversity.
- We mitigate climate change one property at a time.
- We act ethically, honestly and openly.

FOCUS ON THE CUSTOMER
- For us, partnership means cooperation and respectful encounters.
- We find the best solutions.
- The satisfaction of our customers is a matter of pride for us.
- We work with a genuine service attitude.

PROFESSIONALISM IS AN ATTITUDE
- Our strength lies in the best experts in the field.
- We lead the work with years of experience and each of us is given the opportunity to develop.
- We foster enthusiasm and innovation – taking our expertise and experience to a new level.

4.1.3 Role of governance, management, and supervisory bodies (GOV-1)

Sustainability is part of business management at Consti, overseen by the CEO with the assistance of the Management Team. The Management Team decides on the key sustainability themes and goals for the strategic period, which are approved by the Board. The member of the Management Team responsible for legal and compliance presents compliance and sustainability matters requiring consideration and/or decision to the Management Team and the Board. The role of governance, management, and supervisory bodies in sustainability matters is described in section 1.2.1.

4.1.4 Operating principles (G1-1)

The responsibility of conducting business at Consti is guided by Finnish corporate and securities market laws, the Act on the Contractor's Obligations and Liability, and other legislation applicable to Consti, Consti Plc's articles of association, the company's values and ethical guidelines (Code of Conduct), and the rules and guidelines of Nasdaq Helsinki Oy for listed companies. In insider matters, Consti complies with the EU Market Abuse Regulation and related regulations. Consti adheres to the Finnish Corporate Governance Code for listed companies. Consti complies with the Act on the Contractor's Obligations and Liability and is part of the Reliable Partner programme maintained by Vastuu Group Oy.

The following are the key principles and guidelines approved by the board from a responsibility perspective:

- Ethical guidelines for employees
- Ethical guidelines for partners
- Human rights principles
- Anti-corruption guidelines
- Guidelines for compliance with competition law
- Disclosure policy
- Insider guidelines
- Equality and non-discrimination plan
- Occupational safety principles
- Environmental principles

These are complemented by operating instructions and plans approved by the CEO or the Management Team, such as the environmental programme, guidelines for investigating work accidents, and data protection guidelines.

Consti's ethical guidelines are reviewed during site-specific orientations. Ethical guidelines for partners are part of Consti's general terms and conditions, which suppliers and subcontractors commit to when signing a contract with Consti. The ethical guidelines define not only corruption and bribery but also social relationships in the supply chain, such as human rights and environmental protection. The ethical guidelines on human rights are based on the UN Declaration of Human Rights and the OECD Guidelines for Responsible Business Conduct. The ethical guidelines on environmental protection commit to the efficient use of resources, such as energy and materials, and to reducing the use and amount of substances harmful to the climate.

All Consti office employees and management undergo training on key business principles and practices as part of their orientation. The orientation provides an overview of the business principles followed at Consti (ethical guidelines). In addition, office employees and management complete online training, where business principles are reviewed and described in more detail. The training covers competition law guidelines, guidelines for handling personal data, and the unified anti-corruption and anti-bribery measures and procedures followed at Consti. The Business Fundamentals course must be renewed every two years after orientation. The renewals of the training will begin in 2025. Depending on the job role, other operating principles such as competition, procurement, contract, and labour law training are also required.

To ensure the responsibility of subcontractors, Consti uses the services of Vastuu Group Oy and requires the Valtti card from employees. All operating principles and guidelines approved by the Board are available to all Consti's own employees on the intranet. Occupational safety principles and ethical guidelines for partners are also available on external website in Finnish and English.

The implementation of operating principles is the responsibility of the Business Area Directors and Support Function Directors, in addition to the CEO.

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4.1.5 Mechanisms for identifying, reporting, and investigating concerns

Concerns related to conducting business are primarily addressed through orientation, training, and daily supervisory work. In corporate-level orientations and training, ethical guidelines and other key operating principles are reviewed, as well as key practices for identifying, reporting, and investigating potential concerns. Guidelines on matters such as equality, human rights, inappropriate behaviour, occupational safety, and reporting issues related to misconduct are available on the company's intranet for employees with a contract of employment and independent contractors considered part of Consti's own workforce. Additionally, the occupational safety representative, Occupational Safety Manager, and shop stewards provide guidance to employees on emerging issues. Supervisors have been provided with guidelines for handling and investigating suspicions.

In site-specific orientations, key site-specific safety issues are reviewed, and guidance is provided on making safety observations and reporting suspected misconduct. Site orientation applies to everyone working on the sites. Subcontractor personnel working on the sites can seek advice on issues from their immediate supervisor and the site-specific occupational safety manager. Everyone working on the sites can report safety observations through Consti's electronic system.

Consti encourages its employees and partners to immediately address any issues related to responsible operations. Reports of inappropriate treatment, corruption, or other concerns can be made to a supervisor, their supervisor, HR, or anonymously through the electronic reporting channel (whistleblowing channel). The reporting channel was previously only available to Consti's own workforce. Since December 2024, the electronic reporting channel has also been available to value chain employees and everyone working with Consti. The technical implementation of the channel is managed by an external service provider.

All reported violations and suspicions are investigated. Reports made through the channel are directed to Consti's HR, finance, and legal and compliance managers, who conduct the necessary investigations and actions. Investigation materials are stored in file folders accessible only to the aforementioned individuals. The director responsible for legal and compliance oversees the investigations. The involved party or their supervisor does not participate in the investigation of violations or suspicions. Illegal activities are reported to the authorities. Serious violations are handled by the Management Team and reported to the Board. Reporting and handling reports are part of responsible business operations, and Consti does not tolerate any retaliation against whistleblowers. Retaliation refers to actions prohibited by the Whistleblower Protection Act.

Measures related to corruption, bribery, and other suspected misconduct are assessed at Consti according to established definitions and general construction practices. The assessment is based on Consti's own methods and processes, which are based on proactive guidance and ensuring proper procedures. In the guidance and monitoring of operations, attention is paid to compliance with laws and regulations and ethical standards, which are assessed using objective criteria. The significance and severity of suspected misconduct are assessed based on whether the actions objectively meet the requirements of laws and ethical guidelines.

In 2024, Consti did not become aware of any confirmed cases of bribery or corruption. There were also no known violations of competition law or breaches of customer data protection.

4.1.6 Relationships with goods and service suppliers (G1-2)

Supplier management practices

Consti's operating model includes open and honest competition for all business or individual project procurements, deliveries, work performances, and services. Additionally, the company has internal guidelines on competition law provisions and their application. This aims to prevent favouritism of related parties or their close suppliers and ensure the legality of procurement actions. Written contracts are always made for procurements. Consti aims to collaborate long-term with partners committed to good and high-quality work.

Consti's ethical guidelines for partners are part of Consti's general terms and conditions, which all service providers sign.

Consti's annual contracts are made at the corporate level. In project-specific material and subcontracting procurements, corporate-level guidelines are followed. Supply chain risks are mainly managed through documents checked at the time of contract. Additionally, sustainability themes are discussed in follow-up meetings with annual contract partners. The goal is to develop a corporate-wide follow-up meeting practice. Project-specific sustainability issues are addressed in project-specific follow-up meetings.

Subcontractors and other service providers

Consti requires its subcontractors to be members of the Reliable Partner service by Vastuu Group Oy or to provide equivalent documents required by the Act on the Contractor's Obligations and Liability, and to commit to Consti's ethical guidelines. The methods of the Act on the Contractor's Obligations and Liability and access control help prevent both the shadow economy and human rights violations by preventing the use of unauthorised workers. The Vastuu Group service enables, for example, daily monitoring of working hours on sites. Subcontractor agreements specify that Consti's subcontractors may only have one level of their own subcontractors.

Consti uses standardised contract terms, which oblige the subcontracting chain to fulfil its social obligations, such as employer contributions, withholding taxes, and payment of wages according to the collective agreement. The Valtti smart card is used for access control on sites. Employee tax numbers are reported to the public construction industry tax number register maintained by the Tax Administration. Consti reports contract information from each site to the Tax Administration as the main contractor and client. No employee without a work permit issued in an EU member state is hired. Employee rights and human rights issues are discussed in more detail in chapters S1 and S2, which deal with the workforce.

Environmental requirements related to the supply chain are included in the subcontracting programme, which is part of the subcontracting agreement. The terms of the subcontracting programme oblige the subcontractor to comply with environmental regulations and site-specific instructions. Consti monitors the performance of subcontractors working on sites in contractor meetings covering the entire site and in direct negotiations with both subcontractors and suppliers. Additionally, compliance with contractor obligations is monitored at the system level. In case of ambiguities, Consti contacts the relevant party and requests the necessary clarifications to address and resolve the ambiguities.

Goods suppliers

Consti's most significant material procurements are mainly made from Finnish wholesalers or major, established material manufacturers. Consti aims to use well-established and long-standing companies in the industry that declare their commitment to sustainable business principles.

4.1.7 Preventing and detecting the shadow economy (G1-3)

Identified forms of the shadow economy in the construction industry include invoice trading, corruption, bribery, and avoidance of public obligations. The uniqueness and temporariness of construction projects, as well as the large sums of money involved, can attract financial misconduct. At the same time, the large number of different phases, contracts, and subcontractors in projects makes monitoring challenging. Preventing and detecting the shadow economy requires effective and clear risk management in both procurement and site operations.

Consti's ethical operating principles include a prohibition on corruption and bribery, as well as guidelines for avoiding conflicts of interest. Consti's ethical guidelines are attached to procurement contracts. Employees and partners are encouraged to immediately address any potential issues.

The most important means of preventing and detecting corruption and bribery are:

- Training on ethical and other principles and operating instructions guiding Consti's operations
- A defined process for reporting and assessing suspected financial misconduct, inappropriate behaviour, or other significant violations
- The possibility to report suspected misconduct anonymously via the whistleblowing channel
- Requiring that suppliers of goods and construction services have membership in the Reliable Partner service or provide equivalent documents required by the Act on the Contractor's Obligations and Liability
- Defined decision-making authorities
- Maintaining a corporate culture that supports the prevention of misconduct

The processes and guidelines for preventing misconduct are available on Consti's intranet, where they can be accessed by Consti's workforce, except for those working through staffing agencies..

Measurement criteria

Corruption and bribery cases are based on reports made through the electronic reporting channel and cases reported by business areas.

Corruption and bribery	2024
Corruption and bribery cases	0
Number of convictions for violations of anti-corruption and bribery laws	0
Size of fines for convictions for violations of anti-corruption and bribery laws	0

4.1.8 Payment practices (G1-6)

Consti's general contract terms include a standard payment term of 30 days net. The length of the payment term is not specified by supplier group. The payment term can be assessed on a case-by-case basis. To the extent that the information could be calculated, the proportion of payments made according to the standard terms out of all payments made in 2024 was 48.8 percent. The average realised payment term in 2024 was 32 days.

Consti has no ongoing legal proceedings related to payment delays.

4.1.9 Political influence and lobbying activities (G1-5)

Consti does not seek to directly influence political parties and did not provide financial support to political parties in 2024. Consti is not registered in the EU or Finnish transparency registers. Influence is exerted through industry associations. The most important memberships in organisations and advocacy groups are:

- The Confederation of Finnish Construction Industries RT ry and its training organisation Rateko and the joint safety group of the Confederation of Finnish Construction Industries RT ry
- HVAC Contractors LVI-TU ry
- Electrical and Telecommunications Contractors Association STUL ry
- Green Building Council Finland
- Helsinki Circular Economy Cluster
- Suomen Rakennussaumausyhdistys Ry

In 2024, no individuals who had worked in a similar position in public administration or regulatory authorities in the previous two years were appointed to the management or governance bodies of Consti Plc or its subsidiaries.

5 APPENDICES

5.1 Indices of Disclosure Requirements Content Index 1

Multidisciplinary standards

Disclosure requirements

ESRS 2	General Information	Chapter in the report	Additional Information
BP-1	General basis for preparation of sustainability report	1.1.1	
BP-2	Disclosures in relation to specific circumstances	1.1.1	
GOV-1	The role of the administrative, management and supervisory bodies	1.2.1	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.2.1	
GOV-3	Integration of sustainability-related performance in incentive schemes	1.2.2	
GOV-4	Statement on due diligence	1.2.4	
GOV-5	Risk management and internal controls over sustainability reporting	1.1.2	
SBM-1	Strategy, business model and value chain	1.2.3	
SBM-2	Interests and views of stakeholders	1.3	
SBM-3	Material impacts, risks and opportunities and their interaction with business model	1.4.3	
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	1.4.1	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability report	Index 1 and 2	
MDR-P	Policies adopted to manage material sustainability matters	2.2.3, 2.3.3, 3.1.3, 3.2.3, 4.1.4	
MDR-A	Actions and resources in relation to material sustainability matters	2.2.4, 2.3.4, 3.1.5, 3,2,5., 4.1.5, 4.1.6, 4.1.7	
MDR-M	Metrics in relation to material sustainability matters	1.4.4, 2.2.4, 3.1.6, 4.1.7	
MDR-T	Tracking effectiveness of policies and actions through targets	2.2.1, 2.3.1, 3.2.1, 4.1.1	

Environmental standards

Disclosure requirements

ESRS E1	Climate change	Chapter in the report	Additional information
ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes	1.2.2	
E1-1	Transition plan for climate change mitigation	2.1.5	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.4.3, 2.2.2	
ESRS, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities related to climate change	1.4.1, 2.2.2	
E1-2	Policies related to climate change mitigation and adaptation	2.2.4	
E1-3	Actions and resources in relation to climate change policies	2.2.4	
E1-4	Targets related to climate change mitigation and adaptation	2.2.1	
E1-5	Energy consumption and mix	2.2.4	
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	2.2.4	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	2.2.4	Not Material
E1-8	Internal carbon pricing	2.2.4	Not Material
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	1.4.3	

ESRS E2	Pollution	Chapter in the report	Additional information
ESRS 2, IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	1.4.1, 1.4.2	Not Material

ESRS E3	Water and marine resources	Chapter in the report	Additional information
ESRS 2, IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	1.4.1, 1.4.2	Not Material

ESRS E4	Biodiversity and ecosystems	Chapter in the report	Additional information
ESRS 2, IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	1.4.1, 1.4.2	Not Material

ESRS E5	Resource use and circular economy	Chapter in the report	Additional information
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities related to resource use and circular economy	1.4.4 2.3.2	
E5-1	Policies related to resource use and circular economy	2.3.3	
E5-2	Actions and resources related to resource use and circular economy	2.3.4	
E5-3	Targets related to resource use and circular economy	2.3.1	
E5-4	Resource inflows	2.3.4	Not Material
E5-5	Resource outflows	2.3.4	Not Material
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	1.4.3	Reviewed later

Social standards
Disclosure requirements

ESRS S1	Own workforce	Chapter in the report	Additional information
ESRS 2, SBM-2	Interests and views of stakeholders	1.3, 3.1.4	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.1.2	
S1-1	Policies related to own workforce	3.1.3	
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	3.1.4	
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	3.1.4	
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	3.1.4	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.1.1	
S1-6	Characteristics of the undertaking's employees	3.1.6	
S1-7	Characteristics of non-employees in the undertaking's own workforce	3.1.6	Not required in first reporting year
S1-8	Collective bargaining coverage and social dialogue	3.1.6	
S1-9	Diversity metrics	3.1.6	
S1-10	Adequate wages	3.1.6	
S1-11	Social protection	3.1.6	
S1-12	Persons with disabilities	3.1.5	
S1-13	Training and skills development metrics	3.1.6	
S1-14	Health and safety metrics	3.1.6	
S1-15	Work-life balance metrics	3.1.6	
S1-16	Remuneration metrics (pay gap and total remuneration)	3.1.6	
S1-17	Incidents, complaints and severe human rights impacts	3.1.6	

ESRS S2	Workers in the value chain	Chapter in the report	Additional information
ESRS 2, SBM-2	Interests and views of stakeholders	1.3	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.4.3	
S2-1	Policies related to workers in the value chain	3.2.3	
S2-2	Processes for engaging with workers in the value chain about impacts	3.2.4	
S2-3	Processes to remediate negative impacts and channels for workers in the value chain to raise concerns	3.2.4	
S2-4	Taking action on material impacts on workers in the value chain, and approaches to managing material risks and pursuing material opportunities related to workers in the value chain, and effectiveness of those action	3.2.5	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.2.1	

Administrative standards
Disclosure requirements

ESRS G1	Conducting business	Chapter in the report	Additional information
ESRS 2, GOV-1	The role of the administrative, management and supervisory bodies	4.1.3	
ESRS 2, IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	1.2.1, 4.1.2	
G1-1	Business conduct policies and corporate culture	4.1.1	
G1-2	Management of relationships with suppliers	4.1.6	
G1-3	Prevention and detection of corruption and bribery	4.1.7	
G1-4	Incidents of corruption or bribery	4.1.7	
G1-5	Political influence and lobbying activities	4.1.9	
G1-6	Payment practices	4.1.8	

5.2 Content index 2: Data points resulting from other EU legislation

Information requirement	Information point	Description	Comments / Additional Information	Paragraph
ESRS 2 GOV-1	21 (d)	Board's gender diversity		1.2.1
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent		1.2.1
ESRS 2 GOV-4	30	Statement on due diligence		1.2.4
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	Not Material	
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	Not Material	
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapon	Not Material	
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco	Not Material	
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050		2.2.5
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks	Not Material	
ESRS E1-4	34	Greenhouse gas emission reduction targets		2.2.5
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)		2.2.4
ESRS E1-5	37	Energy consumption and mix		2.2.4
ESRS E1-5	40 - 43	Energy intensity associated with activities in high climate impact sectors		2.2.4
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions		2.2.4
ESRS E1-6	53 - 55	Gross GHG emissions intensity		2.2.4
ESRS E1-7	56	GHG removals and carbon credits	Not Material	
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	Not Material	
ESRS E1-9	66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk	Not Material	
ESRS E1-9	66 (c)	Location of significant assets at material physical risk	Not Material	
ESRS E1-9	67 (c)	Breakdown of the carrying value of real estate assets by energy-efficiency classes	Not Material	
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities	Not Material	
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Not Material	
ESRS E3-1	9	Water and marine resources	Not Material	
ESRS E3-1	13	Dedicated policy	Not Material	
ESRS E3-1	14	Sustainable oceans and seas	Not Material	
ESRS E3-4	28(c)	Total water recycled and reused	Not Material	
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	Not Material	
ESRS 2- IRO 1 - E4 ESRS 2- IRO 1 - E4	16 (a) i	Biodiversity-sensitive areas impacted	Not Material	
ESRS 2- IRO 1 - E4	16 (b)	Negative impacts with regards to land degradation, desertification or soil sealin	Not Material	
ESRS 2- IRO 1 - E4	16 (c)	Operations that affect threatened species	Not Material	
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	Not Material	
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	Not Material	
ESRS E4-2	24 (d)	Policies to address deforestation	Not Material	
ESRS E5-5	37 (d)	Non-recycled waste	Not Material	
ESRS E5-5	39	Hazardous waste and radioactive waste	Not Material	
ESRS 2- SBM3 - S1	14 (f)	Risk of incidents of forced labour	Not Material	

Information requirement	Information point	Description	Comments / Additional Information	Paragraph
ESRS 2- SBM3 - S1	14 (g)	Risk of incidents of child labour	Not Material	
ESRS S1-1	20	Human rights policy commitments		3.1.3
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8		3.1.3
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	Not Material	
ESRS S1-1	23	Workplace accident prevention policy or management system		3.1.3
ESRS S1-3	32 (c)	Grievance / complaints handling mechanisms		3.1.3, 4.1.5
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents		3.1.6
ESRS S1-14	88 (e)	Number of days lost due to injuries, accidents, fatalities or illnesses		3.1.6
ESRS S1-16	97 (a)	Unadjusted gender pay gap		3.1.6
ESRS S1-16	97 (b)	Excessive CEO pay ratio		3.1.6
ESRS S1-17	103 (a)	Incidents of discrimination		3.1.6
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines		3.1.6
ESRS 2- SBM3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain		3.2.1
ESRS S2-1	17	Human rights policy commitments		3.2.3
ESRS S2-1	18	Policies related to value chain workers		3.2.3
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines		3.2.5
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8		4.1.6
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	Unknown	
ESRS S3-1	16	Human rights policy commitments	Not Material	
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	Not Material	
ESRS S3-4	36	Human rights issues and incidents	Not Material	
ESRS S4-1	16	Policies related to consumers and end-users	Not Material	
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Not Material	
ESRS S4-4	35	Human rights issues and incidents	Not Material	
ESRS G1-1	10 (b)	United Nations Convention against Corruption		4.1.4, 4.1.7
ESRS G1-1	10 (d)	Protection of whistleblowers		4.1.5
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws		4.1.7.
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery		4.1.7.

Photo: Elina Saajanne

CASE

Oulunkylä Primary School and Kindergarten
In the renovation and new construction project of Oulunkylä Primary School and Kindergarten, the main contract was handled by Consti's Public Sector business area, while the building technology work was carried out by Consti's Building Technology business area.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Net sales	4	**326,692**	**320,607**
Other operating income	5	571	2,172
Change in inventories of finished goods and work in progress		-5	11
Materials and services	6	-227,658	-226,763
Employee benefit expenses	7	-69,261	-66,469
Depreciation and amortisation	9	-4,092	-3,595
Other operating expenses	8	-16,063	-13,617
Total expenses		-317,079	-310,434
Operating result (EBIT)		**10,184**	**12,345**
Financial income	10	394	359
Financial expenses	10	-1,449	-1,333
Total financial income and expenses	10	-1,056	-975
Profit/loss before taxes (EBT)		**9,128**	**11,371**
Total taxes	11	-1,985	-2,357
Profit/loss for the period		**7,143**	**9,014**
Comprehensive income for the period*		**7,143**	**9,014**

*The group has no other comprehensive income items.

CONSOLIDATED BALANCE SHEET

Assets EUR 1,000	Note	31 Dec 2024	31 Dec 2023
Non-current assets			
Property, plant and equipment	13	7,849	8,832
Goodwill	16	49,449	49,449
Other intangible assets	14	149	538
Shares and other non-current financial assets	17	57	57
Deferred tax assets	11	123	65
		57,627	**58,941**
Current assets			
Inventories	19	681	719
Trade and other receivables	20	44,674	40,611
Cash and cash equivalents	21	14,184	21,043
		59,539	**62,373**
Total assets		**117,165**	**121,314**

Equity and liabilities EUR 1,000	Note	31 Dec 2024	31 Dec 2023
Equity			
Share capital	22	80	80
Reserve for invested non-restricted equity	22	29,754	29,148
Treasury shares	22	-578	-204
Retained earnings		7,280	3,075
Profit/loss for the year		7,143	9,014
Equity attributable to owners of the parent company		**43,679**	**41,113**
Total equity		**43,679**	**41,113**
Non-current liabilities			
Interest bearing liabilities	24	11,701	14,774
		11,701	**14,774**
Current liabilities			
Trade and other payables	25	53,960	57,110
Interest bearing liabilities	24	5,164	5,335
Provisions	23	2,662	2,982
		61,785	**65,427**
Total liabilities		**73,486**	**80,202**
Total equity and liabilities		**117,165**	**121,314**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1,000	Equity attributable to owners of the parent				
	Share capital	Reserve for invested non-restricted equity	Treasury shares	Retained earnings	Total equity
Equity on 1 Jan 2024	**80**	**29,148**	**-204**	**12,088**	**41,113**
Total comprehensive income	-	-	-	7,143	7,143
Transactions with shareholders					
Dividend distribution	-	-	-	-5,524	-5,524
Purchase of own shares	-	-	-563	-	-563
Conveyance of own shares	-	-	189	-	189
Share compensation	-	-	-	620	620
Option scheme	-	605	-	96	702
Transactions with shareholders, total	-	605	-374	-4,808	-4,577
Equity on 31 Dec 2024	**80**	**29,754**	**-578**	**14,424**	**43,679**

EUR 1,000	Equity attributable to owners of the parent				
	Share capital	Reserve for invested non-restricted equity	Treasury shares	Retained earnings	Total equity
Equity on 1 Jan 2023	**80**	**28,781**	**-782**	**8,127**	**36,206**
Total comprehensive income	-	-	-	9,014	9,014
Transactions with shareholders					
Dividend distribution	-	-	-	-4,641	-4,641
Purchase of own shares	-	-	-240	-	-240
Conveyance of own shares	-	164	818	-	982
Share compensation	-	-	-	-648	-648
Option scheme	-	203	-	237	440
Transactions with shareholders, total	-	367	578	-5,052	-4,107
Equity on 31 Dec 2023	**80**	**29,148**	**-204**	**12,088**	**41,113**

CONSTI PLC FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows EUR 1,000	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Cash flow from operating activities			
Profit/loss before taxes (EBT)		9,128	11,371
Adjustments:			
Depreciation		4,092	3,595
Total financial income and expenses		1,056	975
Other adjustments		708	-1,070
Change in working capital		-6,615	252
Operating cash flow before financial and tax items		8,368	15,122
Financial income		394	359
Financial expenses		-1,233	-1,198
Taxes paid		-2,923	-1,845
Net cash flow from operating activities (A)		**4,606**	**12,438**
Cash flow from investing activities			
Acquisition of subsidiaries and business operations, net of cash	3	-	-1,179
Disposal of subsidiaries and business operations	3	-	2,782
Investments in tangible and intangible assets		-1,163	-2,018
Proceeds from sale of property, plant and equipment		367	649
Net cash flow from investing activities (B)		**-796**	**233**
Cash flow from financing activities			
Dividend distribution		-5,524	-4,641
Share subscriptions with share options		605	203
Purchase of treasury shares		-563	-240
Payments of lease liabilities		-2,870	-2,410
Change in interest-bearing liabilities	24	-2,317	-5,422
Payments of long-term liabilities		-2,000	-2,000
Change in other interest-bearing liabilities		-317	-3,422
Net cash flow from financing activities (C)		**-10,669**	**-12,509**
Change in cash and cash equivalents (A+B+C)		**-6,859**	**162**
Cash and cash equivalents at period start		21,043	20,881
Cash and cash equivalents at period end		**14,184**	**21,043**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant accounting principles

GENERAL INFORMATION ABOUT THE GROUP

The parent company of the Group, Consti Plc, is a limited liability company established under the laws of Finland. The parent company is domiciled in Helsinki, and its registered address is Valimotie 16, 00380 Helsinki. The company's shares have been listed on Nasdaq Helsinki since 11 December 2015. Consti Plc and its subsidiaries constitute Consti Group ("Consti" or "Group").

Consti is a leading Finnish renovation and maintenance company. Its broad range of services covers technical building services, renovation contracting and building facade renovation, as well as construction and design services for other building projects, for residential and non-residential properties.

The financial statements of Consti Plc for the financial year ending 31 December 2024 were approved for publication by its Board of Directors at its meeting on 6 February 2025. According to the Finnish Limited Liability Companies Act, shareholders have an opportunity to adopt or reject financial statements at an annual general meeting held after the publication of the financial statements. The annual general meeting is also entitled to decide on amendments to the financial statements. Copies of the consolidated financial statements are available from the headquarters of the company at Valimotie 16, 00380 Helsinki.

ACCOUNTING PRINCIPLES

Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the applicable IAS and IFRS standards and SIC and IFRIC interpretations that were valid on 31 December 2024. The International Financial Reporting Standards refer to standards and interpretations that have been adopted by the EU under the procedure provided in Regulation (EC) No 1606/2002 and are in accordance with the Finnish Accounting Act and regulations based on the Act. The notes to the consolidated financial statements are compliant with the regulations of the Finnish Accounting Act and Limited Liability Companies Act that complement the IFRS requirements.

The consolidated financial statements are presented in thousands of euros (EUR 1,000), unless otherwise stated, and individual figures and sums of individual figures are rounded. Consequently, there can be rounding differences. Financial statements information is based on historical cost basis, with the exception of derivative contracts, which are measured at fair value. The financial statements are presented by type of expense income statement and balance sheet format.

The Group reported in accordance with the IFRS reporting standards first in 2014. The transition to the IFRS standards was made in accordance with IFRS 1 First-time Adoption of International Financial Reporting Standards -standards, with the date of transition being 1 January 2013.

ACCOUNTING PRINCIPLES CONCERNING CONSOLIDATED FINANCIAL STATEMENTS

Subsidiaries

The consolidated financial statements include Consti Plc, which is the parent company, and its subsidiaries. Subsidiaries are companies in which the Group holds control. Control is achieved when the Group, through its participation in the company, is exposed or entitled to variable returns from the company and has the ability to affect these returns through its control over the company.

Intra-Group shareholdings is eliminated using the acquisition method. The considerations transferred and the identifiable assets of the acquired companies, as well as the liabilities assumed, are measured at fair value at the acquisition date. The costs related to the acquisitions, excluding the costs arising from the issuance of debt or equity securities, are recognised as expenses. The considerations transferred do not include transactions that are handled separately from the acquisition. Their effect is recognised through profit or loss in conjunction with the acquisition. Any potential additional purchase price is measured at fair value at the acquisition date and classified as a liability. A potential additional purchase price that is classified as a liability is measured at fair value at the end of each reporting period, and the related gain or loss is recognised through profit or loss.

Acquired subsidiaries are consolidated from the moment the Group acquires control, and divested subsidiaries are consolidated until the Group loses the control. All intra-Group transactions, receivables, liabilities and unrealised profit, as well as internal profit distribution, are eliminated when preparing the consolidated financial statements. Unrealised losses are not eliminated if the loss is due to impairment.

Joint arrangements

A joint arrangement is an arrangement where two or more parties have joint control. Joint arrangements are classified as joint operations or joint ventures according to the investors' contractual rights and obligations. The Group's management has evaluated the nature of its joint arrangement and deemed it to be a joint operation. The Group recognises its share of the assets and liabilities of the joint operation using the proportionate consolidation method. Proportionate consolidation is a method where each joint operation party's share of each item related to the assets, liabilities, income and expenses of the joint operation is consolidated, item by item, in similar items in the party's financial statements or presented as separate items in its financial statements.

TRANSLATION OF ITEMS DENOMINATED IN A FOREIGN CURRENCY

The figures concerning the performance and financial position of the Group entities are determined in the currency of each entity's primary economic operating environment ("functional currency"). The Group's consolidated financial statements are presented in euros. The euro is the functional and presentation currency of the parent company and its operating subsidiaries.

Transactions denominated in a foreign currency

Transactions denominated in a foreign currency are recognised in the functional currency at the exchange rate on the date of the transaction. For practical reasons, the exchange rate used is often such that approximates the actual rate on the date of the transaction. The balances in monetary items denominated in a foreign currency are translated into the functional currency at the rate on the closing date of the reporting period. The balances in non-monetary items denominated in a foreign currency are translated at the rate on the date of the transaction. Foreign exchange gains and losses arising from transactions denominated in a foreign currency and from translating monetary items are recognised through profit or loss. Foreign exchange gains and losses arising from business operations, as well as foreign exchange gains and losses arising from receivables and liabilities denominated in a foreign currency, are included in financial income and expenses.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less accumulated depreciation and possible impairments.

The acquisition cost consists of the following expenses relating directly to the acquisition:

- purchase price, including import duties and non-refundable purchase taxes, less any trade discounts and rebates; and
- any costs directly attributable to ensuring that the asset is in such location and condition that it is capable of operating as intended by the management.

Interest expenses relating to the acquisition of property, plant and equipment are recognised through profit or loss.

If an item of property, plant or equipment consists of several components with different useful lives, each part is treated as a separate asset. In such cases, the expenses related to replacing a component are capitalised, and any residual acquisitions cost is written off from the balance sheet in conjunction with the replacement. In other cases, any expenses arising later are included in the value of an item of property, plant or equipment only if the Group is likely to profit from the future financial benefit related to the item and if the cost of the asset can be measured reliably. Other repair and maintenance expenses are recognised through profit or loss at the time they occur.

Assets are depreciated using the straight-line depreciation over their remaining useful lives. Land areas are not depreciated.

The estimated useful lives are as follows

Buildings and constructions	20 years
Machinery and equipment	3–5 years
Vehicles	3–6 years
Other tangible assets	3–5 years

The residual value and useful life of an asset is reviewed at the end of each financial period, and if the expectations differ from previous estimates, the change is treated as a change in an accounting estimate.

The gain and loss arising from the disposal of items of property, plant or equipment is recognised through profit or loss and presented in other operating income and expenses. Proceeds from the sale are determined as the difference between the selling price and the residual acquisition cost.

GOVERNMENT GRANTS

Government grants are recognised as reductions from the carrying amount of property, plant and equipment when it is reasonably sure that the Group meets the requirements for the grant and is likely to be awarded the grant. Grants are recognised through lower depreciation during the useful life of an asset. Grants received as compensation for expenses incurred are recognised through profit or loss in the same period as the expenses are recognised as a cost and are presented in other operating income.

INTANGIBLE ASSETS

Goodwill

Goodwill arising from business combinations is recognised to the aggregate amount of the consideration transferred measured at fair value, any non-controlling interest in the object of acquisition and the amount of previous holding exceeding the fair value of the net of assets.

Goodwill is not depreciated. Instead, goodwill is tested annually for any impairment. For this reason, goodwill is allocated to cash-generating units. Goodwill is measured at original acquisition cost less impairments.

Research and development

Research and development costs are recognised as expenses at the time they occur. Development costs are capitalised on the balance sheet as intangible assets, provided that the product is technologically feasible, can be exploited commercially and is expected to bring future financial benefit. Development costs to be capitalised include the material, work and testing costs that are directly attributable to creating, producing and preparing the asset for its intended purpose. Development costs that cannot be capitalised are recognised as expenses at the time they occur. Development costs previously recognised as an expense will not be capitalised later. The company had capitalised development costs at the end of the 2024 financial period. More detailed information on the capitalised development costs are presented in note 14 of the consolidated financial statements.

Other intangible assets

An intangible asset is recognised on the balance sheet at initial acquisition cost if the acquisition cost can be measured reliably and the Group is likely to profit from the future financial benefit related to the asset.

Intangible assets with a definite useful life are recognised as an expense according to a straight-line depreciation during their known or estimated useful lives. The Group does not have intangible assets with an indefinite useful life.

The amortisation periods for intangible assets are as follows:

Order backlogs	1–2 years
Patents	3–5 years
Software	3–6 years
Certificates	3–5 years

The useful life of an asset is reviewed at the end of each financial period, and if the expectations differ from previous estimates, the change is treated as a change in an accounting estimate.

The gain and loss arising from the disposal of intangible assets is recognised through profit or loss and presented in other operating income and expenses. Proceeds from the sale are determined as the difference between the selling price and the residual acquisition cost.

IMPAIRMENT TESTING

At the end of each reporting period, the Group assesses whether there are indications of impairment of assets on the balance sheet. If there are indications of impairment or if an annual impairment test is required on an asset, the Group will estimate the recoverable amount of the asset. Regular annual impairment tests are carried out on goodwill and incomplete intangible assets. The recoverable amount is the fair value of the asset or cash-generating unit (CGU), less the cost of divestment, or its value in use, depending on which is higher. The fair value is the price received for the sale of an asset or paid for the transfer of a liability in a customary business transaction between market participants. The value in use refers to the estimated future net cash flows, discounted to their present value, expected to be derived from an asset or a cash-generating unit. The discount rate is the interest rate determined before taxes that reflects the market's view of the time value of money and special risks related to the asset.

When an asset is tested for impairment, its recoverable amount is compared to the carrying amount of the asset. The asset is impaired if its carrying amount exceeds its recoverable amount. Impairment losses are immediately expensed. Impairment losses are first allocated to goodwill and then the remaining loss to other assets that have been tested, in proportion to their carrying amounts.

When an impairment loss is recognised, the useful life of the asset subject to depreciation is reassessed. An impairment loss recognised in prior periods on an asset other than goodwill is reversed if a change has taken place in the estimates used to determine the recoverable amount of the asset. However, an impairment loss is not reversed beyond what the carrying amount of the asset would have been if no impairment loss had been recognised. Impairment losses recognised on goodwill are not reversed under any circumstances.

Impairment testing is described in Note 16 Impairment testing on goodwill and assets with an indefinite useful life.

INVENTORIES

The Group's inventories consist of materials and supplies. Inventories are measured at cost or net realisable value, depending on which is lower. The cost of inventories is determined using the FIFO (First-In, First-Out) method, which assumes that inventories that are purchased or manufactured first will be sold or used first. The net realisable value is the estimated amount that can be realised from the sale of the asset in the ordinary course of business, less the estimated cost of realisation of completion and the estimated direct costs necessary to make the sale.

LEASES

Group as the lessee

As a lessee, Consti recognises at the beginning of the rental period a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Right-of-use asset is recognised in the balance sheet at the commencement date of the lease, which is the date that the underlying asset is made available for Consti's use. Right-of-use asset is recognised in the balance sheet amounting to the present value of the future lease payments discounted with the incremental borrowing rate and is depreciated over the contract period or over the useful life of the asset, depending which one is the shorter. In calculating the present value of lease payments, incremental borrowing rate is used because the interest rate implicit in the lease is not readily determinable. VAT is not included in the measurement of the lease liability. Lease liabilities are included in financial liabilities.

Lease payments related to short-term leases and leases of low value items are recognised as an expense on a straight-line basis over the contract period.

Group as the lessor

The Group has no lease agreements where it is a lessor.

EMPLOYEE BENEFITS

Pension obligations

Pension obligations are classified as defined benefit and defined contribution plans. Pension schemes for the Group's employees are arranged as statutory pension insurance with an external pension insurance company. The arrangement is classified as a defined contribution plan. In a defined contribution plan, the Group makes fixed payments to a separate entity, and the payments are recognised during the financial period they are contributed. The Group has no legal or constructive obligations to pay further contributions if the payee is unable to pay the pension benefits to the employees.

Share-based payments

The group has a share-based incentive plan for its key people. The plan offers the key people included in the plan the opportunity to earn Company shares as bonuses by altering half or all of their performance based bonuses into shares. The plan's possible bonus will be paid to participants after a two-year engagement period, in part as company shares and in part as cash. As of 31 December 2024, the plan included 71 key people including the Management Team.

The group has an option scheme in place. Option rights are valued at their fair value at the time they were granted and are recognised in the income statement under employee benefits as an expense in equal portions during the vesting period. The expense defined at the time the options were granted is based on the group's estimate of the amount of options assumed to be vested at the end of the vesting period. The fair value of options has been defined based on the Black-Scholes pricing model. Assumptions concerning the final amount of options are updated on each reporting date and the changes in the estimates are recognised in profit or loss. When option rights are exercised, proceeds from share subscriptions (adjusted with potential transaction costs) are recognised under equity.

PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognised on the balance sheet when the Group has a present legal or constructive obligation as a result of a previous event, when it is likely that a payment obligation must be fulfilled and when the amount of the obligation can be estimated reliably. The amount recognised as a provision corresponds to the best estimate of the expenses required to settle an existing obligation at the end of the reporting period. Changes in provisions are recognised under the same item in the income statement where the provision was initially recognised.

Provisions arise for repairing faults detected in products during their warranty periods and for onerous contracts, for example. The amount of a warranty reserve is based on proven knowledge of provision warranty expenses. Provisions are recognised for onerous contracts when the direct necessary expenses to fulfil the obligation exceed the benefits received from the contract. Provisions are not discounted, as the Group estimates that it will use them within the next two years and because discounting would not be of substantial importance.

A contingent liability is a possible obligation arising from past events, the existence of which is confirmed only by the future occurrence or non-occurence of one or more uncertain events that are not entirely within the Group's control, or from an existing payment obligation that is not likely to occur or the amount of which cannot be determined with sufficient reliability. Contingent liabilities are not recognised on the balance sheet. Instead, they are presented in the notes to the financial statements, unless the occurrence of a payment obligation is highly unlikely.

INCOME TAXES

The tax expense for the reporting period under review is the aggregate amount of the tax included in the profit or loss for the period in respect of the current tax and deferred taxes. Taxes are recognised in profit or loss for the period, with the exception of situations where they are related to items in the other comprehensive income or items directly recognised in equity, when the taxes are also recognised in the items in question.

Taxes based on taxable income for the period

The tax expense for the reporting period and deferred tax liabilities (or assets) based on prior periods' taxable income are recognised to the amount that is expected to be paid to the tax authority (or received as a refund from the tax authority), and they are determined using tax rates and tax laws that have been enacted or in practice enacted by the end of the reporting period.

Deferred taxes

Deferred taxes are calculated on the basis of temporary differences between the carrying amount and the tax based amounts. However, deferred tax liabilities or assets are not recognised if they arise from the initial booking of an asset or a liability when they are not related to a business combination or the transaction would not have an effect on the profit or on the taxable income during its realisation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the tax losses, unused tax credits or deductible temporary differences can be utilised. Deferred tax assets are assessed for realisability at the end of each reporting period.

Deferred taxes are determined using tax rates and tax laws that have been enacted or in practice enacted by the end of the reporting period.

With regard to the Group, the most significant temporary differences arise from depreciation of property, plant and equipment, the measurement of derivative contracts at fair value and adjustments based on fair value in conjunction with business combinations.

The Group offsets deferred tax assets and deferred tax liabilities only in the event that the Group has a legally enforceable right to set off current tax liabilities against current tax assets and the deferred tax assets and liabilities are related to income tax levied by the same tax authority, either from the same taxable entity or different taxable entities that intend to set off current tax assets against liabilities or realise the assets and settle the liabilities at the same time. This concerns any future period during which a significant amount of deferred tax liabilities are expected to be settled or a significant amount of deferred tax assets are expected to be recovered.

REVENUE RECOGNITION

Income from contracts with customers, measured at fair value and adjusted for indirect taxes and rebates, is presented as revenue.

Project deliveries

Project deliveries form a significant part of Consti's net sales. Project deliveries include building technology, pipeline renovations, renovation contracting, facade renovations, and other demanding renovation contracts and service contracts, which Consti has determined as significant based on both value and duration.

Identifying contracts

IFRS 15 includes criteria for assessing both contract identification and combination. If two or more simultaneous contracts have been made with the same customer or a related party of the customer relating to the same entity, the contracts are combined and handled as if they were one contract.

Combinable contracts have been identified particularly in total building technology deliveries, such as heating, water, ventilation, electricity, and automation instalments. In such cases the contracts are combined either because they are negotiated as one entity with one commercial purpose, or because the services outlined in the contract form one performance obligation.

Contract changes

Changes made in customer contracts do not typically fulfil the IFRS 15 standard's requirements for handling the change as a separate contract. The contract changes are thus handled as part of the total work. The contract changes are combined because the services related to the contract change cannot be separated from the original performance obligation.

Identifying performance obligations

When the contract is made the promised services included in the contract are assessed and the performance obligations to the customer are identified. In Consti's project deliveries, work and material shares cannot be separated. In projects including design responsibility, the design and building phases of the project can be divided into their own performance obligations. In addition, in Consti's total deliveries, it is possible to divide work into performance obligations based on for example separate parts of construction work and building technology.

Determining transaction price for performance obligations

The transaction price is the compensation that the Group expects to be entitled to for the provided services. In customer contracts the promised compensation can include fixed or variable monetary compensation or both. The Group's project deliveries are typically priced either as fixed price contracts, target price contracts or as cost + fee contracts.

For variable consideration the Group estimates the compensation to which it is entitled to for delivering the promised services to the customer. In estimating the variable consideration, it is essential that the amount of revenue recognised is limited to an amount in which it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when uncertainty associated with the variable consideration is subsequently resolved.

Transaction price is allocated to each performance obligation based on the compensation that the Group expects to be entitled to in exchange for transferring the promised services to the customer. The amount of revenue recognised has included management estimates, and recognition has been based on the management's best estimate on the compensation the Group expects to be entitled.

Revenue recognition

The Group recognises revenue when it fulfils its performance obligation by handing over the promised service to the customer. In project deliveries Consti's business is based on work conducted on an asset owned by the customer, in which the customer gains control of the created asset as soon as Consti's performance creates the asset. Revenue recognition occurs gradually as the project advances and the customer gains control of the promised asset.

The stage of completion is determined by calculating each contract's aggregate amount of costs incurred in proportion of estimated total costs relating to contract in question. Revenue is recognised according to a corresponding amount. Payment terms are contract-specific, contractual payments are based on installment tables and project-specific payment plans.

When it is probable that the total costs of the contract will exceed the total revenue from the contract, the expected loss will immediately be recognised as an expense. Changes in estimates concerning the revenue from, cost of or the final result of a contract are treated as changes in accounting estimates.

If the costs arising from and profits recognised for a construction contract exceed the amount invoiced in advance, the difference will be presented in "Trade and other receivables" on the balance sheet. If the costs arising from and profits recognised for a construction contract are less than its advance invoicing, the difference is presented in "Trade and other payables".

Other cost + fee projects and service contracts

Other cost + fee projects and service contracts include small cost + fee based building technology, pipeline renovation, renovation contracting, facade renovations, and other worksite renovation contracts and service contracts. This category also includes technical repair and maintenance services for contract customers.

In other cost + fee projects and service contracts, revenue is recognised when Consti's performance creates an asset and the customer receives and consumes benefits acquired from the performance as the service is delivered.

Interest and dividend income

Interest income is recognised using the effective interest method, and dividends are recognised once the right to the dividend has occurred.

FINANCIAL ASSETS AND LIABILITIES

Financial assets

The Group's financial assets are divided into the following categories: financial assets measured at amortized cost, financial assets recognised at fair value through profit or loss and financial assets recognised at fair value through other comprehensive income.

Financial assets are classified at their initial recognition, based on the objective of the business model and the characteristics of contractual cash flows of the investment, and the Group recognises financial assets on the balance sheet when it becomes party to the terms and conditions of an instrument. The Group's management determines the classification in conjunction with the initial recognition. All purchases and sales of financial assets are recognised on the settlement date. Financial assets are derecognised from the balance sheet when the contractual right to the cash flows generated by the financial assets expires or when the Group transfers the risks and rewards related to ownership of the financial asset outside the Group.

All financial assets are measured at fair value at the initial recognition. Transaction costs directly related to the acquisition of a financial asset are included in the initial carrying amount of a financial asset if the item is not measured at fair value through profit or loss. Transaction costs related to financial assets recognised at fair value are immediately expensed.

Financial assets measured at amortized cost are financial assets with fixed or determinable payments that are not quoted in an active market or the Group does not hold those for trading or specifically classify those as financial assets recognised at fair value through profit or loss at their initial recognition. With regard to the Group, this item includes trade receivables. By their nature, they are included in current or non-current assets on the balance sheet; in non-current assets if they mature in more than 12 months.

Financial assets recognised at fair value through other comprehensive income include those financial assets that are held with the objective of both collecting contractual cash flows and eventually selling the financial asset.

Financial assets recognised at fair value through profit or loss include items that do not meet the criteria of other groups. With regard to the Group, this item includes unlisted shares. This category also includes financial assets or derivatives that are not subject to hedge accounting in accordance with IFRS 9.

Impairment of financial assets

At the end of each reporting period, the Group assesses whether there is objective evidence that the value of an item included in financial assets is impaired. The value of a financial asset is deemed to be impaired if its carrying amount exceeds its recoverable amount. If there is objective evidence that an item included in financial assets that is recognised at amortised cost may be impaired, the impairment loss is expensed. If the amount of the impairment loss decreases in a future financial period and the decrease can be considered to arise from an event that occurred after the impairment loss was recognised, the impairment recognised on the financial asset item is derecognised.

Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and on hand, demand deposits and other liquid money market investments with an initial maturity of 3 months or less. They are presented on the balance sheet at cost and their revenue is presented under financial income. The account limits available for the Group are included on the balance sheet under current liabilities as a net amount, as the Group has a contractual right to settle the net amount.

Financial liabilities

The Group's financial liabilities are classified into two categories: financial liabilities measured at amortized cost and financial liabilities recognised at fair value through profit or loss.

Financial liabilities are recognised in the balance sheet on the settlement date and derecognised once the contractual obligations related to them expire or are transferred outside the Group.

Financial liabilities measured at amortized cost are initially recognised at fair value. Any transaction costs relating to the subscription of the loans are included in the initial carrying amount. Financial liabilities may be current or non-current. Financial liabilities are later measured at amortised cost using the effective interest method.

Financial liabilities recognised at fair value through profit or loss include operating and financing interest rate swaps which do not fulfil the hedge accounting requirements under IFRS 9.

Derivative contracts and hedge accounting

Derivative contracts are treated in accordance with IFRS 9 Financial Instruments -standard. The Group has classified all of its derivatives as held-for-trading, as it does not apply hedge accounting in accordance with the IFRS 9 standard. Consti had no derivative contracts on 31 December 2024 (31 December 2023).

EQUITY

Share capital is presented as the nominal value of the ordinary shares. Costs relating to the issue or purchase of own equity instruments are deducted from equity.

The distribution of dividends proposed by the Board of Directors to the Annual General Meeting is recognised as a liability and deducted from the equity in the consolidated balance sheet for the period in which the Annual General Meeting approves the dividend.

KEY ACCOUNTING ESTIMATES AND DECISIONS BASED ON JUDGEMENT

In the course of preparing the financial statements, the Company's management makes estimates and assumptions about the future which involve an amount of uncertainty. Such estimates and assumptions may later prove inaccurate compared with actual outcomes. The estimates are based on the management's prior experience, the best information available at the end of each reporting period and reasonable assumptions. Additionally, it is necessary to exercise judgment in the application of the accounting principles, especially in cases where IFRS standards provide alternative ways of treating various items. The sections below present the key accounting estimates and assumptions included in the financial statements.

Impairment of goodwill

Goodwill is tested for impairment annually, or more frequently if necessary, in accordance with the principles presented in note 16. The impairment testing of goodwill requires determining amounts recoverable by the cash-generating units. The determining of amounts recoverable requires the management to make estimates and judgments on future cash flows and the rates used for discounting these cash flows. The management bases its estimates on the best information available on the future outlook at the end of the reporting period and on the current market conditions at the time.

Recognition of revenue from contracts with customers

Revenue recognition based on stage of completion requires the management to make estimates of the costs accrued by the end of the reporting period in relation to the estimated overall costs of a contract. In addition, the management must make estimates of the costs needed to complete the contract and of any change in sales prices. If estimates of a contract's revenue, costs or outcome change, the new estimates are used to determine recognised income and expenses in the period in which the changes are made and in subsequent periods. Expected losses are immediately expensed.

Deferred tax assets

The Group has recognised deferred tax assets on temporary differences and tax losses to the extent that it is probable that future taxable profit will be available against which the tax-deductible temporary differences and unused tax credits and tax losses can be utilised. Estimating the amount of taxable profit available in the future requires the management to exercise judgment and is based on estimates made by the management at the end of the reporting period.

Lease agreements

The Group has defined that the term of a lease agreement is the non-cancellable period of a lease adjusted with any option to extend or terminate the lease if the use of such option is probable. Management judgement is applied in determining the probability to use any option to extend or terminate the lease, if such an option is included in the lease agreement. In addition, management judgement is applied in defining the incremental borrowing rate used to calculate the present value of the future lease payments.

The Group has some lease agreements relating to business premises and warehouses, which are valid until further notice. For such agreements, management judgement is applied in evaluating the lease term. In evaluating the lease term, the importance of the underlying asset to Consti's operations is considered, taking into account whether the underlying asset is a specialised asset, the location of the underlying asset and the availability of suitable alternatives. The management reassesses the lease term regularly to ensure that lease term reflects the current circumstances.

Trade receivables

The bad debt provision for the accounts receivable is recognized on the basis of credit quality evaluation and using the expected credit loss model. At the end of each reporting period, the management estimates the amount of the credit risk and recognises a credit loss reserve for trade receivables that are unlikely to be paid in full. The estimates are based on systematic credit control, prior experience of realised credit losses and economic circumstances at the time of estimation.

EVALUATION OF FUTURE EFFECTS OF NEW STANDARDS AND INTERPRETATIONS

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and will be effective for financial years beginning on or after 1 January 2027. The key new requirements are as follows:

- Income and expenses in the income statement to be classified into three new defined categories – operating, investing and financing – and two new subtotals – "Operating profit or loss" and "Profit or loss before financing and income tax".
- Disclosures about management-defined performance measures (MPMs) in the financial statements. MPMs are subtotals of income and expenses used in public communications to communicate management's view of the company's financial performance.
- Disclosure of information based on enhanced general requirements on aggregation and disaggregation. In addition, specific requirements to disaggregate certain expenses, in the notes, will be required for companies that present operating expenses by function in the income statement.

Consti has not yet quantified the impacts of the adoption of IFRS 18 on its consolidated financial statements. More detailed assessments of the impacts will be done during 2025–2026.

The Group estimates that other new and renewed standards and interpretations published by IASB that the group has not yet applied do not have a significant impact on the group's financial statement.

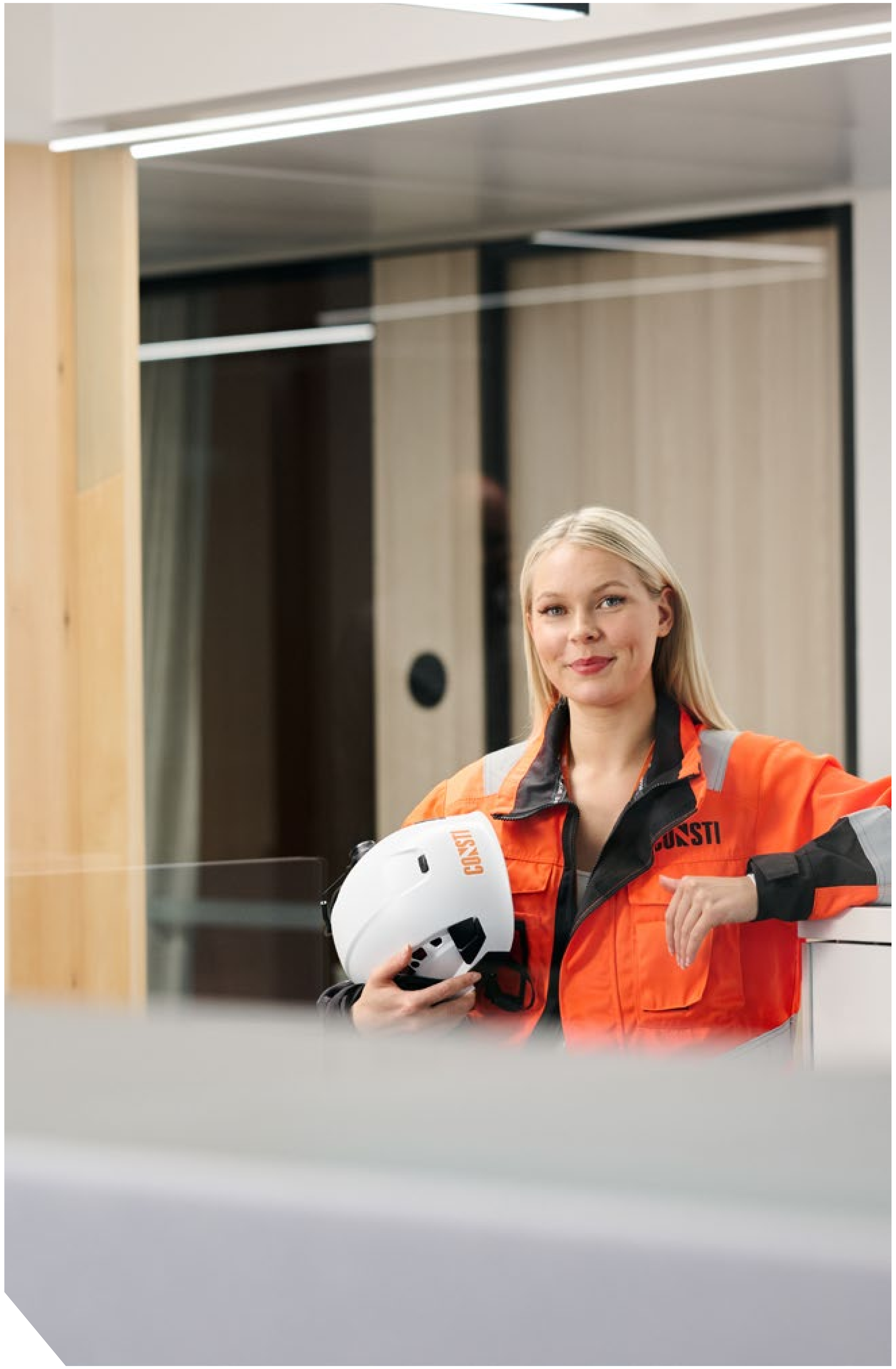

Photo: Ville Vappula

2. Operating segments

Segment information
The Consti Group's parent company is Consti Plc. Consti Group consists of four complementary operating segments based in Finland: Housing Companies, Corporations, Public Sector and Building Technology. Due to the Consti Group's management structure, the nature of its operations and the similarity of the operating segments, the operating segments are combined into a single reporting segment that also includes group services and other items, for the purpose of segment reporting in accordance with IFRS 8.

The highest operational decision-making body is Consti Group's Board of Directors, for which the Chairman of the Board and the Managing Director prepare and present decision proposals.

The Board of Directors assesses the Group's financial position as a whole, rather than examining it on the basis of the operating segments' results. Reporting on separate operating segments is deemed to be of limited value to the users of the financial statements because the segments' financial characteristics and long-term financial profitability are similar.

In addition to their financial characteristics, the business areas are similar in the following respects: The Group offers renovation services in all of its business areas. The Group's production process consists of repairs, modification work or servicing and maintenance tasks performed in the customers' premises. All the business areas do business with all customer groups with some exceptions. Services are often cross-sold to the same customers by combining different business areas services in a single package. Moreover, the methods used in providing services are divided according to the nature of each service process.

EUR 1,000	2024	2023
Net sales		
Housing Companies	93,233	102,425
Corporations	98,148	112,169
Public Sector	58,257	54,269
Building Technology	95,689	65,746
Parent company and eliminations	-18,635	-14,001
Total	**326,692**	**320,607**

Information on key customers
In the 1 January–31 December 2024 and 1 January–31 December 2023 financial years, the Consti Group had a large number of customers. During fiscal year 1 January–31 December 2024 Consti Group's net sales from one customer exceeded 10% of the Group's net sales. Net sales from one Public Sector and Housing Companies business area's customer amounted to approximately 50 million euro, which was 15% of the Group's total net sales. During fiscal year 1 January–31 December 2023 there were no individual customers accounting for a significant proportion of the Consti Group's net sales.

3. Business combinations

Business acquisitions in 2024
No acquisitions or disposals in financial year 2024

Business acquisitions in 2023

ACQUIRED BUSINESS	Country	Type	Date of acquisition	Acquired share	No. of employees	Estimated annual net sales (€m)
Painting business, Jyväskylä	Finland	Asset deal	September	100%	2	0.3
Electrical installation and maintenance services, Greater Helsinki area	Finland	Share Deal	November	100%	40	5.4

The acquisitions complement the Company's service offering. The goodwill recognised on the acquisitions is attributable to the special expertise transferred with the company.

Acquired assets and liabilities
Fair values of the identified assets and liabilities of the businesses acquired in 2023, after their combination:

EUR 1,000	Fair value
Assets	
Property, plant and equipment	222
Intangible assets	177
Cash and cash equivalents	898
Inventories	436
Trade and other receivables	738
Shares and other non-current financial assets	0
Total assets	**2,471**

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EUR 1,000	Fair value
Liabilities	
Trade and other payables	724
Interest-bearing liabilities	149
Deferred tax liabilities	35
Total liabilities	**908**
Fair value of identified net assets, total	**1,563**
Goodwill arising from acquisitions	748
Amount of consideration transferred	**2,311**

The transaction costs arising from the acquisitions, totalling EUR 157 thousand have been recognised as expenses and are included under administrative expenses.

Acquisition of Sähkö-Huhta Oy
Consti Plc has agreed to acquire Sähkö-Huhta Oy on 30 November 2023.

Sähkö-Huhta Oy had net sales of approximately EUR 5.4 million in 2022. The employees of Sähkö-Huhta Oy, 40 people, transferred to work for Consti. The purchase price was paid in cash and in shares. A total of 20,439 own shares (CONSTI) were transferred related to the purchase of the shares of Sähkö-Huhta Oy to cover part of the purchase price. The value of the transferred shares was calculated based on the weighted average share price of the Company in accordance with the terms of the share purchase agreement. In the period of 24 Aug 2023–24 Nov 2023 it was approximately EUR 204 thousand.

Acquisition of building renovation and painting business
On August 31, 2023, Consti signed a business transfer agreement, whereby Consti Korjausrakentaminen Oy acquired the building renovation and painting business of Maalausliike Peitso Oy.

In the financial year 2022, the revenue of the transferring business was approximately EUR 0.3 million, and the business had 2 employees. With the transaction, the employees of the building renovation and painting business operations were transferred to Consti. At the closing of the transaction, all assets and liabilities related to the acquired business were transferred to Consti. The purchase price was not disclosed. The purchase price was paid in cash.

Business disposals in 2023

DISPOSED BUSINESS	Country	Type	Date of disposal	Disposed share	No. of employees	Estimated annual net sales (€m)
Property-related relining business	Finland	Asset deal	September	100%	45	5.4

Net assets of the disposed businesses
Fair values of the net assets a of the businesses sold in 2023:

EUR 1,000	Fair value
Net assets	1,672
Cash consideration received	2,782
Gain on sales	**1,110**

The expenses related to the business transaction were approximately EUR 77 thousand and are included under administrative expenses.

Sales of property-related relining business
On 24 September 2023, Consti signed a business transfer agreement, whereby the Group's property-related relining business was sold to Spolargruppen.

In the financial year 2022, the revenue of the transferring business was approximately EUR 5.4 million, and the business had approximately 45 employees. With the transaction, the employees of the property-related relining business operations were transferred to Spolargruppen. At the closing of the transaction, all assets and liabilities related to the business being sold were transferred to the buyer. The purchase price was paid in cash.

4. Revenue from contracts with customers EUR 1,000

	2024	2023
Net sales classification according to IFRS 15		
Project deliveries		
Housing Companies	90,917	100,211
Corporations	94,743	107,825
Public Sector	58,220	54,243
Building Technology	82,303	55,626
Parent company and eliminations	-18,635	-14,001
Total project deliveries	**307,548**	**303,902**
Other cost + fee projects and service contracts		
Housing Companies	2,316	2,215
Corporations	3,405	4,344
Public Sector	36	26
Building Technology	13,386	10,120
Parent company and eliminations	0	0
Total other cost + fee projects and service contracts	**19,143**	**16,705**
Total net sales	**326,692**	**320,607**

Accounts receivable and contract assets and liabilities	2024	2023
Trade receivables	26,378	26,313
Receivables from project deliveries and cost + fee accruals	15,548	11,907
Advances received from project deliveries and cost + fee accruals	11,383	14,834

Receivables from project deliveries and cost + fee accruals relate to conditional right to consideration for performance obligations satisfied over time in Consti's project delivery contracts and cost + fee contracts. It is recognised when the recognised revenue exceeds the amounts billed to the customer and is contingent due to factors other than the passage of time. Receivables from project deliveries and cost + fee accruals are stated at the net realisable value, classified as contract assets, and reported as a part of the separate balance sheet line item Trade and other receivables. An impairment loss for contract assets, if needed, is estimated based on expected credit loss model and individual analysis.

Advances received from project deliveries and cost + fee accruals relate to payments received from project delivery contracts and cost + fee contracts prior to fulfilling performance obligations, or when the customer invoicing exceeds the recognized amount of sales. Advances received from project deliveries and cost + fee accruals are recognized as revenue when Consti has fulfilled its performance obligations and are classified as contract liabilities and reported as a part of the separate balance sheet line item Trade and other payables. The advances received will be largely recognised as revenue during the next fiscal year.

The transaction price allocated to the remaining performance obligations as at 31 Dec:	2024	2023
Within one year	203,211	207,639
More than one year	36,897	62,381
Total order backlog	**240,108**	**270,021**

Changes in receivables from project deliveries and cost + fee accruals and advances received from project deliveries and cost + fee accruals are following the development of business. No material amounts of revenue were recognized during the reporting period due to changes in transaction prices or estimates for performance obligations partially or fully satisfied in previous years. There were no significant impairment charges recognized during the reporting period from the contract assets. Commitments arising from project contracts are presented as a warranty provision after the completion of the projects.

5. Other operating income EUR 1,000

	2024	2023
Capital gains from the sale of property, plant and equipment	74	344
Insurance indemnities received	279	580
Other income items	218	1247
Total	**571**	**2,172**

6. Materials and services EUR 1,000

	2024	2023
Purchases of materials, supplies and goods	64,540	51,631
Increase (-) or decrease (+) in inventories	33	114
External services	163,085	175,018
Total	**227,658**	**226,763**

7. Employee benefit expenses EUR 1,000

	2024	2023
Salaries	56,603	53,839
Pension expenses	10,142	9,677
Share-based payments	938	765
Other social security expenses	1,578	2,188
Total	**69,261**	**66,469**
Average number of personnel during the financial year, by group:		
White-collar	457	427
Blue-collar	586	584
Total	**1,044**	**1,011**

Information on the management's employee benefits and loans is presented in note 27. Related party transactions.

8. Other operating expenses EUR 1,000

	2024	2023
Capital losses on and scrapping of property, plant and equipment	12	17
Production operating and maintenance expenses	3,654	2,190
Costs of facilities	188	210
Voluntary social security expenses	1,936	2,117
Travel expenses	2,851	2,677
Vehicle costs	1,403	1,383
Other fixed expenses	6,017	5,024
Total	**16,063**	**13,617**

Auditor's fees	2024	2023
Audit (EY)	75	227
Audit (KPMG)	80	-
Audit (Truedot)	3	-
Sustainability reporting assurance (KPMG)	30	-
Other assignments and statements of the auditor (KPMG)	1	-
Other assignments and statements of the auditor (EY)	9	10
Total	**198**	**238**

9. Depreciation and amortisation EUR 1,000

	2024	2023
Depreciation by asset type		
Intangible assets		
Allocation of acquisitions	124	49
Other intangible assets	68	82
Other intangible assets, right-of-use assets	210	175
Property, plant and equipment		
Buildings and structures	94	52
Buildings and structures, right-of-use assets	1,707	1,484
Allocation of acquisitions	93	93
Machinery and equipment	1,073	1,053
Machinery and equipment, right-of-use assets	723	607
Total depreciation and amortisation	**4,092**	**3,595**

10. Financial income and expenses EUR 1,000

	2024	2023
Financial income		
Interest income and other financial income	394	359
Total financial income	**394**	**359**
Financial expenses		
Interest expenses on loans recognised at amortised cost	812	830
Interest expenses on lease liabilities	216	136
Other financial expenses	421	367
Total financial expenses	**1,449**	**1,333**
Net financial expenses	**1,056**	**975**

11. Income taxes EUR 1,000

	2024	2023
The key components of income taxes in the financial periods ending on 31 December 2024 and 31 December 2023 are as follows:		
Consolidated statement of comprehensive income		
Current income taxes	1,986	2,293
Taxes for the previous financial periods	57	-15
Deferred taxes		
Origination and reversal of temporary differences	-58	79
Total	**1,985**	**2,357**
Taxes recognised directly under equity	–	–
Reconciliation of tax expenses and taxes calculated on the basis of the Finnish tax rate of 20%:		
Earnings before taxes	**9,128**	**11,371**
Taxes calculated on the basis of the Finnish tax rate of 20% (20% 2023)	1,826	2,274
Permanent differences	102	98
Taxes for prior financial periods	57	-15
Income taxes in the income statement	**1,985**	**2,357**

Deferred taxes
Deferred taxes in the financial period consisted of the following components:

	Consolidated balance sheet		Consolidated income statement	
Reconciliation of deferred tax assets	**2024**	**2023**	**2024**	**2023**
Depreciation not deducted in taxation	-212	-190	-23	-115
Deductible goodwill depreciation	-106	-105	-1	0
Capitalisation of tangible and intangible assets	-5	-54	49	34
Losses confirmed in taxation	0	0	0	0
Provisions	42	17	25	5
Other items[1]	404	396	8	-3
Deferred tax assets (/-liabilities), net	**123**	**65**		
Deferred tax expenses (/income)			**58**	**-79**

[1] The other items for fiscal period 2024 mainly refer to costs related to share based payments.

	Consolidated balance sheet	
The balance sheet includes the following items:	**2024**	**2023**
Deferred tax assets	449	417
Deferred tax liabilities	-326	-352
Deferred tax assets(/liabilities), net	**123**	**65**
Reconciliation of deferred (net) tax asset		
Deferred tax assets at the beginning of the period	**65**	**179**
Deferred tax income(/expenses) in the consolidated statement of comprehensive income	58	-79
Deferred taxes transferred in the combination of business operations	0	-35
Deferred tax assets at the end of the period	**123**	**65**

The net of deferred tax assets and liabilities is presented only if they can be offset under a legally enforceable right and concern income taxes collected by the same tax recipient.

Group had no unused tax losses as at 31 Dec 2024 (31 Dec 2023).

12. Earnings per share

The undiluted earnings per share are calculated by dividing the profit for the period attributable to the shareholders of the parent by the weighted average share-issue-adjusted number of shares outstanding during the period.

Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. Additionally, the profit for the period attributable to the shareholders of the parent is adjusted with interest recognised in the period related to dilutive potential ordinary shares, taking into account any tax effects.

Earnings per share	**2024**	**2023**
Profit for the period attributable to the shareholders of the parent (EUR 1,000)	7,143	9,014
Weighted average number of shares during the period	7,870,767	7,736,926
Earnings per share, undiluted (€)	**0.91**	**1.17**

Earnings per share, diluted	**2024**	**2023**
Diluted profit for the period (EUR 1,000)	7,143	9,014
Weighted average number of shares during the period	7,870,767	7,736,926
Weighted average number of diluted shares during the period	8,125,836	8,110,319
Earnings per share, diluted (€)	**0.88**	**1.11**

13. Property, plant and equipment EUR 1,000

	Land areas	Buildings and structures	Machinery and equipment	Other property, plant and equipment	Total
Acquisition cost 1 Jan 2024	**565**	**12,438**	**19,206**	**4**	**32,213**
Additions	-	1,014	1,994	-	3,007
Disposals	-	-	-579	-	-579
Acquisition cost 31 Dec 2024	**565**	**13,451**	**20,622**	**4**	**34,642**
Depreciation and impairment 1 Jan 2024	**24**	**8,861**	**14,496**	**-**	**23,382**
Depreciation for the period	-	1,801	1,886	-	3,686
Disposals	-	-	-274	-	-274
Depreciation and impairment 31 Dec 2024	**24**	**10,661**	**16,108**	**-**	**26,794**
Carrying amount 31 Dec 2024	**540**	**2,790**	**4,514**	**4**	**7,849**
Acquisition cost 1 Jan 2023	**565**	**10,784**	**17,409**	**4**	**28,762**
Additions	-	1,656	3,064	-	4,719
Business combinations	-	-2	15	-	13
Disposals	-	-	-1,281	-	-1,281
Acquisition cost 31 Dec 2023	**565**	**12,438**	**19,206**	**4**	**32,213**
Depreciation and impairment 1 Jan 2023	**24**	**7,325**	**13,703**	**-**	**21,052**
Depreciation for the period	-	1,536	1,753	-	3,289
Disposals	-	-	-959	-	-959
Depreciation and impairment 31 Dec 2023	**24**	**8,861**	**14,496**	**-**	**23,382**
Carrying amount 31 Dec 2023	**540**	**3,577**	**4,710**	**4**	**8,832**

The amount of right-of-use assets included in buildings and structures and in machinery and equipment and the changes in the amounts during the financial year are presented in Note 15.

Impairment
No impairment losses were recognised on property, plant and equipment in 2024 (2023).

Grants
The Group did not receive any grants for the acquisition of property, plant or equipment in 2024.

14. Intangible assets and goodwill EUR 1,000

	Goodwill	Other intangible assets	Total
Acquisition cost 1 Jan 2024	**49,449**	**7,275**	**56,724**
Additions	-	16	16
Acquisition cost 31 Dec 2024	**49,449**	**7,291**	**56,740**
Depreciation and impairment 1 Jan 2024	**-**	**6,736**	**6,736**
Depreciation for the period	-	406	406
Depreciation and impairment 31 Dec 2024	**-**	**7,142**	**7,142**
Carrying amount 31 Dec 2024	**49,449**	**149**	**49,598**
Acquisition cost 1 Jan 2023	49,501	6,779	56,281
Additions	-	318	318
Business combinations	-52	177	125
Acquisition cost 31 Dec 2023	**49,449**	**7,275**	**56,724**
Depreciation and impairment 1 Jan 2023	**-**	6,430	6,430
Depreciation for the period	**-**	306	306
Depreciation and impairment 31 Dec 2023	-	**6,736**	**6,736**
Carrying amount 31 Dec 2023	**49,449**	**538**	**49,988**

Other intangible assets include patents, licences, software, and customer agreements and related customer relationships acquired in business combinations. In addition, other intangible assets include capitalised unamortised development costs of EUR 70 thousand at the end of the 2024 financial period. The capitalised development costs are related to Consti Optimi multi-energy system.

The amount of right-of-use assets included in other intangible assets and the changes in the amounts during the financial year are presented in Note 15.

15. Lease agreements EUR 1,000

The impact of the leases recognised in balance sheet on profit or loss and balance sheet is presented in tables below:

	Buildings and structures	Machinery and equipment	Other intangible assets	Total	Lease liabilities
1 Jan 2024	**3,296**	**1,329**	**221**	**4,847**	**5,057**
Additions	813	911	2	1,726	1,726
Depreciations	-1,707	-723	-210	-2,640	-
Interest expense	-	-	-	-	216
Payments	-	-	-	-	-2,870
31 Dec 2024	**2,402**	**1,517**	**14**	**3,933**	**4,129**

The Group has leased most of the business premises it uses. Main part of the Group's right-of-use assets consists of business premises warehouses and vans used in project and service business. The premises' lease agreements have a maximum term of 5 years. In most cases the agreements include the option to extend the lease after the original expiry date. The business premise agreements have varying index, renovation and other terms.

The Group recognises lease payments related to short-term leases and leases of low value items as an expense on a straight-line basis over the contract period. The income statement 2024 includes EUR 159 thousand (EUR 203 thousand in 2023) of lease payments related to short-term leases and EUR 123 thousand (EUR 88 thousand in 2023) of lease payments related to leases of low value items.

The maturity profile of lease liabilities is presented in Note 18 and the division into non-current and current liabilities is presented in Note 24.

The majority of investments into right-of-use assets in 2024 were related to renewed leasing contracts of vans used in project and service business, as well as to the accounting of business premises and warehouses lease agreements that are valid until further notice, in accordance with the IFRS 16 -standard.

16. Impairment testing on goodwill EUR 1,000

Carrying amount of goodwill allocated to cash-generating units

	2024	2023
Housing companies	18,682	18,682
Corporations	16,687	16,687
Public Sector	4,677	4,677
Building Technology	9,403	9,403
Total	**49,449**	**49,449**

Consti Group operations are divided into four business areas: Housing Companies, Corporations, Public Sector and Building Technology. Business areas represent the Group's cash-generating units. Consti Group's goodwill on 31 December 2024 (31 December 2023) has been allocated to the business areas based on values-in-use (VIU).

The Group tests goodwill for impairment annually or more frequently if circumstances indicate that impairment may have occurred. In such an event, the carrying amount of the cash-generating unit is compared with the recoverable amount, which is determined on the basis of value-in-use calculations. When calculating cash flows for value-in-use calculations, the forecast is based on the budget confirmed for the following year and the scenarios for business development approved by Consti's board of directors over the two years beyond that. Cash flows after the forecast period approved by management have been extrapolated using a steady 1.0% growth factor.

The outcome of goodwill testing is estimated by comparing the recoverable amount (EV) with the carrying amount of the cash-generating unit (CA).

	Ratio			Estimate
EV		<	CA	Write-down
EV	0–20%	>	CA	Exceeds slightly
EV	20–50%	>	CA	Exceeds clearly
EV	50%–	>	CA	Exceeds significantly

The Group conducted a goodwill impairment test on 31 December 2024, the result of which was that the recoverable amount significantly exceeds the carrying amount for all cash-generating units. The range of variation of the discount rate used in the forecast calculation for the various cash-generating units has been between 13.86%–13.98% (13.87% and 14.24% in 2023) before taxes. Terminal growth rate used in value-in-use calculations has been 1% for all cash-generating units (1.5% for Building Technology and 1% for other cash-generating units in 2023). In the management's best estimate, no possible change in any key variable used in the calculation would lead to the need to recognise impairment.

Key variables in the value-in-use calculations

The following key variables were used to determine value in use:

- EBITDA margin
- net sales growth
- discount rate
- terminal growth rate

EBITDA margin

The EBITDA margin is based on the latest statistical information and estimates of market trends, material costs, direct and indirect employment costs and the estimated trend in general costs.

Discount rate

The discount rate reflects the current market evaluation of the risks of cash-generating units, taking into consideration the time value of money and the specified risks associated with assets that are not included in cash-flow forecasts. The discount rate calculation is based on the circumstances of the Group and its operating units and it is determined on the basis of the weighted average cost of capital (WACC) for the Group. WACC takes into consideration both debt and equity. The capital structure used in the WACC calculation is based on the median capital structure of selected listed Nordic companies that are comparable. The cost of equity derives from the expected return to Group investors, which takes into consideration the risk-free market rate and the share risk on the Finnish share market and the risk premium associated with size of the company. The sector-specific risk is based on the median beta of selected listed Nordic companies that are comparable. The cost of debt is based on the costs of interest-bearing debt which the Group is liable to pay. The discount rate is determined before taxes.

Growth rate

The growth rate for the forecast period has been determined using the confirmed budget for 2025 and the scenarios for business development approved by the Board of Directors of Consti Plc for the following two years. In accordance with the current strategy and growth targets for 2024–2027, Consti aims 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 changes in spatial needs, such as those in the workplace and retail sector.

Terminal growth rate

The terminal growth rate is used to extrapolate cash flows beyond the forecast period. Assumed growth does not exceed the average long-term growth of the sector. In addition to the age of the building stock, renovation needs are increased by many phenomena named as megatrends, such as urbanisation, the aging of the population, changes in working methods, the growth of e-commerce and climate change. Renovation and building technology plays a central role in reducing the carbon footprint of the built environment.

Impairment testing sensitivity analysis

The sensitivity analysis is based on a combination of changes in the EBITDA margin and the discount rate, as well as a combination of changes in the terminal growth rate and the discount rate. Even a significant change in these factors would not lead to recognition of an impairment for any of the cash-generating units.

17. Financial assets and liabilities EUR 1,000

Financial assets	2024 Carrying amount and fair value	2023 Carrying amount and fair value	Note
Financial assets recognised at fair value through profit or loss			
Non-current financial assets			
Shares and other non-current financial assets	57	57	
Total financial assets recognised at fair value through profit or loss	**57**	**57**	
Financial assets measured at amortised cost			
Current financial assets			
Trade receivables	26,378	26,313	20
Total financial assets measured at amortised cost	**26,378**	**26,313**	
Cash and cash equivalents	14,184	21,043	21
Total current financial assets	**40,561**	**47,356**	
Total financial assets	**40,619**	**47,413**	

Financial liabilities	2024 Carrying amount and fair value	2023 Carrying amount and fair value	Note
Financial liabilities measured at amortised cost			
Non-current financial liabilities			
Loans from financial institutions	8,987	10,978	24
Non-current hire purchase debt	975	1,247	24
Lease liabilities	1,739	2,549	24
Current financial liabilities			
Loans from financial institutions	2,000	2,000	24
Commercial papers	0	0	24
Current hire purchase debt	774	828	24
Lease liabilities	2,389	2,508	24
Trade payables	21,261	20,962	25
Total financial liabilities measured at amortised cost	**38,126**	**41,071**	
Total non-current financial liabilities	**11,701**	**14,774**	
Total current financial liabilities	**26,424**	**26,297**	
Total financial liabilities	**38,126**	**41,071**	

Notes on measuring at fair value

Shares and other non-current financial assets are unlisted share investments. They have been measured at cost since there are no active markets available to them and their fair value cannot be reliably determined.

In the view of the management, the carrying amount of accounts receivable, accounts payable, short-term credit and other short-term debt is reasonably close to their fair value due to the short maturity of these items.

The fair values of loans from financial institutions are based on discounted cash flows. There is no material difference between fair values and carrying amount as the loans are variable rate loans and there has been no material change in the Group risk premium.

The fair values of lease liabilities are based on discounted cash flows. There is no material difference between fair values and carrying amount since the company would not be able to make new lease agreements with a materially different interest rate.

Fair value hierarchy for financial assets and liabilities repeatedly measured at fair value

All assets and liabilities that are measured at fair value or the fair value of which is presented in the notes to the financial statements are classified as described below at fair value hierarchy levels based on the lowest level input that is significant to the item measured at fair value:

Level 1	Fair values are based on the listed (unadjusted) prices of identical assets or liabilities on active markets.
Level 2	Fair values are based to a material degree on inputs other than listed prices included in level 1 but nevertheless on information that is directly or indirectly observable for the asset or liability in question.
Level 3	Fair values are based on inputs concerning assets or liabilities that are not based on observable market information but to a material degree on management estimates and their application in commonly accepted measurement models.

18. Financial risk management

The aims of financial risk management

The aim of the Group's risk management is to minimise the adverse effects of financial market fluctuations on the Group's result. In its business operations, the Group is exposed to interest rate, credit and liquidity risks. The general principles of the Group's risk management are approved by the Board of Directors, and their practical implementation is the responsibility of the financial department of the Group's parent company together with the business areas. In the business areas, financial matters are the responsibility of financial administration staff and the operational management. The business areas are responsible for delivering accurate and up-to-date information on their financial position and cash flow to the Group's financial administration department so as to ensure efficient management of cash reserves, financing, liquidity and risks.

The Group's financial administration department identifies and assesses risks and acquires the necessary instruments for liquidity, credit and interest rate risks. In addition, it defines the main principles for financial risk management, cash management and special areas related to financing, such as commercial guarantees, relations with finance providers and customer financing.

The Group utilises derivative contracts in its risk management. The Group's risk management principles preclude speculative trading in derivatives.

Consti's cash balance / cash funds include interest-bearing receivables, but apart from these its earnings and operating cash flows are mostly independent of changes in market interest rates. The Group's main financial liabilities, excluding derivative instruments, consist of interest bearing loans and borrowings and trade and other payables. The main purpose of financial liabilities is to finance and support the Group's operating activities.

The Group does not apply hedge accounting.

Interest rate risk

The interest rate risk describes the risk of fluctuations in the fair value of future cash flows as a result of fluctuations in market interest rates. The Group's exposure to fluctuations in market interest rates largely stems from its long-term variable-rate loan liabilities.

The Group manages the interest rate risk by having a suitable allocation of fixed-rate and variable-rate loans in its loan portfolio. The Group manages this allocation through interest rate swaps, with which it agrees the difference between a fixed rate and a variable rate on an agreed nominal principal amount over a certain period of time.

At the end of the reporting period, the Group had no valid interest rate swaps.

Consti monitors the sensitivity of its interest bearing loans and borrowings to changes in interest rates and the effect of such changes on the Group's result before taxes. As other variables are kept stable, the effect of increase in one percent unit in interest rate would have been EUR 123 thousand (EUR 151 thousand in 2023) in the result before taxes.

Credit risk

The credit risk describes the risk of a counterparty failing to fulfil its obligations based on a financial instrument or customer contract, leading to a credit loss. Consti's credit risk is related to customers with whom there are outstanding receivables or with whom construction contracts have been made, as well as to counterparties of financial assets and derivative contracts. The Group's financial administration department is responsible for managing the counterparty risk related to cash assets and derivative contracts. The credit risk relating to operating items, such as trade receivables, is the responsibility of the business areas.

The credit risk related to cash deposits made with banks and other financial institutions is managed by the Group's financial administration department in accordance with the Group's risk management principles, and the selection of financial instrument counterparties is based on the management's assessment of their creditworthiness. The Company's Board of Directors has approved the main bank used by the Company and the counterparty and the limits of the derivative instruments. The Company's management does not expect any credit losses to arise from the counterparties to the financial assets and derivatives presented on the balance sheet.The tools used for managing operational credit risks include accepting advance payments, front-loading payment schedules for contracts and performing background checks on customers. The majority of the Company's business operations are based on reliable and established customer relationships and on contract terms and conditions generally accepted in the sector. The Company does not have significant credit risk concentrations in its receivables because it has a highly diversified clientele. On the reporting date, the maximum exposure to credit risks was the carrying amount of each financial asset class. The Group does not have in its possession any security for its receivables.

Outstanding trade receivables are tested for impairment on each reporting date. The estimates are based on systematic credit control, prior experience of realised credit losses and economic circumstances at the time of estimation. During the financial year, the amount of impairment losses recognised through profit and loss were EUR 183 thousand (EUR 24 thousand in 2023).

The age breakdown of the trade receivables has been presented in note 20. Trade and other receivables.

Liquidity risk

The Group assesses and monitors the adequacy of its liquidity. The Group strives to ensure the availability and flexibility of financing with sufficient credit limit reserves and suitably long loan periods. The assessment of financing needs is based on a budget prepared annually, a financing forecast updated on a monthly basis and up-to-date short-term cash planning. The Group's financial administration department is responsible for ensuring adequate financing.

At the date of the financial statements on 31 December 2024, 31% of the Group's interest bearing debts are due within the following year (31 December 2023 27%), based on the book value presented in the financial statements.

The availability of the short-term financing has been presented below:

EUR 1,000	31 Dec 2024	31 Dec 2023
Undrawn loans	5,000	5,000
Cash and cash equivalents	14,184	21,043
Total	**19,184**	**26,043**

The key loan covenants are reported to lenders at three-month intervals. If the Group breaches any of the loan covenants, lenders may demand accelerated loan repayments. Loan covenants apply to long-term and short-term loans from financial institutions presented in Note 17. Financial assets and liabilities. The financial covenants included in the loans are based on the Group's gearing and the ratio of net debt to adjusted EBITDA. At the balance sheet date, the Group's interest-bearing net debt to adjusted EBITDA ratio was -0.13x according to the confirmed calculation principles. The covenant conditions were met at the end of the 2024 financial year, and according to the company's assessment, they will also be met in the next twelve months.

The Group's management has not identified any significant liquidity concentrations in its financial assets or financing sources.

The table below presents the maturity profile for financing liabilities of the group based on contractual non-discounted cash flows including both interest payments and repayments of the principal. The forthcoming interest flows of variable rate loans are based on rate which was valid on 31 December 2024 (31 December 2023).

EUR 1,000							
31 Dec 2024	2025	2026	2027	2028	2029	2030–	Total
Bank loans [1]	2,424	9,182	0	0	0	0	11,606
Commercial papers	0	0	0	0	0	0	0
Lease liabilities	2,531	1,125	466	227	0	0	4,349
Other interest bearing liabilities	847	647	308	69	0	0	1,871
Trade payables	21,261	0	0	0	0	0	21,261
	27,063	**10,953**	**774**	**296**	**0**	**0**	**39,087**
31 Dec 2023	2024	2025	2026	2027	2028	2029–	Total
Bank loans [1]	2,644	2,541	9,232	0	0	0	14,418
Commercial papers	0	0	0	0	0	0	0
Lease liabilities	2,685	1,520	737	289	138	0	5,368
Other interest bearing liabilities	845	699	481	150	0	0	2,175
Trade payables	20,962	0	0	0	0	0	20,962
	27,137	**4,760**	**10,449**	**439**	**138**	**0**	**42,923**

[1] Consti exercised the second extension option included in it's long-term loan in April 2023, which extended the maturity of the loan by one year. With the use of the second extension option, the last maturity date of the loan was moved to June 2026.

Capital risk management

The aim of the group's capital risk management is to ascertain the normal operating requirements for the business operations, to ascertain optimal capital structure and minimize the cost of capital. The capital is managed mainly by controlling investments and the amount of working capital committed to the business.

In order to reach the goals, that the capital risk management of the group aims, the group ascertains, that it meets the covenants related to the interest bearing debts that define requirements for the equity structure. The most significant ratios concerning the capital risk management are interest bearing net debt / EBITDA and gearing, which are also loan covenants.

19. Inventories EUR 1,000	**2024**	**2023**
Materials and supplies (measured at acquisition cost)	681	719
Total	**681**	**719**

No write-downs of inventories were made in the financial year 2024 (2023).

20. Trade and other receivables EUR 1,000

	2024	2023
Trade receivables	26,378	26,313
Receivables from project deliveries and cost + fee accruals	15,548	11,907
Accrued income	1,958	2,302
Other receivables	791	89
Total	**44,674**	**40,611**

Trade receivables are non-interest bearing and their term of payment is in most cases 14 to 31 days.
In the financial year the Group recognised EUR 183 thousand (EUR 24 thousand in 2023) in impairment losses on accounts receivable. Acquiring guarantees on accounts receivable and other receivables is not a Group policy.

The age structure of trade receivables is as follows:

	2024	2023
Undue	24,026	22,287
Fallen due		
< 30 days	1,352	1,940
30–60 days	366	848
61–90 days	8	214
> 90 days	626	1,023
Total	**26,378**	**26,313**

Note 18. Financial risk management includes a description of how the Group manages and assesses the quality of credit with regard to accounts receivable that have not yet fallen due and the value of which is not impaired.

21. Cash and cash equivalents EUR 1,000

	2024	2023
Cash in hand and at banks	14,184	21,043
Total	**14,184**	**21,043**

Banks pay a variable interest on cash in deposit accounts according to daily deposit interest rates.
The Group's unused account limits on 31 December 2024 were EUR 5,000 thousand (EUR 5,000 thousand in 2023).

Cash and cash equivalents according to the cash flow statement are formed as follows:

	2024	2023
Cash in hand and at banks	14,184	21,043
Cash and cash equivalents	**14,184**	**21,043**

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22. Equity EUR 1,000

Share distribution and share capital	Number of outstanding shares	Share capital	No. of treasury shares	No. of total shares
1 Jan 2023	7,679,528	80	178,739	7,858,267
Use of stock options	39,000			39,000
Conveyance of treasury shares	94,815		-94,815	
Purchase of treasury shares	-19,376		19,376	
31 Dec 2023	**7,793,967**	**80**	**103,300**	**7,897,267**
1 Jan 2024	7,793,967	80	103,300	7,897,267
Use of stock options	119,300			119,300
Conveyance of treasury shares	18,980		-18,980	
Purchase of treasury shares	-52,980		52,980	
31 Dec 2024	**7,879,267**	**80**	**137,300**	**8,016,567**

The number of Consti Plc shares is 8,016,567 in total and the share capital is EUR 80,000. 119,300 new shares of the company were subscribed for in the fiscal year with the 2020 stock options. The company has one series of shares. The share has no nominal value. All issued shares have been paid for in full.

Changes in the number of shares and corresponding changes to equity

	Number of outstanding shares	Share capital	Reserve for invested non-restricted equity	Treasury shares	Total
1 Jan 2023	7,679,528	80	28,781	-782	28,079
Use of stock options	39,000		203		203
Conveyance of treasury shares	94,815		164	818	982
Purchase of treasury shares	-19,376			-240	-240
31 Dec 2023	**7,793,967**	**80**	**29,148**	**-204**	**29,024**
1 Jan 2024	7,793,967	80	29,148	-204	29,024
Use of stock options	119,300		605		605
Conveyance of treasury shares	18,980			189	189
Purchase of treasury shares	-52,980			-563	-563
31 Dec 2024	**7,879,267**	**80**	**29,754**	**-578**	**29,255**

Share capital
The share subscription price received from share issues is recognised under share capital to the extent that a decision has not been made in the share issue resolution to recognise the subscription price under the reserve for invested non-restricted equity.

Dividend
After the balance sheet date, the Board of Directors has proposed a dividend of EUR 0.70 per share. The Board has proposed that the dividend be paid in two instalments. The first instalment of EUR 0.35 per share be paid in April 2025 and the second instalment of EUR 0.35 per share be paid in November 2025.

23. Provisions EUR 1,000

	Warranty provisions	Onerous contracts	Litigation provisions	Total
31.12.2023	**2,827**	**52**	**103**	**2,982**
Changes between categories	-240	-	240	-
1 Jan 2024	**2,587**	**52**	**343**	**2,982**
Arising during the year	2,026	90	40	2,156
Utilised provision	-2,201	-57	-53	-2,311
Unused amounts reversed	-	-	-165	-165
31 Dec 2024	**2,412**	**85**	**165**	**2,662**
Current provisions	2,412	85	165	2,662
Total	**2,412**	**85**	**165**	**2,662**
1 Jan 2023	**2,516**	**63**	**40**	**2,618**
Arising during the year	1,989	84	78	2,151
Utilised provision	-1,678	-95	-15	-1,788
31 Dec 2023	**2,827**	**52**	**103**	**2,982**
Current provisions	2,827	52	103	2,982
Total	**2,827**	**52**	**103**	**2,982**

Warranty provisions
Warranty provisions for contracts are determined with information based on experience of the materialisation of liability. At the end of 2024 warranty provision amounted to EUR 2,412 thousand (EUR 2,827 thousand in 2023). Most of the warranty provisions are expected to be used during the following two years.

Onerous contracts
The expected loss in excess of sales gains from onerous construction contracts has been recognised in full.

24. Financial liabilities EUR 1,000

	2024	2023
Non-current financial liabilities		
Loans from financial institutions	8,987	10,978
Non-current hire purchase debt	975	1,247
Lease liabilities	1,739	2,549
Total non-current financial liabilities	**11,701**	**14,774**
Current financial liabilities		
Loans from financial institutions	2,000	2,000
Commercial papers	0	0
Hire purchase debts	774	828
Lease liabilities	2,389	2,508
Total current financial liabilities	**5,164**	**5,335**

Of the net change in long-term and short-term financial liabilities, EUR -928 thousand relates to the change in lease liabilities. For the rest, the net changes to non-current and current financial liabilities, EUR -2,317 thousand, are cash flow based.

The table includes all except trade and other payables according to note 25.

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25. Trade and other payables EUR 1,000

	2024	2023
Trade payable	21,261	20,962
Advances received from project deliveries and cost + fee accruals	11,383	14,834
Other payables	8,617	8,680
Accrued expenses	12,700	12,634
Total	**53,960**	**57,110**

Trade payables are non-interest bearing and mostly paid within 14 to 31 days.
Their carrying amount corresponds to their fair value because discounting has no material effect taking the maturity of the liabilities into consideration.
The Group's credit risk management process has been described in note 18. Financial risk management.

26. Commitments and contingent liabilities EUR 1,000

Other lease agreements – Group as lessee

Minimum lease payment under non-cancellable other leases:

	2024	2023
Within 1 year	143	153
In 1 to 5 years	144	148
In more than 5 years	-	-
Total	**287**	**302**

Off-balance sheet leasing and rental liabilities include lease liabilities from short-term leases and lease liabilities from low value items. Information on lease costs included in the income statement is presented in note 15.

Litigations and legal proceedings
Group Companies have pending court cases that are associated with normal business operations. The outcome of these court cases is difficult to forecast but where deemed necessary, a provision has been recognised on the best available assessment of the outcome. In the opinion of management, the court cases are not expected to have material influence on the financial position of the Group.

Guarantees
In the course of its business operations, the Group has provided bank guarantees, guarantee insurance commitments and rental deposits for the duration of work and warranty periods.

Guarantees	2024	2023
Bank guarantees and guarantee insurance commitments for the duration of work and warranty periods and rental deposits	48,242	44,475
Total	**48,242**	**44,475**

27. Related party transactions

Information about subsidiaries
The following subsidiaries have been consolidated into the consolidated financial statements:

Company name	Primary business	Country	Omistusosuus % 2024	2023
Consti Talotekniikka Oy	Technical building services	Finland	100 %	100 %
Consti Korjausrakentaminen Oy	Construction	Finland	100 %	100 %
RA-Urakointi Oy [2]	Construction	Finland	100 %	100 %
Sähkö-Huhta Oy [1]	Technical building services	Finland	100 %	100 %
EAM Consti Holding Oy		Finland	0 %	0 %

[1] Sähkö-Huhta Oy was acquired through a share deal on 30 November 2023. The financial year of Sähkö-Huhta Oy ended on 30 November 2023 and deviates from Consti's financial year. The financial year of Sähkö-Huhta Oy was unified in 2024 to match Consti's financial year.

[2] RA-Urakointi Oy was merged into Consti Korjausrakentaminen Oy on 31 December 2024.

The Board of Directors decided in their meeting on 4 April, 2017 to implement a share acquisition and administration arrangement of Consti Plc (Consti) shares with Evli Awards Management Oy (EAM) according to the stipulations of the Companies Act for financing the purchase of own shares (the Finnish Companies Act, Chapter 13, Section 10, Subsection 2) relating to incentive plans. As a part of this arrangement EAM founded EAM CONSTI Holding Oy (Holding company) which acquires the shares with Consti's funding and according to the agreement. These shares will be delivered to the employees according to the Consti's share plan terms and conditions. The Holding company is owned by EAM in legal terms, but according to the agreement Consti has control over the company and acts as the principal, whereas EAM is an agent through the Holding company. This control arising from contractual terms means that the Holding company is consolidated in to the group's IFRS financial statements as a structured entity.

Entities holding significant control in the Group
On 31 December 2024 and 31 December 2023, there were no entities holding significant control in the Group.

Related party transactions
The Group's related parties also include the key management personnel and their close family members, as well as non-Group companies in whose operations persons belonging to Consti Group's management can be assumed to exert an influence. Key management personnel include members of the Board of Directors and of the Management Team. Business transactions concluded with related parties are presented in the table below.

EUR 1,000		Sales	Purchases	Receivables	Payables
Members of Group management	2024	79	15	0	0
	2023	98	0	0	0

Sales to related parties in 2024 include EUR 19 thousand of services purchased from Group companies by CEO, and EUR 36 thousand of services purchased from Group companies by other members of group management, and EUR 24 thousand of tangible fixed assets purchased from Group companies by other members of group management. Sales to related parties in 2023 include EUR 72 thousand of services purchased from Group companies by CEO, and EUR 26 thousand of services purchased from Group companies by other members of group management. Purchases from related parties in 2024 include external services purchased by group companies amounting to 15 thousand euros from a company related to a board member.

Terms associated with related party transactions
No guarantees or commitments have been provided on behalf of related parties.

Loans to related parties
There are no loans to related parties.

EUR 1,000	2024	2023
Employee benefits of management members		
Salaries and other short-term employee benefits	2,307	2,112
Share based payments	422	398
Total	**2,729**	**2,510**

The events related to employment-benefits of management members presented in the table have been recognised as costs during the financial year.

Salaries and remunerations paid to the members of the Board and the CEO	2024	2023
Esa Korkeela, CEO	440	647
Board members and deputy members		
Petri Rignell, chairman	59	52
Erkki Norvio	47	40
Anne Westersund	47	40
Johan Westermarck	47	40
Juhani Pitkäkoski	46	40
Katja Pussinen, member since 3 April 2024	36	-
Pekka Salokangas, member until 3 April 2024	11	40
Total	**291**	**252**

Pension and retirement age
The CEO is entitled to statutory pension and his retirement age is determined in accordance with the statutory employment pension system. The statutory cost of the CEO's pension was EUR 62 thousand in 2024 (EUR 65 thousand in 2023).

No pension insurance under the Employees' Pensions Act (TyEL) has been taken out for members of the Board on their attendance fees.

28. Share-based payments

Share-based incentive plan
Consti Plc's Board decided on 10 November 2016 to establish a new, share-based incentive plan for the Group's key people. The aim of the new plan is to merge the objectives of the shareholders and key people in order to increase the value of the Company in the long-term, to engage key people to the Company, and to offer them a competitive reward plan based on earning of the Company's shares. The share-based incentive plan is considered to be classified under IFRS 2 Share-based payments standard's scope.

The plan offers the key people included in the plan the opportunity to earn Company shares as bonuses by altering half or all of their performance based bonuses into shares. The performance based bonuses altered into shares will be multiplied with a bonus factor determined by the Board before the bonuses are paid. The plan's possible bonus will be paid to participants after a two-year engagement period, in part as company shares and in part as cash.

Consti Plc's Board of Directors has annually decided to continue the share-based incentive plan for the Group's key people launched in 2016 to cover the earning periods 2018–2024. More detailed information on earning periods can be found in the table below.

Share-based incentive plan	Earning period 2024	Earning period 2023	Earning period 2022	Earning period 2021	Earning period 2020
Decision on the plan	28 Feb 2024	2 Mar 2023	3 Mar 2022	2 Mar 2021	28 Feb 2020
Maximum number of awards granted, pcs	300,000	240,000	272,257	230,000	305,000
Maximum number of participants	80	75	75	70	70
Release of shares	2027	2026	2025	2024	2023
Distributed number of shares, pcs				18,980	74,376

Payment for the earnings period 2021 was EUR 322 thousand in total, of which EUR 129 thousand was paid in cash. In accordance with the decision of the Board of Directors, Consti transferred during spring 2024 to the 31 key people covered by the 2021 share-based incentive plan 18,980 shares in total, of which 0 shares were trasferred to the CEO and 4,434 shares were trasferred to the management team members.

Payment for the earnings period 2020 was EUR 1,539 thousand in total, of which EUR 635 thousand was paid in cash. In accordance with the decision of the Board of Directors, Consti transferred during spring 2023 to the 38 key people covered by the 2020 share-based incentive plan 74,376 shares in total, of which 12,873 shares were trasferred to the CEO and 19,919 shares were trasferred to other management team members

The consolidated financial statements in 2024 included cost from the share-based incentive plan amounting to EUR 938 thousand (EUR 765 thousand in 2023).

Option schemes
The Board of Directors of Consti Plc decided on 17 June 2020 to launch a new key employee stock option plan. There is a weighty financial reason for the Company to issue stock options 2020 since the stock options are intended to form part of the key employee incentive and commitment program of Consti Plc and its subsidiaries. The purpose of the stock options is to encourage the key employees to work on a long-term basis to increase shareholder value. The purpose of the stock options is also to commit the key employees to the employer. The maximum total number of stock options 2020 issued is 245,000 and they entitle their owners to subscribe for a maximum total of 245,000 new shares in the Company or existing shares held by the Company. The stock options are issued gratuitously. The number of shares subscribed by exercising stock options now issued corresponds to a maximum total of 3 per cent of the shares and votes in the Company, if new shares are issued in the share subscription. The share subscription price for stock options 2020 is 6.65 euros per share, which is the trade volume weighted average quotation of the Consti Plc share on Nasdaq Helsinki Ltd during 1 May–31 May 2020. The share subscription price is deducted by the amount of dividends and/or distribution of assets to be decided before share subscription. The share subscription period for stock options 2020 is 1 July 2023–30 June 2024. The Board of Directors decided on the new stock option plan by virtue of the authorization given by the Company's Annual General Meeting of Shareholders on 6 April 2020. Stock options 2020 are distributed to approximately 20 Management Team members and other key employees determined by the Board of Directors.

The Board of Directors of Consti Plc decided on 22 June 2022 to launch a new key employee stock option plan. There is a weighty financial reason for the Company to issue stock options 2022 since the stock options are intended to form part of the key employee incentive and commitment program of Consti Plc and its subsidiaries. The purpose of the stock options is to encourage the key employees to work on a long-term basis to increase shareholder value. The purpose of the stock options is also to commit the key employees to the employer. The maximum total number of stock options 2022 issued is 250,000 and they entitle their owners to subscribe for a maximum total of 250,000 new shares in the Company or existing shares held by the Company. The stock options are issued gratuitously. The number of shares subscribed by exercising stock options now issued corresponds to a maximum total of 3,1 per cent of the shares and votes in the Company, if new shares are issued in the share subscription. The share subscription price for stock options 2022 is 9.65 euros per share, which is the trade volume weighted average quotation of the Consti Plc share on Nasdaq Helsinki Ltd during 1 May–31 May 2022. The share subscription price is deducted by the amount of dividends and/or distribution of assets to be decided before share subscription. The share subscription period for stock options 2022 is 1 July 2025–30 June 2026. The Board of Directors decided on the new stock option plan by virtue of the authorization given by the Company's Annual General Meeting of Shareholders on 5 April 2022. Stock options 2022 are distributed to approximately 26 Management Team members and other key employees determined by the Board of Directors.

In 2024, the expense recognition of the option schemes was EUR 96 thousand (EUR 237 thousand in 2023).

Option arrangement	2022	2020
Grant date	22.6.2022	17.6.2020
Amount of granted instruments, pcs	250,000	245,000
Subscription price, EUR	9.65	6.65
Fair value, EUR	2.33	1.63
Share price at time of granting, EUR	9.16	6.72
Term of validity, years	4	4
Subscription period	1.7.2025-30.6.2026	1.7.2023-30.6.2024
Excercised options, pcs	-	158,300
Returned options to company, pcs	50,300	86,700
Number of options outstanding, 31 Dec	199,700	-
Reserve of options, 31 Dec	-	-

29. Events after the reporting period

No material events have been disclosed after the reporting period.

Photo: Elina Saajanne

CASE

Pursimiehenkatu 1, As Oy Meja
The protected property of Housing Company Meja, built in 1928 and located in Viiskulma, Helsinki, was given a new lease on life through a facade renovation. The demanding terrazzo plastering on the ground floor was applied by hand using traditional methods.

PARENT COMPANY

INCOME STATEMENT OF THE PARENT COMPANY (FAS)

	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Net sales	1	**2,142,214.41**	**2,604,460.45**
Other operating income	2	863,183.23	979,523.73
Employee benefit expenses	3	-2,356,686.92	-3,060,727.61
Depreciation and amortisation	5	-152,655.87	-155,419.50
Other operating expenses	4	-2,199,899.55	-1,869,101.65
Total expenses		-4,709,242.34	-5,085,248.76
Operating result		**-1,703,844.70**	**-1,501,264.58**
Financial income and expenses	6	-429,609.21	-480,221.68
Profit (loss) before appropriations and taxes		**-2,133,453.91**	**-1,981,486.26**
Appropriations	7	9,544,439.66	11,967,808.42
Profit (loss) before taxes		**7,410,985.75**	**9,986,322.16**
Total taxes	8	-1,483,250.22	-1,978,079.84
Profit (loss) for the period		**5,927,735.53**	**8,008,242.32**

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BALANCE SHEET OF THE PARENT COMPANY (FAS)

Assets	Note	31 Dec 2024	31 Dec 2023
NON-CURRENT ASSETS			
Intangible assets	9		
Other long-term expenditure		165,270.67	86,639.51
Total non-current assets		**165,270.67**	**86,639.51**
Tangible assets	9		
Machinery and equipment		188,581.61	311,513.89
Total tangible assets		**188,581.61**	**311,513.89**
Investments	10		
Shares in Group companies		100,047,882.25	100,047,882.25
Other shares		254,000.00	254,000.00
Total Investments		**100,301,882.25**	**100,301,882.25**
Total Non-current assets		**100,655,734.53**	**100,700,035.65**
CURRENT ASSETS			
Short-term receivables	11		
Intra-group receivables		11,261,712.54	13,464,267.92
Other receivables		39,173.60	-
Prepaid expenses and accrued income		65,717.84	137,988.35
Total short-term receivables		**11,366,603.98**	**13,602,256.27**
Cash and cash equivalents		12,176,210.27	19,030,554.96
Total current assets		**23,542,814.25**	**32,632,811.23**
ASSETS		**124,198,548.78**	**133,332,846.88**

Equity and liabilities	Note	31 Dec 2024	31 Dec 2023
EQUITY	12		
Share capital		80,000.00	80,000.00
Reserve for invested non-restricted equity		29,554,822.11	28,949,553.31
Treasury shares		-204,012.80	-204,012.80
Retained earnings		29,978,478.82	27,494,432.20
Profit (loss) for the period		5,927,735.53	8,008,242.32
Total equity		**65,337,023.66**	**64,328,215.03**
APPROPRIATIONS			
Cumulative accelerated depreciation		121,073.63	165,513.29
Total appropriations		**121,073.63**	**165,513.29**
LIABILITIES			
Non-current liabilities	13		
Loans from financial institutions		9,000,000.00	11,000,000.00
Non-current hire purchase debts		31,163.95	85,518.77
Total non-current liabilities		**9,031,163.95**	**11,085,518.77**
Current liabilities	13		
Loans from financial institutions		2,000,000.00	2,000,000.00
Current hire purchase debts		31,317.12	39,381.02
Trade payables		221,501.01	285,864.07
Intra-group liabilities		46,848,394.74	53,540,970.91
Other current liabilities		274,755.65	190,415.33
Accrued expenses		333,319.02	1,696,968.46
Total current liabilities		**49,709,287.54**	**57,753,599.79**
Total liabilities		**58,740,451.49**	**68,839,118.56**
EQUITY AND LIABILITIES		**124,198,548.78**	**133,332,846.88**

CASH FLOW STATEMENT OF THE PARENT COMPANY (FAS)

Cash flow statement of the parent company	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Cash flow from operating activities		
Profit (loss) before taxes	7,410,985.75	9,986,322.16
Adjustments:		
Depreciation	152,655.87	155,419.50
Financial income and expenses	429,609.21	480,221.68
Appropriations	-9,544,439.66	-11,967,808.42
Other adjustments	876.09	-22,832.18
Change in working capital	-500,440.71	723,573.53
Operating cash flow before financial and tax items	**-2,050,753.45**	**-645,103.73**
Financial income and expenses (+/-)	-429,609.21	-480,221.68
Taxes paid	-2,576,981.99	-1,430,442.61
Net cash flow from operating activities (A)	**-5,057,344.65**	**-2,555,768.02**
Cash flow from investing activities		
Investments in other shares	-	-2,152,792.38
Investments in tangible and intangible assets	-166,230.84	-234,535.92
Proceeds from sale of property, plant and equipment	57,000.00	92,600.00
Net cash flow from investing activities (B)	**-109,230.84**	**-2,294,728.30**
Cash flow from financing activities		
Dividend distribution	-5,524,195.70	-4,640,716.80
Share subscriptions with share options	605,268.80	202,800.00
Group contribution received	12,000,000.00	9,500,000.00
Payments of long-term liabilities	-2,000,000.00	-2,000,000.00
Change in other interest-bearing liabilities	-6,768,842.30	280,529.03
Net cash flow from financing activities (C)	**-1,687,769.20**	**3,342,612.23**
Change in cash and cash equivalents (A+B+C)	**-6,854,344.69**	**-1,507,884.09**
Cash and cash equivalents at period start	19,030,554.96	20,538,439.05
Cash and cash equivalents at period end	**12,176,210.27**	**19,030,554.96**

NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (FAS)

Accounting principles

The financial statements of Consti Plc have been prepared in accordance with the Finnish Accounting Standards (FAS). The financial statements have been prepared for 12 months from 1 January –31 December 2024.

Translation of items denominated in a foreign currency
Transactions denominated in a foreign currency are recognised in the functional currency at the exchange rate on the date of the transaction. The balances in monetary items denominated in a foreign currency are translated into the functional currency at the rate on the closing date of the reporting period.

Revenue recognition
Revenue of parent company consist of services provided to subsidiaries. Revenue is recognised once the services have been rendered.

Measurement of non-current assets
Non-current assets are measured in the balance sheet at cost less accumulated depreciation. Tangible and intangible assets are measured at cost less accumulated depreciation. Investments have been measured at cost.

The depreciation periods for the assets groups are as follows:

Buildings and structures	20	years
Machinery and equipment	3–5	years
Vehicles	3–5	years
Other tangible assets	3–5	years
Intangible rights	3–5	years
Other long-term expenditure	5	years

Pension insurance
Pension schemes for the personnel are arranged as statutory pension insurance with an external pension insurance company. Pension expenses have been recognised in the income statement.

Research and development expenses
Research and development expenses have been booked in the income statement during the period in which they occur.

Measurement of receivables and liabilities
Trade, loan and other receivables presented in receivables have been measured at lower of nominal value and probable value. Liabilities have been measured at higher of nominal value and comparison-based value.

Appropriations
Appropriations encompass received and paid group constributions as well as the cumulative accelerated depreciation charge.

Taxes
Taxes from earlier financial periods are included in the taxes presented in the income statement for the financial period. No deferred taxes have been recognised.

1. Net sales	2024	2023
Income from services	2,142,214.41	2,604,460.45
Total	**2,142,214.41**	**2,604,460.45**

2. Other operating income	2024	2023
Gain on sale of tangible and intangible assets	-	31,276.79
Other income	863,183.23	948,246.94
Total	**863,183.23**	**979,523.73**

3. Information on personnel and members of Plc organs	2024	2023
Salaries	1,985,094.45	2,666,313.67
Pension expenses	355,248.68	352,498.61
Other social security expenses	16,343.79	41,915.33
Total	**2,356,686.92**	**3,060,727.61**
Average number of employees during the financial year:	13	14
Management remuneration		
CEO	440,485.10	646,568.14
Members of Board of Directors	290,500.00	252,000.00
Total	**730,985.10**	**898,568.14**

4. Other operating expenses	2024	2023
Auditor fees		
Audit (EY)	31,952.00	121,118.00
Audit (KPMG)	43,107.00	-
Sustainability reporting assurance (KPMG)	29,900.80	-
Other assignments and statements of the auditor (KPMG)	962.00	-
Other assignments and statements of the auditor (EY)	8,888.00	10,200.00
Total	**114,809.80**	**131,318.00**

5. Depreciation, amortisation and impairment

	2024	2023
Depreciation and amortisation by asset type		
Intangible rights	0.00	2,412.45
Other long-term expenditure	59,129.60	51,118.23
Machinery and equipment	93,526.27	101,888.82
Total	**152,655.87**	**155,419.50**

6. Financial income and expenses

	2024	2023
Other interest and financial income		
From others	347,738.59	354,741.72
Total	**347,738.59**	**354,741.72**
Interest and other financial expenses		
Interest expenses to group companies	90,776.47	90,714.20
Interest expenses to others	678,696.93	731,067.27
Other financial expenses	7,874.40	13,181.93
Total	**777,347.80**	**834,963.40**
Total financial income and expenses	**-429,609.21**	**-480,221.68**

7. Appropriations

	2024	2023
Group contributions received	9,500,000.00	12,000,000.00
Cumulative accelerated depreciation charge, addition (-) or decrease (+)	44,439.66	-32,191.58
Total	**9,544,439.66**	**11,967,808.42**

8. Taxes

	2024	2023
Taxes from ordinary business	1,483,250.22	1,978,079.84

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9. Changes in non-current assets

	2024	2023
Tangible and intangible assets		
Intangible rights		
Carrying amount at period start	0.00	2,412.45
Additions	-	-
Amortisation	-	2,412.45
Carrying amount at period end	0.00	0.00
Other long-term expenditure		
Carrying amount at period start	86,639.51	110,082.01
Additions	137,760.76	27,675.73
Amortisation	59,129.60	51,118.23
Carrying amount at period end	165,270.67	86,639.51
Machinery and equipment		
Carrying amount at period start	311,513.89	276,310.34
Additions	28,470.08	208,230.61
Disposals	57,876.09	71,138.24
Depreciation	93,526.27	101,888.82
Carrying amount at period end	**188,581.61**	**311,513.89**

10. Investments

	2024	2023
Shares in Group companies		
Acquisition cost 1 Jan	100,047,882.25	97,690,699.87
Additions	-	2,357,182.38
Acquisition cost 31 Dec	100,047,882.25	100,047,882.25
Other shares		
Acquisition cost 1 Jan	254,000.00	254,000.00
Acquisition cost 31 Dec	254,000.00	254,000.00
Total investments	**100,301,882.25**	**100,301,882.25**

11. Receivables

	2024	2023
Current receivables		
Intra-group receivables		
Trade receivables	1,387,585.93	1,464,267.92
Other receivables	374,126.61	0.00
Group contribution receivables	9,500,000.00	12,000,000.00
Total	**11,261,712.54**	**13,464,267.92**
Material external items in accrued income and prepaid expenses		
Expenses paid in advance	8,508.92	9,398.98
Other items	57,208.92	128,589.37
Total	**65,717.84**	**137,988.35**

12. Equity

	2024	2023
Share capital 1 Jan	80,000.00	80,000.00
Share capital 31 Dec	**80,000.00**	**80,000.00**
Reserve for invested non-restricted equity 1 Jan	28,949,553.31	28,582,468.51
Additions	605,268.80	367,084.80
Reserve for invested non-restricted equity 31 Dec	**29,554,822.11**	**28,949,553.31**
Retained earnings 1 Jan	35,298,661.72	31,891,031.00
Purchase/conveyance of treasury shares	-	40,105.20
Dividend distribution	-5,524,195.70	-4,640,716.80
Retained earnings 31 Dec	**29,774,466.02**	**27,290,419.40**
Profit/loss for the period	**5,927,735.53**	**8,008,242.32**
Total	**35,702,201.55**	**35,298,661.72**
Equity	**65,337,023.66**	**64,328,215.03**
Distributable funds 31 Dec		
Reserve for invested non-restricted equity	29,554,822.11	28,949,553.31
Retained earnings	29,774,466.02	27,290,419.40
Profit for the period	5,927,735.53	8,008,242.32
Total distributable funds	**65,257,023.66**	**64,248,215.03**

Consti Plc's treasury shares

The parent company owns treasury shares as follows:

Number of shares	Share of share capital	Share of voting rights
103,300	1.3%	1.3%

13. Non-current and current liabilities

	2024	2023
Non-current liabilities		
Liabilities to others		
Loans from financial institutions	9,000,000.00	11,000,000.00
Non-current hire purchase debt	31,163.95	85,518.77
Total non-current liabilities	**9,031,163.95**	**11,085,518.77**
Current liabilities		
Intra-group liabilities		
Trade payables	77,699.15	63,851.75
Other liabilities	46,770,695.59	53,477,119.16
Liabilities to others		
Trade payables	221,501.01	285,864.07
Hire purchase debt	31,317.12	39,381.02
Loans from financial institutions	2,000,000.00	2,000,000.00
Accrued expenses	333,319.02	1,696,968.46
Other liabilities	274,755.65	190,415.33
Total current liabilities	**49,709,287.54**	**57,753,599.79**

Other liabilities to intra-group companies consists mainly of group bank account liabilities to subsidiaries.

	2024	2023
Material items included in accrued expenses		
External		
Accruals related to employee benefit expenses	248,587.09	304,145.02
Accruals related to interest expenses	9,873.11	7,389.77
Tax accruals	20,250.27	1,110,982.04
Other accruals	54,608.55	274,451.63
	333,319.02	**1,696,968.46**

14. Commitments

	2024	2023
Rental liabilities		
To be paid during the on-going financial year	952,171.51	930,833.96
To be paid in later years	389,485.96	1,296,852.96
Total	**1,341,657.47**	**2,227,686.92**
Other liabilities		
Account limit, amount in use	0.00	0.00
Account limit, unused amount	5,000,000.00	5,000,000.00
Total	**5,000,000.00**	**5,000,000.00**
Guarantees		
Rental deposits	325,000.00	325,000.00
On behalf of intra-group companies	47,917,153.51	44,150,471.12

15. Remuneration of the management

Remuneration principles
Consti's compensation principles aim at rewarding good performance, increasing personnel motivation and committing management and staff to the company's goals. The CEO and other managers are compensated with a fixed monthly salary, in addition to which they belong to a performance based incentive plan together with other permanently employed white-collar workers. Consti Plc's Board decided during the financial year 2016 on establishing a new, share-based incentive plan for the Group's key people covering the earning periods 2016 and 2017. Decisions to continue the share-based incentive plan to cover earnings periods 2018–2024 have been made thereafter annually. The aim of the plan is to merge the objectives of the shareholders and key people in order to increase the value of the Company in the long-term, to engage key people to the Company, and to offer them a competitive reward plan based on earning of the Company's shares.

The Board of Directors
Consti Plc's Annual General Meeting (AGM) decides the Board's rewards and expense compensations annually. The Nomination and Compensation Committee prepares a suggestion to the AGM of the Board's composition and compensations. The Committee prepares the Group's remuneration principles and short and long-term incentive programmes and monitors their execution and efficiency.

On 3 April 2024 the AGM decided that the annual remuneration of the members of the Board of Directors is paid as follows: The Chairman of the Board of Directors is paid EUR 54,000 and members of the Board of Directors are each paid EUR 42,000. It was also resolved that a EUR 500 fee per member per meeting is paid for Board meetings. It was resolved that the travel expenses of the members of the Board of Directors arising from participation in the Board meetings are compensated according to invoice. Committee work is not separately compensated.

Remuneration proposal for 2025
The Board of Directors proposes, upon the proposal by the Nomination Committee, that the annual remuneration of the Board Members elected for the term of office lasting until the Annual General Meeting of 2026 is paid as follows:

Chairman of the Board	EUR 4,500/month (EUR 54,000/year)
Member of the Board	EUR 3,500/month (EUR 42,000/year)

In addition, the Nomination Committee proposes that a EUR 500 fee per member per meeting is paid for Board meetings.

Board of Directors remuneration in 2024

EUR	Compensation 2024	Compensation 2023
Petri Rignell *	58,500	52,000
Erkki Norvio *	46,500	40,000
Anne Westersund	46,500	40,000
Johan Westermarck	46,500	40,000
Juhani Pitkäkoski *	46,000	40,000
Katja Pussinen [1]	35,500	-
Pekka Salokangas [2]	11,000	40,000

[1] Katja Pussinen has been a member of the Board of Directors since 3 April 2024
[2] Pekka Salokangas has been a member of the Board of Directors until 3 April 2024
* Member of the Nomination and Compensation Committee, according to the decision made by the AGM, committee work is not separately compensated. Pekka Salokangas has been a member of the Nomination and Compensation Committee until 3 April 2024.

Short-term rewards–bonus scheme
The basis of compensation in Consti Plc is a fixed monthly salary, in addition to which Group management belongs to a performance based incentive plan together with majority of other permanently employed white-collar workers.The Group has a bonus scheme defined by the Board of Directors which aims at supporting the company's strategy and reward for its realisation and simultaneously provides the personnel with a competitive remuneration system. The bonus scheme's principles, terms, earning criteria, upper and lower limits of the result targets, as well as individuals belonging to the bonus scheme are determined annually by the Board of Directors.

Long-term rewards
Consti Plc's Board decided on 10 November 2016 to establish a new, share-based incentive plan for the Group's key people. The aim of the new plan is to merge the objectives of the shareholders and key people in order to increase the value of the Company in the long-term, to engage key people to the Company, and to offer them a competitive reward plan based on earning of the Company's shares.
The plan offers the key people included in the plan the opportunity to earn Company shares as bonuses by altering half or all of their performance based bonuses into shares. The performance based bonuses altered into shares will be multiplied with a bonus factor determined by the Board before the bonuses are paid. The plan's possible bonus will be paid to participants after a two-year engagement period, in part as company shares and in part as cash.

Consti Plc's Board of Directors has annually decided to continue the share-based incentive plan for the Group's key people launched in 2016 to cover the earning periods 2018–2024. More detailed information on earning periods are presented in note 28 of the consolidated financial statements.

The Board of Directors of Consti Plc decided on 17 June 2020 to launch a new key employee stock option plan. There is a weighty financial reason for the Company to issue stock options 2020 since the stock options are intended to form part of the key employee incentive and commitment program of Consti Plc and its subsidiaries. The purpose of the stock options is to encourage the key employees to work on a long-term basis to increase shareholder value. The purpose of the stock options is also to commit the key employees to the employer. The maximum total number of stock options 2020 issued is 245,000 and they entitle their owners to subscribe for a maximum total of 245,000 new shares in the Company or existing shares held by the Company. The stock options are issued gratuitously. The number of shares subscribed by exercising stock options now issued corresponds to a maximum total of 3 per cent of the shares and votes in the Company, if new shares are issued in the share subscription. The share subscription price for stock options 2020 is 6.65 euros per share, which is the trade volume weighted average quotation of the Consti Plc share on Nasdaq Helsinki Ltd during 1 May–31 May 2020. The share subscription price is deducted by the amount of dividends and/or distribution of assets to be decided before share subscription. The share subscription period for stock options 2020 is 1 July 2023–30 June 2024. The Board of Directors decided on the new stock option plan by virtue of the authorization given by the Company's Annual General Meeting of Shareholders on 6 April 2020. Stock options 2020 are distributed to approximately 20 Management Team members and other key employees determined by the Board of Directors. In 2023, a total of 39,000 Consti Plc new shares an in 2024, a total of 119,300 Consti Plc new shares has been subscribed for with the company's stock options 2020.

The Board of Directors of Consti Plc decided on 22 June 2022 to launch a new key employee stock option plan. There is a weighty financial reason for the Company to issue stock options 2022 since the stock options are intended to form part of the key employee incentive and commitment program of Consti Plc and its subsidiaries. The purpose of the stock options is to encourage the key employees to work on a long-term basis to increase shareholder value. The purpose of the stock options is also to commit the key employees to the employer. The maximum total number of stock options 2022 issued is 250,000 and they entitle their owners to subscribe for a maximum total of 250,000 new shares in the Company or existing shares held by the Company. The stock options are issued gratuitously. The number of shares subscribed by exercising stock options now issued corresponds to a maximum total of 3.1 per cent of the shares and votes in the Company, if new shares are issued in the share subscription. The share subscription price for stock options 2022 is 9.65 euros per share, which is the trade volume weighted average quotation of the Consti Plc share on Nasdaq Helsinki Ltd during 1 May–31 May 2022. The share subscription price is deducted by the amount of dividends and/or distribution of assets to be decided before share subscription. The share subscription period for stock options 2022 is 1 July 2025–30 June 2026. The Board of Directors decided on the new stock option plan by virtue of the authorization given by the Company's Annual General Meeting of Shareholders on 5 April 2022. Stock options 2022 are distributed to approximately 26 Management Team members and other key employees determined by the Board of Directors.

CEO remuneration
The company's Board of Directors annually decide the CEO's rewards and compensations. The Nomination and Compensation Committee prepares a suggestion to the Board regarding the CEO and the terms of his/her employment.

The CEO receives a fixed monthly salary and an annual bonus that is tied to the result and the CEO's personal performance according to the scorecard defined by the company. The annual bonus can be no more than 60 percent of the CEO's annual fixed salary income. The CEO's remuneration can be reassessed annually. In 2024 CEO Esa Korkeela was paid a salary of EUR 440 thousand. In addition, the CEO is entitled to a supplementary pension insurance paid by the company.

The CEO's notice period is six months. The severance pay is fixed to equal six month's gross wages prior to the termination of the employment. Additionally, when the company or the CEO terminates the employment, the CEO is entitled to compensation for the time period during which a non-compete obligation is ongoing. This compensation amounts to a maximum of six months' gross wages, with altering salary, provisions and bonuses not considered as part of the wages. Should the CEO's employment end with a termination of the CEO's contract due to a material breach of contract on the company's part, the CEO is entitled to the result-based-bonus of the ongoing fiscal year adjusted to the time period that the CEO was employed by the company that fiscal year.

Supplementary pension scheme for the CEO and Management Team
The CEO and part of the Management Team belong to the supplementary pension scheme for senior management. The supplementary pension is contribution-based, so the company is not liable for additional payments after the paid pension fee. Should the employment of an individual in the supplementary pension scheme end before the contractual retirement age; the individual is entitled to security that amounts to the pension savings accumulated thus far.

Management team
The Board of Directors decide on the compensation of the Management Team. The Management Team Members receive a monthly fixed salary and a variable annual result-based-bonus according to the corporate incentive scheme and each member's personal scorecard. The terms of remuneration of the Management Team can be adjusted annually. When necessary, the Committee shall prepare proposals regarding the appointment and compensation of other executives prior to Board meetings.

BOARD OF DIRECTORS' DIVIDEND PROPOSAL

Distributable funds of the parent company Consti Plc on 31 December 2024 are (EUR):	
Retained earnings	29,774,466.02
Profit/loss for the period	5,927,735.53
Total retained earnings	35,702,201.55
Reserve for invested non-restricted equity	29,554,822.11
Total distributable funds	65,257,023.66

The Board of Directors proposes to the Annual General Meeting that the distributable funds shall be used as follows:	
EUR 0.70 per share shall be paid as dividend to the shareholders of the company using retained earnings, i.e.*	5,515,486.90
To be left in distributable funds	59,741,536.76

The proposed dividend represents 77% of the Group's profit of the year. The Board proposes that the dividend be paid in two instalments. The first instalment of EUR 0.35 per share be paid in April 2025 and the second instalment of EUR 0.35 per share be paid in November 2025.

* distributable dividend has been calculated based on 31 December 2024 status, the amount of own shares has been described in Note 22. Equity

After the balance sheet date there have not been any material changes in the financial position of the company. Company's liquidity is on good level and according to the Board of Directors the proposed dividend payment does not jeopardise the liquidity of the company.

CONFIRMATION OF THE BOARD OF DIRECTORS AND THE CEO

We confirm that:

- the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the financial statements of the parent company prepared in accordance with the laws and regulations governing the preparation of financial statements in Finland give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the management report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face and
- that the sustainability report within management report is prepared in accordance with sustainability reporting standards referred to in Chapter 7 of the Accounting Act and with the Article 8 of Taxonomy Regulation

SIGNATURES TO THE FINANCIAL STATEMENTS AND BOARD OF DIRECTORS' REPORT

Helsinki, 6 February 2025

Rignell Petri
Chairman of the Board of Directors

Norvio Erkki
Member of the Board of Directors

Pitkäkoski Juhani
Member of the Board of Directors

Pussinen Katja
Member of the Board of Directors

Westermarck Johan
Member of the Board of Directors

Westersund Anne
Member of the Board of Directors

Korkeela Esa
CEO

Auditor's note

An auditor's report has been issued today.

Helsinki, 6 February 2025

KPMG Oy Ab
Authorised Public Accountants

Koila Turo
APA

AUDITOR'S REPORT

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Consti Oyj (business identity code 2203605-5) for the year ended 31 December 2024. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 8 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

We have not identified key audit matters relating to the parent company's financial statements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Revenue recognition of project deliveries - notes 1. Accounting principles - Revenue recognition and 4. Revenues from contracts with customers	
• Revenue recognition mainly consists of handing over goods and services to customers according to project contracts. In 2024, approximately 94% of the net sales of 326 million euros consisted of project deliveries. • Projects are recognized in revenue according to the degree of fulfillment of the performance obligation (project completion degree). The degree of completion is determined as the relative share of the actual costs to the total costs estimated by the management. Any incorrect cost forecasts would lead to an incorrect amount of revenue. • Any incorrect cost forecasts would lead to an incorrect amount of revenue. • Due to discretion based on the management's judgment, the reporting of net sales includes the risk of an incorrect revenue recognition time or amount.	• We have evaluated the company's sales revenue recognition and calculation practices in relation to the principles defined by IFRS standards. • We have tested the functionality of the internal controls that ensure the correctness and timing of key sales reporting. • The project's total revenue estimates, which are revenue generated according to the degree of completion, have been compared with customer contracts. In addition to this, we have analyzed predicted and realized project costs and project margins. We have also gone through the process of updating cost forecasts and levels of readiness and assessed its appropriateness. • In addition, we have performed material audit procedures related to the correctness of the sale and the time of revenue recognition of the sale, as well as evaluated the presentation of supplementary information on the net sales in the financial statements.
Valuation of goodwill - notes 1. Accounting principles - Goodwill, 14. Intangible assets and goodwill and 16. Impairment testing on goodwill	
• Goodwill 49 million EUR constitutes a significant part, 42%, of the total of the consolidated balance sheet. • The goodwill impairment test requires determining the recoverable cash flows of cash-generating units. Determining recoverable cash flows requires management's estimates and consideration regarding future cash flows and the discount rates used to discount these cash flows. • Goodwill is tested for impairment when there are indications of impairment, or at least annually. Impairment testing is done by comparing the asset's recoverable amount with its book value. Management estimates the asset's recoverable amount using the discounted cash flow model. The cash flow forecasts, which are the basis of the testing, involve a significant amount of management's estimates regarding, in particular, net sales growth, profitability and the discount rate. • Due to the significance of the balance sheet value and the significant management judgment related to the forecasts, the valuation of goodwill is a key issue from the point of view of auditing.	• We have critically evaluated the management's bases and assumptions according to which the cash flow forecasts for the coming years have been drawn up. • We have also evaluated the cash flow forecasts of previous financial periods in relation to the realized cash flows. • KPMG's valuation experts have participated in the audit, who have evaluated the appropriateness of the discount rate, the technical correctness of the calculations, and the assumptions used in relation to market- and industry-specific information. • In addition, we have assessed the appropriate presentation of the notes related to goodwill testing in the financial statements.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 3.4.2024, and our appointment represents a total period of uninterrupted engagement of one year.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements or our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 6 February 2025

KPMG OY AB
Turo Koila
Authorised Public Accountant, KHT

ASSURANCE REPORT ON THE SUSTAINABILITY REPORT

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

To the Annual General Meeting of Consti Oyj

We have performed a limited assurance engagement on the group sustainability report of Consti Oyj (business identity code 2203605-5) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year 1.1.–31.12.2024.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability report does not comply, in all material respects, with

1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);

2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Consti Oyj has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability report with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability report as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorized Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to the fact that the group sustainability report of Consti Oyj that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year 1.1.–31.12.2024. Our opinion does not cover the comparative information that has been presented in the group sustainability report. Our opinion is not modified in respect of this matter.

Authorized group sustainability auditor's Independenceand Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The authorized group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorized sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Consti Oyj are responsible for:

- the group sustainability report and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified as well as the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act and
- the compliance of the group sustainability report with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability report that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Report

Preparation of the sustainability report requires Company to make materiality assessment to identify relevant matters to report. This includes significant management judgement and choices. It is also characteristic to the sustainability reporting that reporting of this kind of information includes estimates and assumptions as well as measurement and estimation uncertainty. Furthermore, when reporting forward looking information company has to disclose assumptions related to potential future events and describe Company´s possible future actions in relation to these events. Actual outcome may differ as forecasted events do not always occur as expected.

Responsibilities of the Authorized Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability report.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability report, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

CONSTI PLC ASSURANCE REPORT ON THE SUSTAINABILITY REPORT

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for ex. the following:

- We interviewed Consti Oyj management and persons responsible for the preparation and gathering of the sustainability information.
- We familiarized with interviews to the key processes related to collecting and consolidating the sustainability information.
- We got acquainted with the relevant guidances and policies related to the sustainability information disclosed in the sustainability report.
- We acquainted ourselves to the background documentation and other records prepared by the Company, as appropriate and assessed how they support the information included in the sustainability report.
- We conducted site visits to the selected operational sites.
- In relation to the double materiality assessment process, we interviewed persons responsible for the process and familiarized ourselves with the process description prepared of the double materiality assessment and other documentation and background materials.
- In relation to the EU taxonomy information we interviewed the management of the company and persons with key roles in reporting taxonomy information to understand/examine how taxonomy eligible and taxonomy aligned activities have been identified, we obtained evidence supporting the interviews and reconciled the reported EU taxonomy information to supporting documents and to the bookkeeping, as applicable.
- We assessed the application of the ESRS sustainability reporting standards reporting principles in the presentation of the sustainability information.

Helsinki, 6 February 2025

KPMG OY AB
Authorized Sustainability Audit Firm

Turo Koila
Authorized Sustainability Auditor, KRT

CONSTI PLC CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Consti Plc (Consti) is registered in Finland and it is a publically listed company at Nasdaq Helsinki Ltd Stock Exchange. Consti's governance and management are based on the Finnish Limited Liability Companies Act and Securities Markets Act, the company's Articles of Association and the rules and guidelines of Nasdaq Helsinki Oy. Consti complies with the Finnish Corporate Governance Code (www.cgfinland.fi).

This Corporate Governance review has been given as a separate entity alongside of the Financial Statements, Report of the Board of Directors and Remuneration Report. The review is available online on the Group's website www.consti.fi > Investors > Corporate Governance.

Consti Plc's Board has assessed the review in its meeting 6 February 2025, and the company's auditor has confirmed that the reviews general description on internal control and risk management is in line with the financial statement.

1 BOARD OF DIRECTORS

The Board's responsibilities

The Board of Directors confirms Consti's strategy and monitors its implementation. In accordance with the Companies Act and Consti's Articles of Association the Board of Directors attends to Consti's administration and organization of its operations and represents the company. Consti's Board of Directors has established written Rules of Procedure, in which its central responsibilities and principles of operation are defined.

Consti's Board of Directors has three to nine members. The Board elects a Chairman and a Deputy Chairman from among its members. The Board assesses the independence of its members. The Nomination and Compensation Committee, annually set by the Board of Directors, makes a proposal of the composition of the Board of Directors to the GM.

The Board of Directors

- defines the Company's dividend policy
- decides on donations within the framework of the Finnish Companies Act
- defines the operating principles for the risk management system and internal control
- considers and approves interim reports, the report of the Board of Directors and the annual financial statements
- confirms its own Rules of Procedure
- confirms the Company's operating method and the principles and guidelines that guide it, as well as monitors how they are carried out
- approves the Company's strategy and related sustainability goals and monitors how they are carried out
- approves annually a business plan and budget based on the strategy and monitors how they are carried out
- sets personal goals for the CEO annually and assesses how they are achieved as well as approves the targets for the members of the Management Team and assesses how those are achieved
- confirms the Group's organizational structure
- appoints and discharges from their duties the CEO and the members of the Management Team and decides on their terms of employment and incentive schemes
- prepares draft resolutions as necessary for the General Meeting of Shareholders concerning remuneration schemes for management and personnel
- monitors succession issues of the management
- considers other matters that the Chairman of the Board or CEO has submitted on the agenda. Members of the Board are also entitled to bring matters before the Board by informing the Chairman of this.

Composition of the Board

Consti Plc's Board of Directors is chosen by the Annual General Meeting (AGM) for a set time period lasting until the next AGM. The Nomination and Compensation Committee makes a proposal of the composition of the Board of Directors to the GM. The Nomination and Compensation committee also deals with the company's diversity principles.

Requirements set by operations as well as the company's development stage are taken into consideration when electing the Board of Directors. As stated in the Corporate Governance Code, Board members must have required competence for the position and sufficient time to take care of Board responsibilities. The number of Board Members and the Board's composition must enable efficiently taking care of the Board's responsibilities. As stated in the Code, the Board must have both genders represented.

The diversity of the Board is based on Consti's business strategy and future needs. Diversity criteria include the Members' experience in the company's strategic business areas, the cultures that the company operates in, as well as education, age and gender.

In addition to the corporate governance code, the Nomination and Compensation Committee must take into consideration the company's diversity criteria when identifying and suggesting new members to the Board. The diversity criteria are set to ensure that the Board's competence, background and personal abilities in general meet the company's current and future operational needs.

Board Members 31.12.2024

Consti Plc's Board of Directors on 31 December 2024 comprised of Petri Rignell (Chairman), Erkki Norvio, Anne Westersund, Johan Westermarck, Juhani Pitkäkoski and Katja Pussineni. All Board members were elected in the Annual General Meeting on 3 April 2024.

The Board of Directors held 12 meetings during 2024, the attending rate of Board Members was 98.6%. The attendance rate per Member was: Petri Rignell 100%, Erkki Norvio 100%, Anne Westersund 100%, Johan Westermarck 100%, Juhani Pitkäkoski 91.7%, Pekka Salokangas 100% and Katja Pussinen 100%.

Board of Director's Committees

The Board has a Nomination and Compensation Committee. The Board annually nominates at least three Committee Members and appoints one of them as Chairman of the Committee, and confirms the Committee's written charters. The Committee meets when necessary, however at a minimum three times a year.

The Committee has no independent decision-making power; it prepares matters to be presented to and decided by the Board. The Committee directly presents the proposal for composition and compensation for the Board of Directors to the Annual General Meeting; prepares a proposal for the CEO and the terms of his/her employment and when necessary also prepares proposals on the appointment and remuneration of other executives prior to the Board of Directors' meeting. The Committee prepares the Group's remuneration principles, short and long-term compensation schemes and monitors their efficiency and realisation. The Committee also prepares the company's diversity policy.

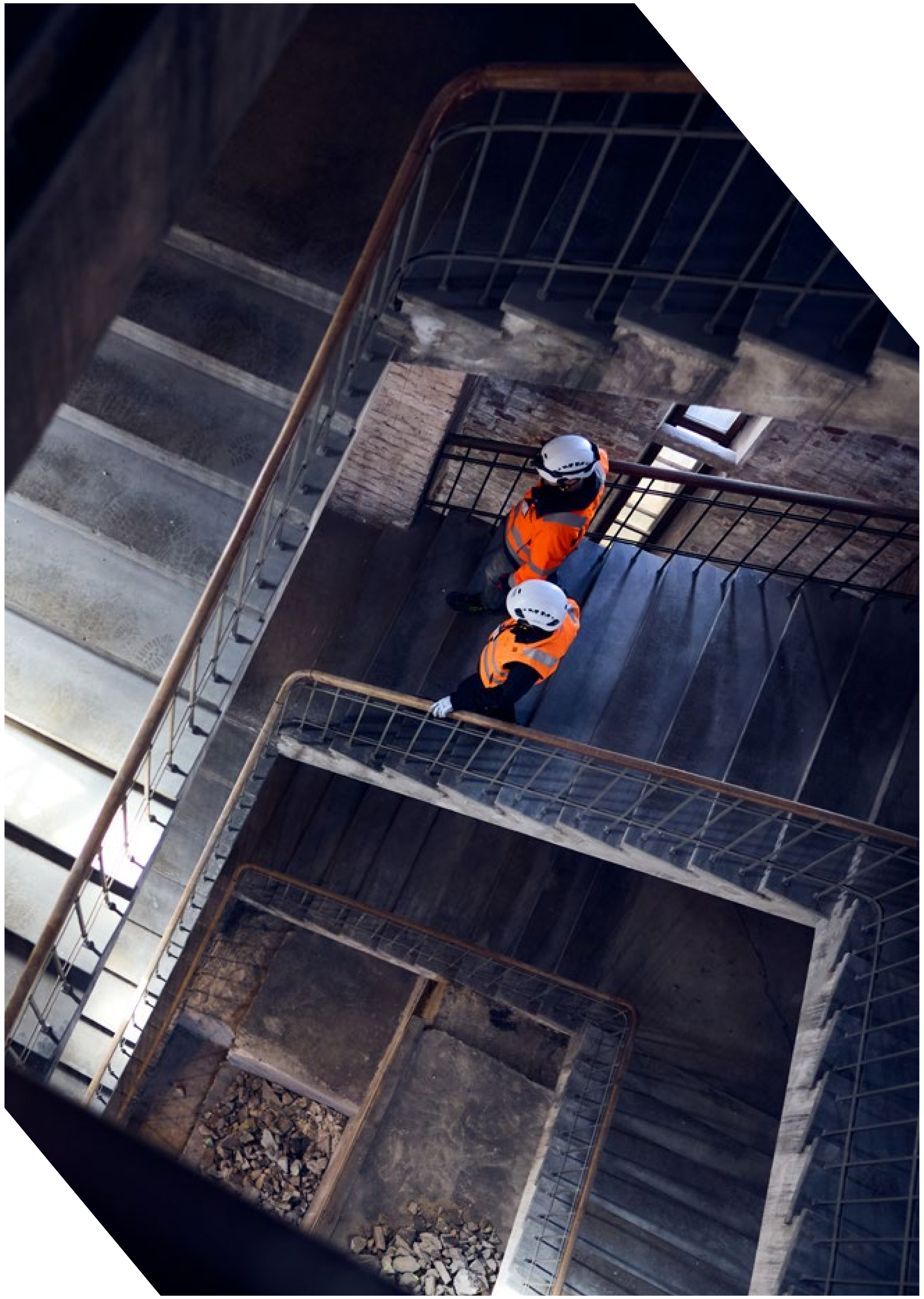


Photo: Ville Vappula

In 2024, the Committee consisted of Erkki Norvio (Chairman), Petri Rignell and Juhani Pitkäkoski and it had four meetings. All Members attended the meetings.

The Board has stipulated that the Group's scope of operations does not necessitate the creation of a separate Audit Committee, and the Board will take care of its responsibilities. In this capacity, the Board meets the external auditor at least once a year without the members of the management employed by the Company. In the capacity of the Audit Committee, the Board's responsibilities include reviewing the Company's financial statements, half-year financial report and interim reports, monitoring the internal control system, and seeing to internal and external audits.

2 CEO

The Board appoints Consti's CEO and determines the related terms of employment. The employment terms of the CEO are defined in a written employment contract. The CEO is responsible for ensuring that the targets, plans, guidelines and goals set by the Board are carried out within the Company. According to the Finnish Companies Act, the CEO ensures that the accounting practices of the company comply with the law and that financial matters are handled in a reliable manner. The Board assesses the CEO's work and monitors the CEO's development in achieving set targets.

In 2024, Consti's CEO was Esa Korkeela. Esa Korkeela was born in 1972 and has a Master of Science (Econ.) and MBA degrees. He has worked for the company since 2009 as the Group's CFO and as interim CEO during 9–12/2017. At the end of the fiscal period, according to the register maintained by Euroclear Oy, the CEO owned 477,931 Consti Plc shares, which amounts to 5.96 percent of the company's shares and votes.

3 MANAGEMENT TEAM

Supporting the CEO in his/her duties, the Management Team is responsible for business development and the Company's operational activities in accordance with targets set by the Board of Directors and the CEO. The Management Team also defines operative principles and procedures in accordance with guidelines set by the Board. The Management Team convenes every month and whenever necessary and concentrates on the strategic issues of the Group and the business areas. On the agenda there are regular reports and questions concerning the development of the financials, governance, corporate responsibility and development projects. The CEO acts as Chairman of the Management Team.

4 EXTERNAL AUDIT

The statutory external audit for the financial period includes auditing of accounting records, financial statements and administration. The Annual General Meeting on 3 April 2024 chose KPMG Oy Ab as auditor with APA Turo Koila as principal auditor. It was resolved that KPMG Oy Ab will also carry out the assurance of the company's sustainability reporting for the financial year 2024 in accordance with the transitional provision of the act changing the Limited Liability Companies Act (1252/2023) and Turo Koila, Authorized Public Accountant, Authorized Sustainability Auditor will act as the principally responsible sustainability reporting assurer. In 2024, audit costs amounted to EUR 158 thousand (EUR 75 thousand EY, EUR 80 thousand KPMG and EUR 3 thousand Truedot Tilintarkastus Oy) and sustainability reporting assurance cost amounted to EUR 30 thousand (KPMG). In addition, the auditor received compensation for other services amounting to EUR 10 thousand (EUR 9 thousand EY and EUR 1 thousand KPMG).

KPMG Oy Ab has acted as Consti's auditor since 2024. APA Turo Koila has acted as principal auditor since 2024.

5 INTERNAL CONTROLS OF THE FINANCIAL REPORTING PROCESS

Consti compiles its financial reporting in accordance with the International Financial Reporting Standards (IFRS), the Securities Markets Act, the Finnish Accounting Act and the Finnish Accounting Board's guidelines and statements, while complying with the standards of the Financial Supervisory Authority (FIN-FSA) and the rules of Nasdaq Helsinki Ltd. The internal control and risk management principles, guidelines, practices and responsibilities pertaining to the company's financial reporting process, have been designed to ensure that the financial reports disclosed by Consti are reliable and meet the requirements of the law, regulations and company principles.

Instructions regarding the publication of financial information and external communications are included in Consti's Disclosure Policy approved by the Board of Directors. Its main principles are available on the company website at (www.consti.fi > Investors > Corporate Governance). Investor Relations together with Corporate Communications are responsible for ensuring the accuracy of and compliance with the policy.

Risk management

The central principle of Consti's risk management is continuous, systematic and pre-emptive action to identify risks, define the level of risk the company accepts, evaluate and handle risks and, in the event of risk realisation, see to their effective management and administration so that the company will meet its strategic and financial goals. Risk management is a part of the company's management, monitoring and reporting systems. Risk management includes risk identification, evaluation and risk contingency planning.

Consti's strategic and operative goals are used as a basis for identifying risks. Risk analysis and evaluations are conducted as self-assessments. The probability of a risk materialising and the impact this would have is evaluated on a scale of 1–3 as defined in the company's risk principles.

Consti's Board of Directors duty is to confirm the company's risk management principles and evaluate the adequacy and appropriateness of risk management. The CEO is responsible for the company's risk management and its organisation, allocating resources for the work and reviewing the risk management principles. The Group's Management Team is responsible for the actualisation of risk management, operative risk monitoring and risk related actions.

Financial and operational risks, as well as actions taken, are regularly reported to the Management Team. Strategic and sustainability risks are handled annually together with the strategy. Risk reports are assessed by the Board, the Management Team and in the business areas' own management teams.

Central risks and risk management actions are reported yearly in the annual report and in interim reports.

Internal control

Internal control aims at protecting the company and its business areas' resources from wrongful use; it makes sure all business transactions are authorised in the necessary manner, supports IT system management and ensures the reliability of financial reporting. In Consti, internal control is foremost the responsibility of line management, which is supported by the Group's support functions. A third level of internal control is made up of internal and external audit, which confirm that the first two levels of control function efficiently.

Internal audit

Consti does not have a separate corporate audit function, as internal control responsibilities have been divided inside the corporation between different functions and areas. The Board may use external experts for assessments regarding the control environment or separate operational evaluations. Consti's external auditor's audit plan takes into consideration that the company does not have a separate internal audit function.

The CEO creates the foundation for internal control by leading and guiding top management and ensuring that the company's bookkeeping practice follow legislation and financial administration is managed reliably.

The Management Team is responsible for making sure that the organisation's different units have detailed internal control guidelines and procedures. The financial administration staff have an especially important role, as its control actions span all of the company's operational and other units.

The Group's financial administration helps units create appropriate control procedures. It also guides the company's risk management process and reports on its execution to management and monitors the internal control procedures' efficiency and effectiveness in practise.

The business areas' management sees that all of the units and employees that are their responsibility follow the appropriate laws, regulation and internal guidelines.

Financial reporting process

Internal control efficiency regarding financial reporting is overseen by the Board of Directors, and also the CEO and Group and business area Management Teams. Internal control measures, such as reconciliations, logic analyses and comparative analyses are conducted on an organisational level. The purpose of these control measures is to detect, prevent and correct any errors and deviations in financial follow-up.

Consti's financial reporting is based on monthly performance monitoring in a centralised reporting system. Financial reports are handled first at the reporting unit level, then in the Management Teams of the business area and finally in the Group's Management Team. The Board of Directors also receives a monthly report on financial figures. Controllers report any deviations from the plans to the Management Teams, analyse the reasons for such deviations and support the management in decision-making. Monthly reviews also ensure that performance is in line with annual targets and financial forecasts are up to date. Financial administration aims to harmonise the work practises of controllers and ensure guidelines are interpreted consistently throughout the organisation, and also further improve the guidelines.

6 INSIDER MANAGEMENT

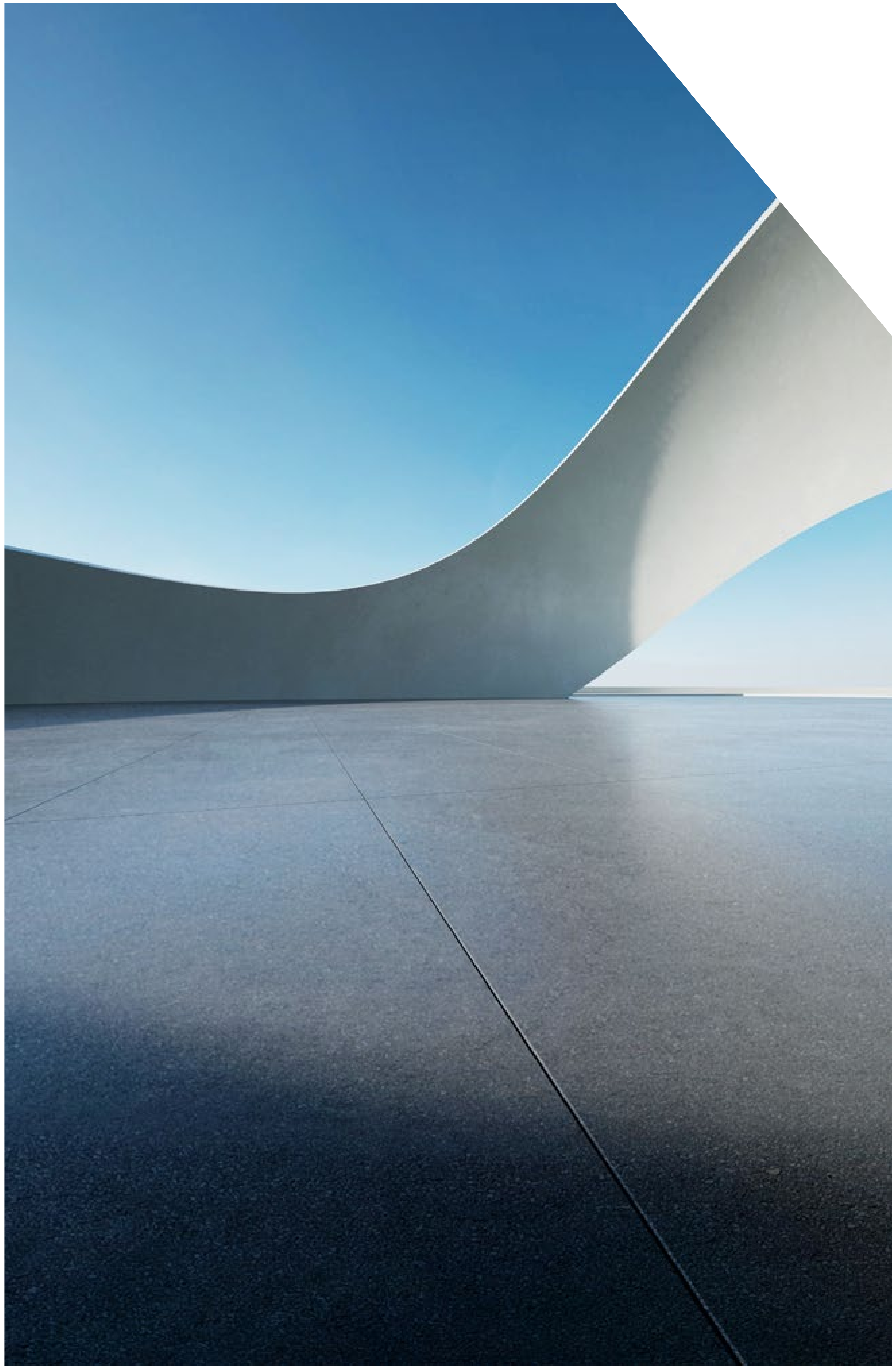
Consti complies with EU Regulation on Market Abuse ((EU) 596/2014, "MAR") and 2- and 3-tier regulation supplementing it, the Finnish Securities Markets Act, the insider guidelines of Nasdaq Helsinki Ltd as well as guidance issued by authorities. In addition, the company has internal Insider Guidelines approved by Consti's Board of Directors, which set, to some extent, stricter requirements than the above-mentioned minimum level regulation.

Consti has defined the members of the Board of Directors, the CEO and members of the Group Management Team as persons discharging managerial responsibilities ("persons discharging managerial responsibilities"). Consti publishes the transactions persons discharging managerial responsibilities and their closely associated persons have conducted relating to financial instruments of Consti in accordance with the notifications the company has received and at latest within two business days after receipt of the notification. After the publication, information will also be available on the company's website.

Consti has additionally defined e.g. management team members of Consti's subsidiaries as well as persons dealing with preparation of financial reporting as persons who act in the informative core of the company, i.e. persons who have access to such informative core of the company on the basis of the tasks they deal with ("persons who act in the informative core"). People employed by Consti and people who work for Consti under a contract, and who, due to their duties, have access to insider information associated with Consti, are entered in the company's project-specific insider register, which is established when necessary.

Persons discharging managerial responsibilities or persons who act in the informative core of the company shall not trade or conduct other transactions, on their own account or for the account of a third party, directly or indirectly, relating to Consti's financial instruments during the so-called closed window. The closed window begins 30 days prior to the publication of Consti's interim reports, half-year financial report or financial statement bulletins. The trading prohibition also applies to the day when results are published. Project-specific insiders are prohibited from trading in the company's financial instruments until the project concerned has been cancelled or disclosed.

Consti's CFO is responsible for adherence to insider regulations and for monitoring the duty to declare as well as the maintenance of insider registers.



BOARD OF DIRECTORS 31 DECEMBER 2024

Petri Rignell
Chairman
Member of the Nomination and
Compensation Committee

MSc. (tech.), born 1962
Board Member since 2008
Finnish citizen
Independent of the company
and of significant shareholders

Key work experience
Kreate Oy, CEO 2016–2017
IVG Polar Oy, CEO 2010–2013
CapMan Real Estate, Industrial Advisor 2007–2010
Projektikonsultit Oy, CEO 1994–2007
Polar Yhtiöt, Foreman 1989–1994
Lemminkäinen Oy, Project Engineer 1985–1989

Key positions of trust
Nordec Oy, Chairman of the Board since 2021
Kreate Oy, Chairman of the Board since 2017
Setera Communications Oy,
Member of the Board since 2017
PriRock Oy, Chairman of the Board since 2007

Consti Plc's shares through his holding company
25,100 (31 December 2024)

Erkki Norvio
Board Member
Chairman of the Nomination and Compensation
Committee

M.Sc. (tech.), M.Sc. (econ.), born 1945
Board Member since 2008
(Chairman 2008–2011)
Finnish citizen
Independent of the company
and of significant shareholders

Key work experience
Ramirent Plc, CEO 1986–2005 and
Deputy CEO 1984–1985
Partek Oy, 1972–1984

Key positions of trust
CableCrew Oy, Board Member since 2022
Norvier Oy, Chairman of the Board since 2007

Consti Plc's shares through his holding company
106,463 (31 December 2024)

Anne Westersund
Board Member

M.A. studies, translator degree, born 1964
Board member since 2019
Finnish citizen
Independent of the company
and significant shareholders

Key work experience
Rokmind Oy, Partner since 2018
WesAnne Oy Ab, CEO since 2017
Cargotec Oyj,
SVP Head of Customer Value Programme 2015–2017,
SVP Communications and Public Affairs 2013–2015,
VP Communications and Marketing 2010–2013
Vattenfall AB, VP Communication Nordic 2005–2010
Vattenfall Oy, Customer Service Director 2002–2005
Silja Line, Marketing Manager 2000–2002

Key positions of trust
Hurrikaanit Group Oy, Board Member since 2022
Rokmind Oy, Chairman of the Board since 2019
Oy Hedengren Ab, Board Member since 2018

Consti Plc's shares through her holding company
2,000 (31 December 2024)

Johan Westermarck
Board Member

Lic.Sc. (Econ.), M.Sc (Tech.), born 1965
Board Member since 2020
Finnish citizen
Independent of the company
and of significant shareholders

Key work experience
Bittium Corporation, CEO, since 2023
Citec Group Oy Ab, CEO, 2017–2022
Maintpartner Group Oy, CEO, 2012–2017
Maintpartner Oy, CEO, 2010–2012
Maintpartner Ab, CEO, 2009–2010
Eltel Group Oy, VP, Business Development, 2007–2008
Eltel Networks GmbH, CEO, 2006–2007
Eltel Group Oy, VP, Business Development, 2004–2006
Elcoteq Oyj, VP, Sales and Marketing, 2001–2004
Ahlstrom Machinery Oy:
Regional Director, Service Business 1997–2001,
Manager, Marketing Development 1995–1997,
Project Engineer 1992–1995

Does not own Consti Plc shares
(31 December 2024)

Juhani Pitkäkoski
Board Member
Member of the Nomination
and Compensation Committee

LL.M, born 1958
Board Member since 2022
Finnish citizen
Independent of the company
and significant shareholders

Key work experience
Caverion Corporation, CEO 2013–2014
YIT Corporation, CEO 2008–2013,
in various management positions 1994–2008
Oy Huber Ab, Director of the Factory Service Unit
1991–1994, Attorney at Law 1988–1991

Key positions of trust
Saimaa Group Oy, Board Member since 2023

Consti Plc's shares 2,000
(31 December 2024)

Katja Pussinen
Board Member

M.Sc. (econ.), BBA, born 1975
Board Member since 4/2024
Finnish citizen
Independent of the company
and of significant shareholders

Key work experience
Kreate Oy, Vice President, HR since 2019
Kreate Oy, HR Manager 2017–2019
Skanska Oy, HR Manager 2013–2016
Soraset Yhtiöt Oy, HR and
Office Manager 2006–2012

Does not own Consti Plc shares
(31 December 2024)

MANAGEMENT TEAM 31 DECEMBER 2024

Esa Korkeela
CEO
M.Sc. (econ.), MBA, born 1972

Key work experience
Consti Plc, CEO since 2017
Consti Group Plc, Interim CEO 9–12/2017
Consti Group Plc, CFO 2009–2017
JRH Rakennushuolto Oy, CFO 1995–2009

Key positions of trust
Tiirinkallio Oy, Chairman of the Board since 2018

Consti Plc's shares
477,931 (31 December 2024)

Anders Löfman
CFO
M.Sc. (Econ.), born 1987

Key work experience
Consti Plc, CFO since 2024
Consti Plc, Group Business Controller 2021–2024
KONE Finland and Baltics,
Business Controller 2019–2021
KONE Corporation, latest role Manager,
Alliances and Acquisitions (M&A) 2011–2019

Consti Plc's shares 370 (31 December 2024)

Risto Kivi
Business Area Director Housing Companies
Master Builder, born 1971

Key work experience
Consti, Business Area Director
Housing Companies since 2021
Consti, Business Area Director Housing Companies
and Public Sector 2019–2021
Consti Julkisivut Oy, CEO 2011–2019
Raitayhtiöt Oy, CEO 2009–2011
Raitamiespalvelu Oy, CEO 2008–2009
Raitarakennus Oy, CEO 2007–2009
Raitasaumaus Oy, CEO 1998–2007
Rkm Kivi ja Kalevo Oy, entrepreneur 1993–1998

Key positions of trust
Midpointed Oy, Member of the Board since 2012

Consti Plc's shares 403,854 (31 December 2024)

Pirkka Lähteinen
Business Area Director Corporations
B.Eng., born 1977

Key work experience
Consti, Business Area Director
Corporations since 2024
Consti, Regional Director
Corporations 2019–2024
Consti Korjausurakointi Oy,
Regional Director 2011–2019
Jollaksen Rakennushuolto Oy,
CEO 2009–2011 and
Project Manager 2000–2009

Key positions of trust
Kaskiniemen Sora Oy,
Board Member since 1992

Consti Plc's shares 16,692 (31 December 2024)

Jukka Kylliö
Business Area Director Public Sector
B.Eng., CPM®, eMBA, born 1967

Key work experience
Consti, Business Area Director Public Sector
since 2021
Skanska Talonrakennus Oy,
Regional Director 2015–2021
NCC Rakennus Oy,
Regional Director 2010–2015
Lemminkäinen Plc,
Construction Director 1994–2010

Key positions of trust
Rateko, Member of the Executive Board since 2016
Wirkku Palvelut Oy, Chairman of the Board since
2003

Consti Plc's shares 22 936 (31 December 2024)

Jaakko Taivalkoski
Business Area Director Building Technology
M.Sc. (tech.), eMBA, born 1973

Key work experience
Consti, Business Area Director
Building Technology since 2023
Consti Talotekniikka Oy, CEO since 2023
EKE Rakennus Oy, CEO 2020–2022
DEN Group, CEO 2015–2020
Rakennusosakeyhtiö Hartela, CEO 2012–2015
Lemminkäinen Talo Oy,
Director, Construction of Business Premises 2007–2012
NCC, Business Unit Director 2005–2007,
Project Manager 2001–2005,
Project-/Site Engineer 1996–2001

Does not own Consti Plc shares
(31 December 2024)

Heikki Untamala
Director Legal & Compliance
LL.M with court training, born 1969

Key work experience
Consti Plc, Director Legal & Compliance since 2024
Consti Plc, Chief Legal Officer 2019–2024
YIT Plc, Head of Legal,
Business Premises and Partnership
Properties 2018–2019
Lemminkäinen Talo Oy,
Director, legal services 2013–2018
Lemminkäinen Plc, Corporate Counsel 2010–2013
Krogerus Attorneys, Attorney at Law 2005–2009
Heikki Untamala Attorneys,
Attorney at Law, partner 2000–2005

Consti Plc's shares 233 (31 December 2024)

Aija Harju
HR Director
MA Ed., born 1969

Key work experience
Consti Plc, HR Director since 2024
BoKlok Business Unit, Senior Vice President
Human Resources 2022–2023
BoKlok Business Unit,
Diversity & Inclusion Director (50%) 2021
Skanska Oy, HR Business Partner 2009–2021
Skanska Oy, HRD Specialist 2007–2009

Does not own Consti Plc shares
(31 December 2024)

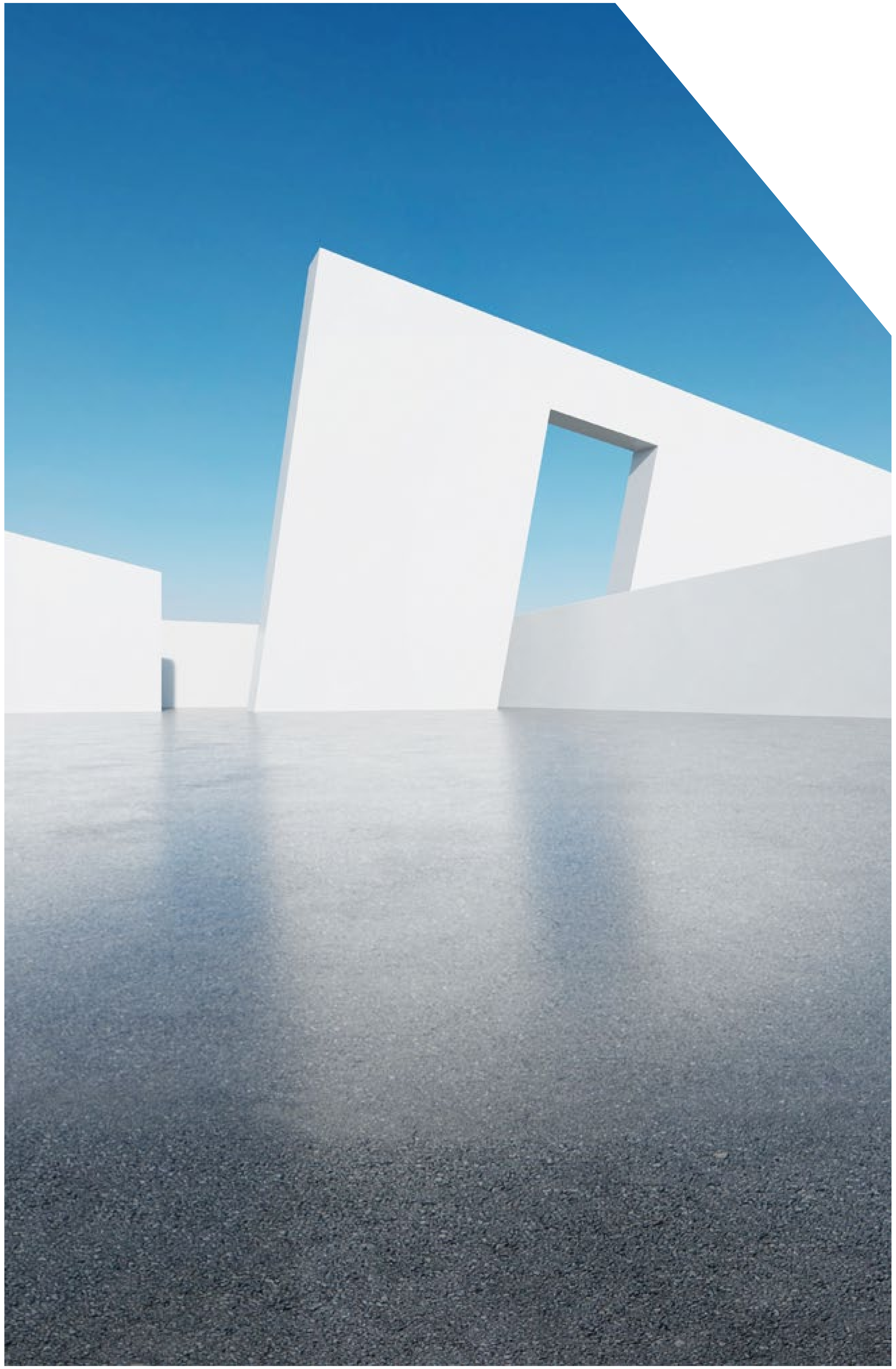


Photo: Ville Vappula

KEY FIGURES AND INFORMATION FOR SHAREHOLDERS

KEY FIGURES

Income statement, 1 Jan to 31 Dec (EUR 1,000)	2024	2023	2022
Net sales	326,692	320,607	305,217
EBITDA	14,275	15,940	14,927
EBITDA margin, %	4.4%	5.0%	4.9%
Operating result	10,184	12,345	11,428
Operating result margin, %	3.1%	3.9%	3.7%
Profit before taxes (EBT)	9,128	11,371	10,438
as % of net sales	2.8%	3.5%	3.4%
Profit for the year	7,143	9,014	8,491
as % of net sales	2.2%	2.8%	2.8%

Balance sheet (EUR 1,000)	2024	2023	2022
Balance sheet total	117,165	121,314	123,294
Net interest bearing debt	2,681	-934	3,871
Equity ratio, %	41.3%	38.6%	32.9%
Gearing, %	6,1%	-2,3%	10,7%

Other key figures	2024	2023	2022
Free cash flow (EUR 1,000)	7,205	13,104	18,000
Cash conversion, %	50.5%	82.2%	120.6%
Order backlog (EUR 1,000)	240,108	270,021	246,650
Order intake (EUR 1,000)	259,031	280,026	283,696
Average number of personnel	1,044	1,011	971
Number of personnel at period end	1,012	1,008	975
Earnings per share, undiluted (EUR)	0.91	1.17	1.10
Earnings per share, diluted (EUR)	0.88	1.11	1.06
Shareholders' equity per share (EUR)	5.54	5.27	4.71
Number of shares, end of period	8,016,567	7,897,267	7,858,267
Number of outstanding shares, end of period	7,879,267	7,793,967	7,679,528
Average number of outstanding shares	7,870,767	7,736,926	7,704,804

CALCULATION OF KEY FIGURES

EBITDA	=	Operating result (EBIT) + depreciation, amortisation and impairment
Net interest-bearing debt	=	Interest-bearing liabilities - cash and cash equivalents
Equity ratio (%)	=	$\frac{\text{Equity}}{\text{Total assets - advances received}} \times 100$
Gearing (%)	=	$\frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Equity}} \times 100$
Return on investment, ROI (%)	=	$\frac{\text{Profit/loss before taxes + interest and other financial expenses (rolling 12 month)}}{\text{Total equity + interest-bearing liabilities (average)}} \times 100$
Average number of personnel	=	The average number of personnel at the end of each calendar month during the period
Free cash flow	=	Net cash flow from operating activities before financial and tax items less investments in intangible and tangible assets
Cash conversion (%)	=	$\frac{\text{Free cash flow}}{\text{EBITDA}} \times 100$
Earnings per share	=	$\frac{\text{Profit/loss attributable to equity holders of the parent company – hybrid bond's transaction costs and accrued interests after tax}}{\text{Weighted average number of shares outstanding during the period}}$
Shareholders' equity per share (EUR)	=	$\frac{\text{Equity attributable to owners of the parent company}}{\text{Number of outstanding shares, end of period}}$
Adjusted operating result (EBIT)	=	Operating result (EBIT) before items affecting comparability
Order backlog	=	At the end of the period the unrecognised amount of construction contracts recognised in accordance with the percentage of completion method, including not started ordered construction contracts, long-term service agreements and the part which has not been invoiced in ordered invoice based projects
Order intake	=	Orders of construction contracts, long-term service agreements and invoice based projects during the period

INFORMATION FOR INVESTORS AND SHAREHOLDERS

Share

Consti Plc's shares are listed on Nasdaq Helsinki. The shares are included in the book-entry securities system maintained by Euroclear Finland Oy. The company has a single series of shares, and each share entitles its holder to one vote at the Annual General Meeting. The company's shares have no nominal value. As at 31 December 2024, the total number of shares totalled 8,016,567 and the share capital amounted to EUR 80,000.

Share information

- Listed on Nasdaq OMX Helsinki Ltd
- List: Nordic Small Cap
- Trading code: CONSTI
- ISIN code: FI4000178256
- Sector: Industrials
- Industry: Industrial Goods & Services
- Number of shares 31 Dec 2024: 8,0167,567
- Listing date: 11 December 2015

Shareholders

At the end of December 2024, Consti Plc had 4,347 shareholders in the share register. Distribution of shareholders is shown in the table and graphs presented on the right. At the end of December 2024, non-Finnish shareholders held approximately 7.5% of Consti Plc's shares. Majority of the shares held by non-Finnish shareholders were nominee-registered. Only shares registered in the shareholders' own name entitle their holders to vote at Shareholders' Meetings.

Annual General Meeting

Consti Plc's Annual General Meeting (AGM) will be held on Thursday 3 April 2025 at 1.00 p.m. at the address: Valimo Park, Valimotie 16, FI-00380 Helsinki.

Shareholders who wish to attend the AGM must be registered on 24 March 2025 in the company's shareholders' register held by Euroclear Finland Oy. Shareholders must also give prior notice of their attendance to the company by 27 March 2025 at 4.00 pm. Such notice can be given:

a) on Consti Plc's website at https://investor.consti.fi/en;
b) by email on agm@innovatics.fi; or
c) by letter addressed to Innovatics Oy, Annual General Meeting / Consti Plc, Ratamestarinkatu 13 A, 00520 Helsinki, Finland.

Dividend payment

The Board proposed to the Annual General Meeting that a dividend of EUR 0.70 be paid for the financial year 2024, representing 77 percent of reported earnings per share. The Board proposes that the dividend be paid in two instalments. The first instalment of EUR 0.35 per share be paid in April 2025 and the second instalment of EUR 0.35 per share be paid in November 2025.

Financial calendar in 2025

Consti shall publish three interim reports during 2025:

- Interim report 1–3/2025 will be published on 25 April 2025
- Half-year financial report 1–6/2025 will be published on 18 July 2025
- Interim report 1–9/2025 will be published on 24 October 2025

Interim reports are published at approximately 8.30 a.m. Finnish time. A press conference for analysts, portfolio managers and media will be arranged in connection with the publication of financial reports.

Investor relations

The aim of Consti's investor relations activity is to support the appropriate valuation of the Consti share by providing capital markets with all essential up-to-date information about the company's business, strategy and financial position. In addition, Consti aims to increase interest in the company among equity investors and analysts, improve the loyalty of current shareholders and reach new investors and analysts interested in the company.

Consti observes a 30 days closed period preceding the publication of its results. During this time the company's representatives do not meet with investors or analysts, or comment on the company's financial position. At other times, we are happy to answer the enquiries of analysts and investors by phone or email, or at the investor meetings arranged.

Contact details

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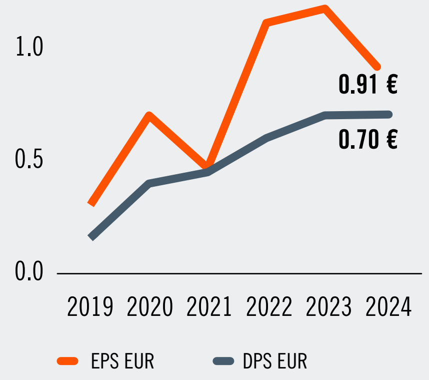
Financial documents can be obtained from:
Consti Plc
Valimotie 16, 00380 Helsinki, Finland
tel: +358 10 288 6000
email: IR(at)consti.fi

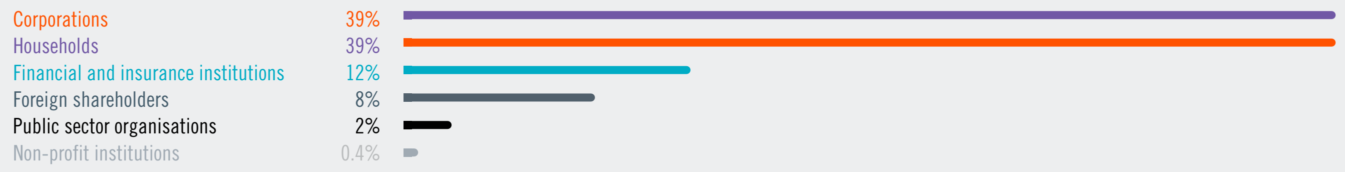
Further investor information can be found at https://investor.consti.fi/

Share price development and reference index 2019–2024

Earnings/Share, Dividend/Share 2019–2024

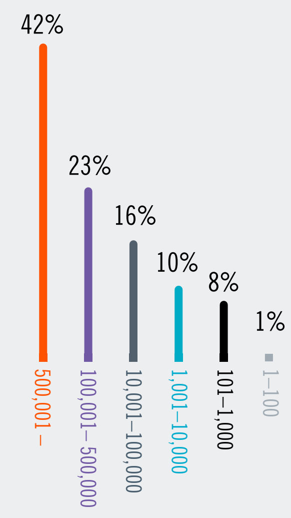


Distribution of shareholding by size range and sector



Major shareholders 31 December 2024	Number of shares	%
Lujatalo Oy	810,000	10.10
Heikintorppa Oy	750,000	9.36
Wipunen Varainhallinta Oy	750,000	9.36
Fennia Life Insurance Company	520,970	6.50
Korkeela Esa	477,931	5.96
Kivi Risto	403,854	5.04
Kalevo Markku	298,967	3.73
Varma Mutual Pension Insurance Company	172,000	2.15
Drumbo Oy	150,000	1.87
Aktia Mikro Markka Fund	112,678	1.41
Norvier Oy	106,463	1.33
Consti Oyj	103,300	1.29
Herlin Olli	100,000	1.25
Sto-Rahoitus Oy	100,000	1.25
Säästöpankki Pienyhtiöt Fund	78,432	0.98
Holopainen Marko	71,600	0.89
Korkeela Antti	59,964	0.75
Hakakari Tapio	55,400	0.69
Olefin Ab	50,000	0.62
Fondita Equity Spice Fund	40,000	0.50
20 largest owners, total	**5,211,559**	**65.01**
Nominee registered	587,954	7.33
Others	2,217,054	27.66
Total	**8,016,567**	**100.00**

Distribution of shareholding by size range (Number of shares)



CONSTI AS AN INVESTMENT

Organic growth and strong cash flow

- Steadily improving profitability
- Solid platform for future growth
- Asset-light business model with negative working capital and strong cash flow

Attractive growth market underpinned by structural drivers

- Aging building stock driving need-based renovation
- Climate change and energy efficiency requirements
- Urbanisation and changes in working methods
- Increased need for building technology and automation
- Fragmented market with limited renovation focused players

CONSTI

Consti has a clear strategy to continue profitable growth

- Utilising the full potential of customer-oriented organisational structure
- Growing in existing businesses as well as in attractive new construction projects
- Expansion in the value chain
- Improving production efficiency and maintaining steady level of performance in project deliveries
- Complementary acquisitions

Consti is one of the leading renovation and technical services provider in Finland

- Comprehensive service offering
- Focus on Finnish growth centres
- Diversified customer base including housing companies, corporations, real estate investors and public sector
- Ability to deliver projects of all sizes
- Responsible company creating a clearly positive overall impact on its social and ecological environment

CONSTI

FINNISH SERVICE

www.consti.fi