

20

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SRV is a Finnish developer and innovator in the construction industry. We are building a more sustainable and responsible urban environment that fosters economic value and takes the wellbeing of both the environment and people into consideration. We call this approach lifecycle wisdom. Our genuine engagement and enthusiasm for our work comes across in every encounter – and listening is one of our most important ways of working. We believe that the only way to change the world is through discussion.

Our company, established in 1987, is listed on the Helsinki Stock Exchange. We operate in growth centers in Finland. Our revenue totalled EUR 745.8 million in 2024. In addition to approximately 800 in-house staff, we had a network of around 3 200 partners.

SRV – Building for life



INFORMATION ABOUT THIS REPORT

This is SRV's 2024 Annual Report, which contains the Report of the Board of Directors, Financial Statements, Corporate Governance Statement and Remuneration Report. In the 2024 Annual Report, SRV describes its sustainability in accordance with CSRD and ESRS.

2024 in review



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SRV in brief

ORDER BACKLOG ON 31 DECEMBER 2024

EUR **1,052.8**

million

REVENUE 2024

EUR **745.8**

million



37

years of experience



About

800

employees



We employed about

3,200

subcontractors in 2024



Workers on SRV sites in 2024

19,400



Construction sites in 2024 about

60



**Our revenue
developed positively**

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At the end of 2024, we had the following under construction:



Homes:
8%
of revenue



Hospitals:
31%
of revenue



Business premises:
45%
of revenue



Schools and educational
institutions:
13%
of revenue



Infrastructure
construction:
3%
of revenue



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ESG highlights 2024:



Emission intensity of own operations (scope 1 and 2) reduced by **87%***

Emission intensity of indirect emissions (scope 3) reduced by **64%****

Construction waste sorting rate **83.0%**



Lost time incident frequency rate **10.97 *****

Employee Net Promoter Score (eNPS) **29**

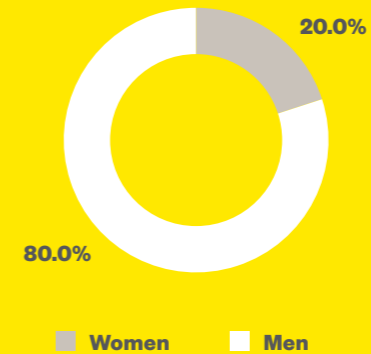
Net Promoter Score (NPS) **78** B2B **20** B2C



89% of our active suppliers have completed the sustainability survey

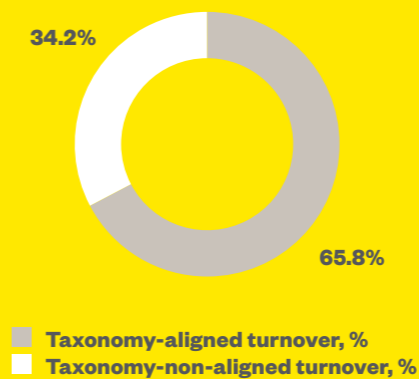
100% of personnel have completed Code of Conduct training

(S) Gender distribution, %*



* In Finland 31 Dec 2024

(E) Taxonomy-aligned turnover, %*



* 100% of our development projects are taxonomy-aligned

*Compared to comparison year 2021
**Compared to the comparison year 2023
***LTIF, SRV and subcontractors

SRV promotes the following UN Sustainable Development Goals:



Commitments: UN SDGs (United Nations Sustainable Development Goals), ILO (International Labour Organization) Universal Declaration of Human Rights. We have committed to reporting in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the GRI (Global Reporting Initiative) framework.

In the 2024 Annual Report, SRV describes its sustainability in accordance with CSRD and ESRS. The Sustainability Report begins on page 48 of the Annual Report.

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2024 was a year of two distinct halves. Our operations developed extremely well in many subareas, but the difficult market slowed down the implementation of our strategy and hindered substantial improvements in our earnings performance. However, we managed to increase our revenue and operative operating profit, and to maintain a strong order backlog. The controllability of our operations and projects was solid – this can be seen in, for example, customer satisfaction, personnel work motivation and the predictability of business operations, as we achieved our project margins in line with plans in different project types.

Our revised strategy – “sustainably profitable” – came into force at the beginning of the year. Our strategic objective is to continuously optimise our portfolio for market conditions and risk management in order to reach our long-term financial objectives. We intend to pursue profitable growth by increasing the share accounted for by housing construction and especially by housing and business construction based on in-house project development in a controlled manner. In 2024, we did not make headway towards our objective due to the lack of consumer and investor demand; instead, we had to safeguard our order backlog mainly with different types of competitive contracts.

Favourable business development

Even in the challenging business environment, we were able to systematically forge ahead in 2024 with our strong

growth in the construction of business premises and infrastructure, especially in collaborative contracting. Our revenue increased by about 22 per cent year-on-year, totalling EUR 745.8 million. Our operative operating profit also improved, rising to EUR 10.3 million. Our earnings development was driven by revenue growth and strong performance in project management across the organisation.

Our order backlog remained robust and was EUR 1,052.8 million at the end of the year. Thanks to the structure of our order backlog, our operations are on a low-risk and stable footing. In addition, we have proactively continued to develop our extensive project development portfolio. During the review year, we stepped up the volume of the project portfolio by around 200,000 m². Our project development portfolio amounts to a total of over 870,000 m² and includes plenty of projects that are ready to be started up.

Finland's largest builder of business premises

During the year, we started up, continued to work on and completed many business construction projects. We claimed the position of Finland's largest builder of business premises as measured in terms of revenue.

We have strong expertise in hospital construction and are able to transfer expertise and experience from one project to another. Our largest hospital project is the Laakso Joint Hospital. These projects, both completed



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and in progress, also include a new ward building at Jorvi Hospital in Espoo, the Bridge Hospital in Helsinki, Hospital Nova in Jyväskylä, and TAYS projects in Tampere. We have signed a contract valued at EUR 800 million for the Laakso Joint Hospital project. It is being recognised in SRV's order backlog in stages between 2022 and 2030. In 2024, the second phase of the infrastructure work at the Laakso Joint Hospital, a forensic psychiatry hospital building to be constructed in the Ohkola district of Mäntsälä, and the southern section of the main building of the Joint Hospital were recognised in SRV's order backlog from this project.

The headquarters of cybersecurity company WithSecure – completed in July in the Wood City quarter, which we developed in Jätkäsaari, Helsinki – is an excellent example of SRV's solid expertise in developing, designing and constructing lifecycle-wise buildings and supporting the development of cities towards their carbon-neutrality targets. WithSecure's headquarters has a large carbon handprint and is one of the first projects in Finland to comply with the new EU taxonomy. It is the first office building in Finland to be carbon-neutral for 50 years. With the completion of this building, we also wrapped up the construction of the Wood City quarter with flying colours. This flagship of Finnish wood construction has attracted international interest.

In September, we held the topping-out party of the 26-storey Horisontti, Finland's first office skyscraper, which was implemented by SRV and real estate investment company Niam. This office tower, carried out by SRV as a development project in the Kalasatama district of Helsinki, will provide modern and sustainable premises for about 1,000 employees. It is the fifth of the eight tower buildings to be built in Kalasatama and will be completed in spring 2025. SRV will move its own offices in the Helsinki metropolitan area to Horisontti at that time.

Infrastructure is growing

SRV's infrastructure construction is part of our business construction operations. In both collaborative projects and competitive contracting, it works either independently as the main contractor or with other SRV units and partners. The trend in infrastructure construction has been excellent in recent years, with higher profitability and business on a growth track.

The Laakso Joint Hospital is one of Finland's largest hospital projects. It is also SRV's largest ongoing infrastructure project and the largest underground construction site in Finland. Our strengthened infrastructure expertise enables us to implement demanding infrastructure projects – we are one of the major players in Finland in the excavation and construction of underground spaces in rock. We were recognised for our occupational safety efforts in May, when the underground works carried out by SRV Infra in the Laakso Joint Hospital project were awarded the title of best site of 2023 in the Uusimaa Occupational Safety Competition.

Housing construction is poised for growth

Our successes in housing projects during the year include the completion in September of a housing portfolio to a housing fund managed by eQ: As Oy Hippoksenkatu 44, an apartment building with 52 units in Kissanmaa, Tampere, and Asunto Oy Espoon Anna Sahlsténinkatu 15, with 86 units in Perkkää, Espoo. These development projects are excellent examples of our improved performance in housing construction: the NPS, measuring customer satisfaction, at the handover phase was a perfect 100 at both sites, and they were zero-error handovers. In terms of energy efficiency, both buildings are in class A, and they use electricity produced by solar panels.

In February 2025, we decided to build our first developer-contracted residential project after a break of over two years: Asunto Oy Espoon Niittykummun Neuvokas in Espoo. The reservation rate for its 53 lifecycle-wise units has developed well. The startup of a new owner-occupied apartment building is a step towards our strategic objective of stepping up our residential construction. In December, we also signed a deal for a housing company that owns a plot zoned for residential construction in Niittykumpu, Espoo. Market-financed residential units with a total floor area of about 4,600 square metres can be built on this plot. Even in the challenging housing market, we have constantly enhanced our project development portfolio proactively. When the market picks up, we are prepared to rapidly start up housing projects both in the Helsinki metropolitan area and in other growth centres.

Excellent performance in lifecycle wisdom and customer satisfaction

Lifecycle-wise construction is at the heart of our strategy. For us, this comprises three perspectives: construction that is sustainable in terms of the environment, people and economic value. The most concrete example of our advanced lifecycle expertise during the review year is provided by our winning proposals for three out of four lifecycle projects in a competitive tender in the Greater Helsinki area.

One of the highlights of the year was that we started up a research project in June to calculate our nature footprint in association with the University of Jyväskylä. Thanks to this project, SRV is now the first Finnish construction company that calculates its nature footprint. Nature footprint calculation is the next step following SRV's lifecycle-wise sites, thanks to which the company has reduced emissions (scope 1 and 2 emission intensity) from its site operations by around 87 per cent since 2021.

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The factors that have contributed the most to reducing emissions are enhancing energy efficiency, changing over to electricity and heat produced from renewable and emission-free energy sources, increasing the number of electric work machines, and using biofuels to power the other work machines. I'm also very pleased that our indirect emissions (scope 3 emission intensity) have declined by 64 per cent compared with 2023. We've achieved emissions reductions by switching over to low-emission alternatives in concrete and steel, and by stepping up the use of wood in construction. As we were not able to eliminate all of our emissions, in 2024 we planted almost 17,000 trees which will absorb 10,000 tons of carbon dioxide.

Our accident frequency has systematically evolved in the right direction in recent years, although the figure rose slightly in 2024. Our lost time injury frequency (LTIF) for 2024 was 11.0 compared to 10.0 in 2023. We have taken steps to get on our longer-term development track this year. We invest particularly in proactive safety measures, including assessments of various work-related risks and the risks associated with last-minute tasks. These assessments are utilised to effectively identify and mitigate work-related hazards.

Customer work that produces value is strongly evident in our strategy and operations. I'm extremely pleased with our excellent performance in customer satisfaction. Our NPS (B2B), which measures customer satisfaction, stood at 78 at the end of the year, and I consider this to be an exceptional achievement. We have succeeded in our goal of integrating our customer promise, "By listening, we build wisely", as a guideline for everything we do. I would like to thank our motivated and skilled personnel for this outstanding level of customer satisfaction and for retaining their motivation throughout these very difficult times. Driven by interesting projects and our well-developed busi-

ness, the net promoter score for our employees (eNPS) hit an all-time high in August: 30.

Balance sheet in good shape and Russian assets sold

In a challenging market situation, it is particularly important that our balance sheet is strong and our financing is in good shape. The total number of unsold completed residential units remained low throughout the review year, and the company has not committed a significant amount of its own capital into unsold housing. We have not therefore attempted to sell our homes at huge discounts during this period of very low demand. With respect to financing, in April we agreed with our main financier banks to exercise the one-year extension option of our current EUR 40 million committed revolving credit facility, which is tied to sustainability targets. In accordance with the exercised extension option, the revolving credit facility is valid until April 2026.

With a transaction carried out in December, we finally concluded our divestment of Russian business operations. Our proactive efforts to exit Russia began in 2022. After the sale of our last asset in Russia – a 50 per cent stake in the Pearl Plaza shopping centre in St. Petersburg – to CP Invest Limited, SRV no longer has any assets or business in Russia.

Opportunities in the market for residential investors

The company is in a strong position and we are prepared to pursue profitable growth. However, the delayed market upswing continues to put the brakes on the strategic restructuring of our project portfolio and thereby on significant improvements in profitability. In 2025, revenue will mainly consist of relatively low-margin – yet also low-risk – coope-

rative contracting and, to a lesser extent, of competitive and negotiated contracts. The share of revenue accounted for by developer-contracted production sold to investors will be low in 2025, and the share of developer-contracted housing production will be very slight, as no new developer-contracted projects will be completed during the year. We do not expect the market to turn around in the first half of the current year, but I believe that the situation will gradually improve and that oversupply will dissolve towards the last months of the year in the case of both owner-occupied and rental housing. We are prepared for rapid changes in different customer segments if several market players deem that the time is right to start investing. Building costs are at their lowest in the cycle, the affordability and availability of financing are improving, the oversupply of housing is levelling out and rents are beginning to creep up, which makes this a highly attractive market for property investors who are able to see the potential for return, say, five years down the line.

I want to thank all our customers and stakeholders – and especially our staff – for a productive year in 2024!

Saku Sipola
President & CEO

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Sustainably profitable

SRV's strategy 2024-2027

OUR OBJECTIVE

We seek to build a lifecycle-wise environment by listening to our customers and other stakeholders

CUSTOMER PROMISE

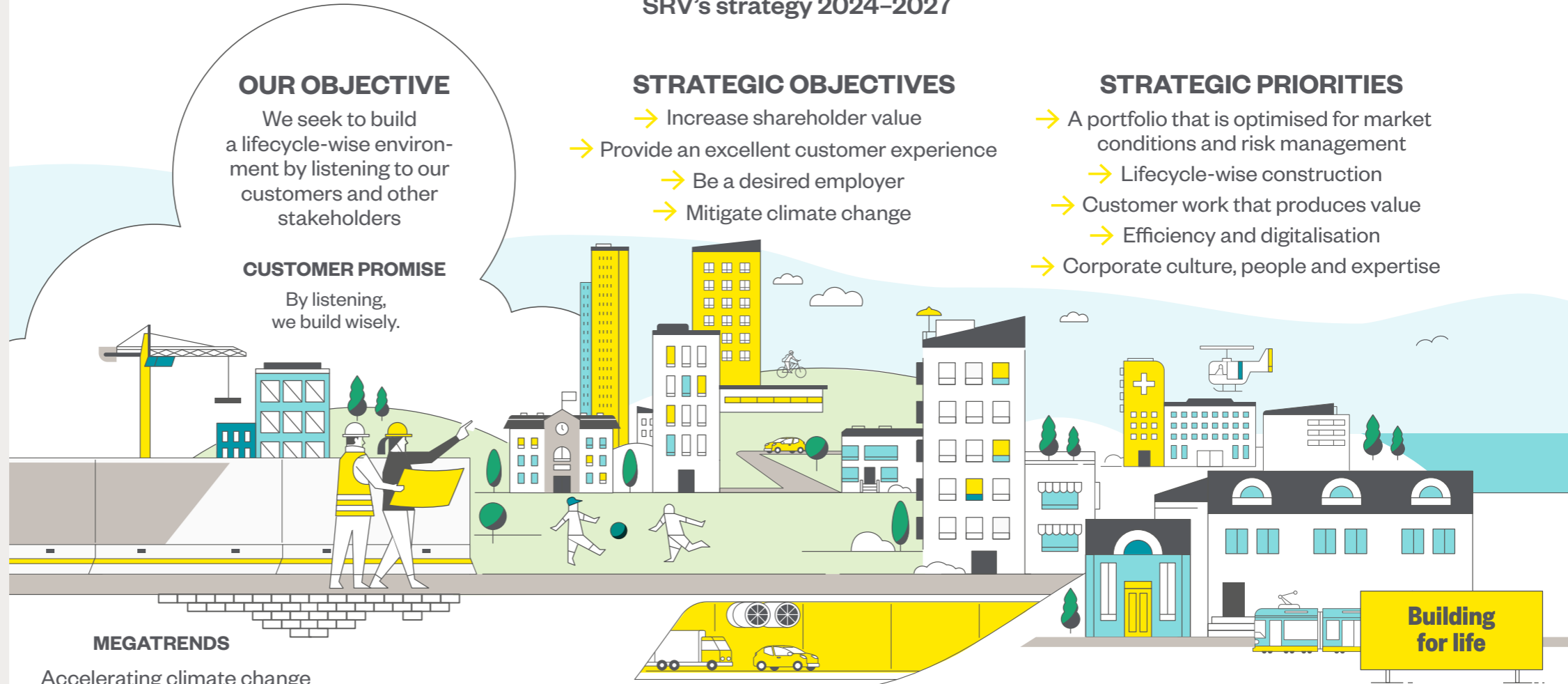
By listening, we build wisely.

STRATEGIC OBJECTIVES

- Increase shareholder value
- Provide an excellent customer experience
 - Be a desired employer
 - Mitigate climate change

STRATEGIC PRIORITIES

- A portfolio that is optimised for market conditions and risk management
 - Lifecycle-wise construction
 - Customer work that produces value
 - Efficiency and digitalisation
- Corporate culture, people and expertise



MEGATRENDS

- Accelerating climate change
- Denser cities
- Accelerating digitalisation

VALUES

Sustainability • Enthusiasm at work • Courage in development • Result driven • Open cooperation

Key projects in 2024

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SRV's largest ongoing infrastructure project is the Laakso Joint Hospital in Helsinki

The Laakso Joint Hospital project is one of Finland's largest hospital projects. It is also SRV's largest ongoing infrastructure project as well as the largest underground construction site in Finland. In addition to building the hospital, the project involves a significant amount of underground works and tunnel excavation — the hospital maintenance floor, a parking facility for 550 cars and a logistics tunnel connecting the Meilahti and Laakso hospital areas are being built underground. SRV has signed a contract for

the Laakso Joint Hospital project that is worth approximately EUR 800 million in total. It is being recognised in SRV's order backlog in stages between 2022 and 2030. In 2024, the second phase of the infrastructure work at the Laakso Joint Hospital, a forensic psychiatry hospital building to be constructed in the Ohkola district of Mäntsälä, and the southern section of the main building of the Joint Hospital were recognised in SRV's order backlog from this project.

Worksite inclusion has been a major focus in the Laakso Joint Hospital project. Workshops have been held on the site to seek and share practices to address multiculturalism and maintain a sense of belonging and a positive atmosphere. In addition, the project has worked hard on occupational safety. In May 2024, the underground works carried out by SRV Infra in the Laakso Joint Hospital project were awarded the title of best site of 2023 in the Uusimaa Occupational Safety Competition.



The first project in Finland involving the construction of a police station and prison on the same plot

The Oulu Main Police Station and Prison is the first project in Finland that involves building a police station and a prison on the same plot of land. The prison and police facilities and the court chambers will be built on the same plot with indoor connections, providing significant operational and logistical benefits, and also making better use of space. The aim is to build healthy and secure premises to

support operations. The premises have also been designed with energy-efficiency goals in mind. A solar power plant with a production capacity of 300 kilowatt peaks (kWp) and an estimated annual output of 270,000 kWh will be installed on the roof of the Main Police Station. This is equivalent to the annual consumption of around 130 two-room apartments.

The topping-out party of the Oulu Main Police Station and Prison was held in May. The Main Police Station will start its operations gradually in early 2025 and the Prison no later than in early 2026. The project covers a total of 32,400 gross square metres and its total cost is estimated to be EUR 130 million.



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The largest construction project in the 100-year-plus history of the National Museum of Finland in Helsinki

SRV is carrying out the largest construction project in the 100-year-plus history of the National Museum of Finland for Senate Properties, which is responsible for State premises. The project involves building an annex to the National Museum of Finland, which was completed in 1910. Most of the functions of the annex will be located underground. It will

provide additional space for its vigorously renewed museum activities. The annex will be built on the museum's current plot and connected to the historical main building. The annex will have a floor area of about 5,900 square metres, of which around 600 will be above ground. The rest of the premises will be underground on two levels.

In addition to the annex, the partial renovation of the main building is under way.

Low-carbon solutions are a high priority in the construction of the annex. The overarching goal of both SRV and Senate is to minimise the carbon footprint of the new building and maximise its carbon handprint. The cornerstone of the annex was laid in May. The complex consisting of the historical main building, the new annex and walled garden will open to the public in spring 2027.

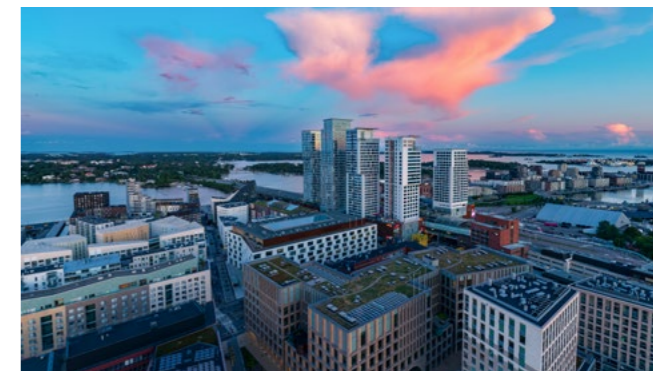


Horisontti in Kalasatama, Helsinki is Finland's first office skyscraper

SRV and the real estate investment company Niam are building Finland's first office skyscraper, Horisontti, a 26-storey tower in the Kalasatama district of Helsinki. Horisontti provides modern and sustainable premises for around 1,000 employees. Tenants will move into the office tower when it is completed in May 2025. SRV will also move its own offices in the Helsinki metropolitan area to Horisontti at that time. The office skyscraper reached its rooftop height in September. It is the fifth of the eight tower buildings to be built in Kalasatama. The 24th floor of Horisontti will feature a brasserie with seating for around 120.

Horisontti is designed to be highly energy-efficient and sustainability has been taken widely into account. Its features adaptable premises, low-emission materials and water-efficient fixtures. Materials have been selected with

eco-friendliness in mind: concrete with low-carbon blast furnace slag is used in its columns and the flooring material is recyclable. Companies using the building will be provided with high-quality information for sustainability reporting, such as consumption data and building carbon footprint calculation. International LEED Platinum certification will be sought for the building.



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Residential buildings completed as zero-error handovers for eQ in Tampere and Espoo

In September 2024, SRV completed the construction of a housing portfolio consisting of two residential buildings for a housing fund managed by eQ. They were zero-error handovers. This means that the properties had no errors that would require follow-up inspections. The agreements included the 52-unit residential building As Oy Hippoksenkatu 44 located in Kissanmaa, Tampere, and the 86-unit Asunto Oy Espoon Anna Sahlsténinkatu 15, located in Perkkää, Espoo. The agreements were valued at a total of EUR 35 million. They represent a great example of the development projects that SRV carries out in close co-operation with investors. A great customer experience was achieved in these projects. The NPS, measuring customer satisfaction, at the handover phase was a perfect 100 at both sites.

Both residential buildings utilise their own lifecycle-wise renewable energy production. Hippoksenkatu 44 is heated with geothermal energy, which is also used to provide

underfloor heating and cooling in individual apartments. The building is equipped with solar panels. Low-emission materials are used indoors. In terms of energy efficiency, both buildings are in class A, and they use electricity produced by solar panels to meet their electricity needs.

The lush yard of Anna Sahlsténinkatu was designed to support the well-being of people and nature. Plants were selected for the yard with an eye on supporting biodiversity, and the greenery planning favoured natural plantings. The indoor yard features a rain garden that makes use of stormwater, forming a meadow of native plant species. Heat island formation has been mitigated not only with trees and other vegetation, but also with light-coloured yard paving.



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January

Four-star RTS environmental classification awarded to the lifecycle-wise Helsinki Upper Secondary School of Languages



February

SRV announced that it will implement a residential block with 125 units for the City of Helsinki's housing production service in Nihti, Kalasatama, Helsinki

Construction of the Matinkylä Upper Secondary School was completed — this lifecycle-wise school for 900 students opened its doors

March

SRV announced that it will build 128 residential units for Varma in Niittykumpu, Espoo



April

SRV announced that it will implement the Kirkkonummi shared campus as a lifecycle project – upper secondary schools and other educational institutions under one roof in 2027

The “Making Dreams Come True” programme of SOS Children’s Villages

We signed a cooperation agreement with SOS Children’s Villages, an international NGO that protects children. Sponsorship funds will be paid to the “Making Dreams Come True” programme of SOS Children’s Villages, which supports disadvantaged families in Finland and their children to start or continue pursuing hobbies.

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May

SRV announced that it will implement the Research Hub at the Sähkötalo Building in Tampere and renovate the existing building

SRV announced that it will build a multipurpose building as a lifecycle project in Suutarila, Helsinki

We will carry out the project in a lifecycle-wise manner, with a significant focus on sustainable construction through, for example, the reuse of materials, the selection of low-carbon materials and renewable energy solutions.

SRV announced that it will implement the extension of the Myllypuro health and well-being centre as a collaborative project

Foundation stone laid and topping-out ceremony of the National Repository Library held in Kuopio

SRV selected as an alliance partner of Senate Properties for the Kuopio Police Building

Multipurpose building in Inkeroinen reaches rooftop height – modern school and early education facilities for almost 700 children

June

SRV is the first Finnish construction company to calculate its nature footprint

We initiated a research project to calculate the nature footprint in cooperation with the University of Jyväskylä. Nature footprint calculation is the next step following SRV's lifecycle-wise sites, thanks to which the company has reduced site emissions by 80 per cent since 2022.

SRV was selected to implement a diverse and lifecycle-wise district, Herkules, on the banks of the Aurajoki River in Turku

SRV and Metsä Group agreed on the development phase of a fibre products factory

The most environmentally friendly galvanising plant in Europe was completed in Lieto, Turku

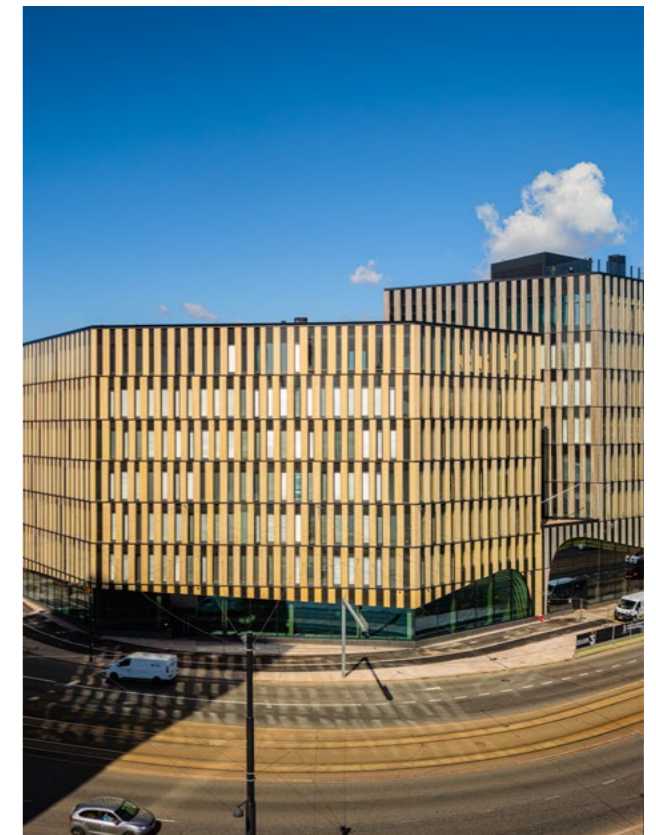
SRV announced that it will implement a 92-unit student housing project in Oulunkylä, Helsinki

SRV announced that it will implement new premises for Medical Centre Aava and Pikkujätö in the centre of Kerava

July

WithSecure's headquarters were completed in Wood City in Jätkäsaari

This mainly timber-framed building has a large carbon handprint and is one of the first projects in Finland to comply with the new EU taxonomy. The lifecycle-wise building is part of Wood City, a unique wooden quarter that has been developed by SRV.



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August

Metsä Group's Äänekoski Kerto LVL mill reached its rooftop height



September

The Sammontalo Building reached its rooftop height – this wooden-structure multipurpose building is progressing on schedule

Lease contracts for the Torihotelli restaurant and multipurpose hall in Oulu were signed



October

The construction of Vantaa's Main Police Station and Prison was fully completed

In this project, we focused on sustainable solutions: overall economy, energy efficiency and low environmental impact.

SRV announced that it will build a multipurpose arena in Hangonsilta, Hyvinkää – the project will begin with a development phase

An energy-efficient underground swimming hall and spa was completed at Ideapark in Lempäälä

We built the modern and energy-efficient Louhi Waterworld Spa at a depth of 30 metres under the Ideapark shopping centre. This technically challenging construction project was carried out in cooperation with the Municipality of Lempäälä and Kiinteistö Oy Ideapark.

November

Käkikellokortteli, one of the latest HITAS projects in Helsinki, reached its rooftop height in Kalasatama.

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December

SRV announced that it will build a service block in the Kruunuvuorenranta district of Helsinki – aiming to complete construction of a school and day care centre in summer 2027

SRV planted almost 17,000 trees during the year

Our primary goal is to reduce emissions. Before we can fully prevent all emissions, we want to do our part for nature. We plant trees because this sequesters carbon and is an important factor in mitigating climate change. We are working with istutapuita.fi in Finland and to date we have planted nearly 50,000 trees. These trees will help to sequester 30,000 tons of carbon dioxide emissions during their lifecycles. Each year, we plant 16,667 trees, equivalent to 10,000 tons of CO₂.

Construction of the new section of the Ruutana school has been completed – the new premises will be opened in January

SRV announced that it will implement right-of-occupancy housing units for Vaso in Kuloistenniitty, Raisio – the units will have an energy class A rating

SRV acquired a company in Niittykumpu, Espoo to support its strategic goal of increasing the share of revenue accounted for by housing construction

We bought a housing company from S-Bank Housing Special Investment Fund, which owns a plot of land zoned for housing construction in Niittykumpu, Espoo. Market-financed residential units with a total floor area of about 4,600 square metres can be built on this plot.

SRV sold its last asset in Russia

We sold our 50 per cent holding in the Pearl Plaza shopping centre in St. Petersburg to CP Invest Limited. This sale was the final step in our proactive efforts to exit Russia, which began in 2022.



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Excellent development in B2B customer satisfaction in 2024

Our strategic objective is to be sustainably profitable, and we seek to listen to our customers and other stakeholders while using a lifecycle-wise approach – i.e. construction that is sustainable from an environmental, human and financial perspective. Our customer promise – “By listening, we build wisely” – combines our strategy with an operating model based on asking and listening. Our good customer work is evident in NPS (B2B), which measures customer satisfaction: it increased greatly during the year to 78 per cent.

Laakson Joint Hospital,
Ohkola's forensic psychiatry
hospital building
NPS 100 (construction phase)



Multipurpose building in Inkeroinen
NPS 100 (construction phase)

2023–2024
Anna Sahlsténinkatu 15
NPS 100 (handover phase)
Zero-error handover



Hippoksenkatu 44
NPS 100 (handover phase)
Zero-error handover



Matinkylä upper secondary school and swimming pool
NPS 100 (handover phase)



Awards 2024

In May, the underground works carried out by SRV Infra in the Laakso Joint Hospital project were awarded the title of best site of 2023 in the Uusimaa Occupational Safety Competition.

KALASATAMANPUISTO FISKEHAMNSPARKEN

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Operating environment and description of the value chain

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Megatrends

Our operating environment is constantly changing. Cities are getting denser, climate change is accelerating and digitalisation is increasing – these trends are reshaping the world around us.

Denser cities

Finland's population is ageing as a result of both increased life expectancy and a rapid decline in the birth rate. This will change the outlook for regions that were previously forecast to be growth centres. Only the largest cities – Helsinki, Tampere and Turku – are expected to see substantial growth by 2040.

More than 70 per cent of Finns live in urban areas, in which 80 per cent of our GDP is generated. More and more of us want to live in cities, as urban life is perceived to be easier thanks to the availability of jobs, services and public transport.

The need to mitigate climate change and adopt more energy-efficient lifestyles is also steering us towards denser housing. New construction and renovation offer us the opportunity to develop our urban structure in a more sustainable direction, for example, by choosing renewable energy for properties. New construction and renovation will also meet the new spatial requirements of denser cities, such as the need for hybrid offices and more versatile homes that has been created by an increase in remote working. Cities are growing and developing near good transport connections. Public transport, combined with

walking and cycling, enables smooth and ecological daily life in urban areas.

Finland's rate of urbanisation is expected to rise from 73 per cent in 2020 to 79 per cent in 2050. We need to find homes for everyone in the city, and the best solution is often new and supplementary construction.

Accelerating climate change

The physical impacts of climate change and a scarcity of natural resources can be seen throughout the world. It is clear that mitigating and adapting to climate change requires action to be taken in the construction and real estate sector. Properties must be sustainable from many perspectives – from people's well-being, energy efficiency and the circular economy to the retention of their economic value.

The construction and real estate sector is responsible for 35 per cent of Finland's energy consumption, and the majority of emissions from buildings are generated by consumption during occupancy. There is, therefore, a great need to improve energy efficiency and harness renewable energy. New construction enables new ways of recycling and storing energy. Comprehensive regional solutions also help to optimise overall energy management.

Supporting biodiversity is an even greater priority in denser cities. There are many ways to prevent biodiversity loss and promote urban biodiversity, such as by conserving existing plants and supporting the local ecosystem by means of yard plant selection. Green urban nature

increases residents' well-being and helps to maintain biodiversity in denser urban areas.

The circular economy is another effective means of curbing the climatic impacts of construction. The carbon footprint of building materials can be reduced by choosing recycled materials and reusable building components. However, the growing market for renovation is bringing existing building stock closer to a sustainable level.

Climate change is causing an increase in extreme weather conditions and phenomena. Storm-related wind damage in Finland is predicted to increase as the climate warms, because the frost season will be shorter and precipitation will increasingly be in the form of rain rather than snow. Preparing for extreme conditions will require the construction sector to take action, in order to guarantee the long-term preservation of property values.

Increasing digitalisation

Digitalisation continues to evolve, reshaping both society in general and the construction and real estate sector. Digitalisation creates opportunities and provides solutions for the construction industry: from project planning to streamlining the construction process, and from services during the use of properties to renewable ways of doing work.

Artificial intelligence has manifold potential in the construction sector, and the benefits it confers will increase year by year. Artificial intelligence can be used to streamline and automate operations by, for example, producing a variety of design and planning solutions,

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forecasting project schedules and costs, or automating production control. However, artificial intelligence requires a store of high-quality data. By continuously collecting data, we can obtain a real-time situational picture during the design, construction and occupancy stages of a building's lifecycle. For example, data about indoor conditions can be collected with the aid of sensors while a property is occupied. This data can then be used to control and optimise both indoor conditions and energy consumption.

Digitalisation provides solutions for things such as scheduling and information flow, which makes project management more efficient and helps to streamline the construction process. For example, building information models promote information flow throughout the project, and can be used to view plans, calculate quantities, and inspect and illustrate plans.

The solutions brought by digitalisation have increased the use of various services in our daily lives – services that improve housing, mobility and premises usage. The sharing economy has become more widespread as a result of digitalisation: if you live in the city, you no longer need your own car, bike or e-scooter, as a variety of apps makes it easy to use shared vehicles.

Markets

According to the Bank of Finland's forecast in December, Finland's GDP contracted by 0.5 per cent in 2024. The recovery of the Finnish economy gained momentum in the latter part of the year and it is expected that the economy will grow by 0.8 per cent in 2025 and by 1.8 per cent in 2026. Consumer confidence and real incomes remain weak, but the slowdown in inflation and declining interest rates gradually improved the purchasing power of wage earners in 2024. Private consumption has recovered little by little, but many households are still on a cautious footing (source: Bank of Finland).

According to Statistics Finland, the weak economic climate has increased the unemployment rate. The Bank of Finland expects the employment situation to pick up when the economy starts to grow. The weak trend in investment continued during 2024, especially in housing construction. Exports picked up in the latter part of the year, and exports will swing to growth in 2025 on the heels of rising activity in global industrial production. A significant deficit in public finances will persist over the next few years and the public debt ratio will continue to rise in spite of adjustment measures. There are risks that trends in the global economy could be less favourable (source: Statistics Finland and Bank of Finland).

Economic growth in the eurozone remained muted in 2024, but inflation has clearly slowed down year-on-year. The European Central Bank (ECB) forecasts that total inflation will be 2.5 per cent in 2024, 2.2 per cent in 2025, and 1.9 per cent in 2026. Inflation has been slowed down especially by the decline in energy prices and the ending of the growth in food prices. The ECB's Governing Council has implemented several interest rate rises since July 2022 in an endeavour to ensure that inflation returns to its two per cent target. At the beginning of 2024, the key interest rate was 4.00 per cent. The ECB's Governing Council decided to cut the key interest rate by 0.25 percentage points at its meetings in June, September, October and December, and lowered the deposit interest rate to 3.00 per cent. Market interest rates headed downward throughout the year, and the financial markets expect rates to keep declining steadily until autumn 2025 (source: Bank of Finland).

The balance figure for the consumer confidence indicator was -9.1 in January 2024 and improved slightly in the second half of the year, amounting to -8.6 in December, compared to -13.3 a year earlier. Consumer confidence remains low, as the long-term average for the indicator is -2.6. Consumers' assessments of both their current

financial situation and their expectations for the future were poor during the year. The outlook for unemployment remained gloomy, and many people felt that the threat of unemployment was also relatively high for them personally (source: Statistics Finland).

In 2024, construction volume decreased by approximately 7 per cent. Demand for consumer and investor projects remains poor. Sales of new homes are still low, and the large number of completed homes is keeping many new housing projects on hold. Although an increase in government support mitigated the decline in housing construction in 2024, this support will almost halve this year. In 2024, an estimated 17,000 residential units were started up and the Confederation of Finnish Construction Industries forecasts that in 2025 this figure will rise to 20,000 units if the number of market-financed housing startups begins to grow. The trend in the number of permits issued for business construction was also weak throughout 2024, and the outlook for the next few years is muted. Public construction was in full swing in 2024, with several major projects underway. The outlook for industrial and commercial buildings is reasonable, but there is still a risk that projects might be delayed. On the other hand, there are many candidate projects and things may pick up as financing conditions become more favourable and foreign investors start taking a renewed interest in Finland (source: Confederation of Finnish Construction Industries RT).

In 2024, property transactions remained at a historical low, with only EUR 2.2 billion in real estate deals signed during the year. Foreign investors accounted for about half of the transactions. The premises that were in the highest demand during the year were industrial properties (about 31% of transactions), and housing was second (26%). Higher return requirements combined with falling market rates of interest will create a foundation for

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the gradual normalisation of the transaction market. (source: KTI)

SRV's view of the market situation and its impact on the company's operations is that the market situation for private-sector projects will remain challenging in the near future. The geopolitical situation and the threat of trade wars are adding to the uncertainty surrounding inflation and interest rates in particular. The recent fall in interest rates has already created better prerequisites for new projects in all segments, but the yield requirements of investors are still relatively high in the case of both housing and various kinds of business premises projects. Consumer demand for housing is recovering gradually, but remains low. In addition to low demand, the preconditions for starting up new residential projects are also weakened by the large supply of new and newish homes on the market. On the other hand, construction costs have slightly decreased, which is having a positive effect on start-up preconditions. In business premises construction, public sector demand supports volumes, but the limited demand from real estate investors is largely weighted towards existing properties rather than development projects.

Value creation

SRV's operations have significant and lasting impacts on surrounding society and the users of the built environment. The greatest impacts come from the buildings and infrastructure that SRV builds, as they will last for decades if not centuries. Sustainable and lifecycle-wise design and implementation are key to mitigating and adapting to climate change.

SRV produces value and provides comprehensive service to customers in matters such as the choice of construction site, project development, management of land use, specifying space needs, project budgeting and acquiring funding.

Management system and value creation model

SRV's management system comprises the company's operating methods that support its objective of being a desired partner for customers to implement lifecycle-wise projects that generate value for both business and society in general.

The management system revolves around SRV's value creation model, which describes the key actors in the value chain and the role SRV plays in it. The model is based on extensive stakeholder dialogue involving customers, investors, financiers, decision-makers and influential players.

The value creation model considers all types of capital – social, financial, human, intellectual, and natural – and presents the inputs, outputs, and impacts on a wide range of stakeholders.

The way in which SRV creates value for its stakeholders is encapsulated in the customer promise – “By listening, we build wisely” – and how it is put into practice. The promise includes “I always ask first”, which describes the company's principle of listening to the needs of stakeholders. SRV continuously provides internal training on how to work in accordance with the customer promise, and measures success in this area with customer satisfaction surveys.

SRV's capital

Capital management is an essential element of project value formation. The most important types of capital at SRV are social, financial, human, intangible and natural capital.

The key areas of social capital are personnel, stakeholder relationships with cities, investors and the local environment, the employer image and partnerships, and SRV's Code of Conduct.

Financial capital consists of the company's own and external financing, plus holdings.

With respect to human capital, the following aspects are particularly important: customer expertise, interaction, design and zoning expertise, management of the supplier pool and management expertise. The most important types of intellectual capital are the management system, the SRV Network Register (which is used to combat the grey economy and promote occupational safety and cooperation between authorities), and SRV's references, brand, corporate culture, concepts and operating models.

SRV utilises natural capital through, for example, land use and natural raw materials.

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SRV's impacts

SRV creates sustainable living environments and projects that adapt to change, stand the test of time, and are healthy, safe and retain their value.

A safe working environment is essential for SRV's operations. The company cooperates with all parties in the value chain to promote a culture of occupational safety.

SRV offers a long-term commitment to its partners and works with them in line with SRV's values and Code of Conduct.

SRV's lifecycle-wise strategy bolsters the role that business plays in mitigating and adapting to climate change. SRV is committed to reducing direct emissions from its operations as well as indirect emissions from the value chain.

By listening, we build wisely



Value creation model

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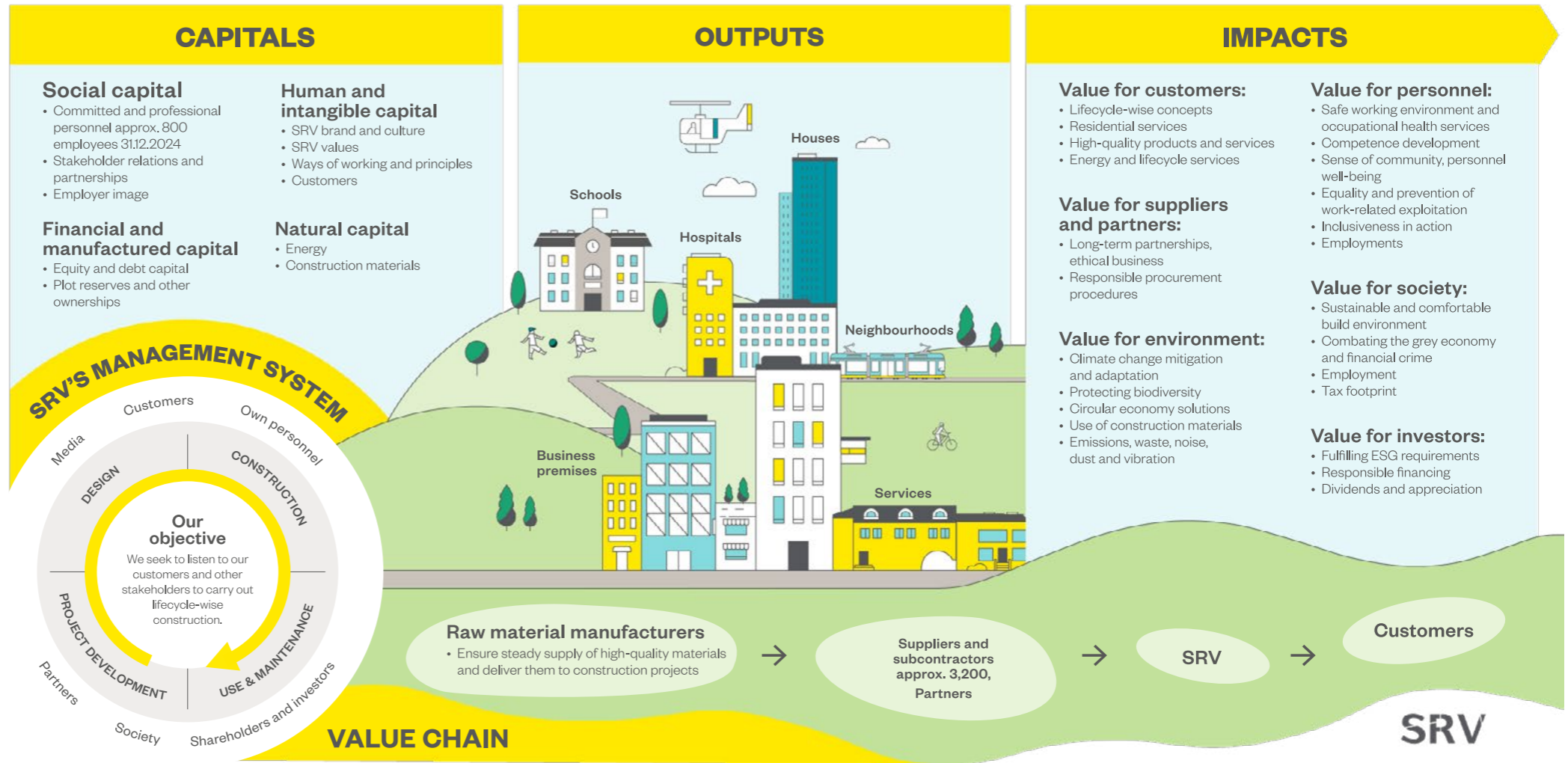
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Stakeholder cooperation

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Expectations for SRV

Customers	<ul style="list-style-type: none"> High-quality, energy-efficient and sustainable buildings and services that meet customer needs Ethically sustainable operating models and materials A good brand and reputation An excellent customer experience, cooperation and professionalism Financial performance and stability
Personnel	<ul style="list-style-type: none"> A safe and healthy working environment Opportunities for personal development at work A good working atmosphere Diversity, equity and inclusion A secure and financially sound workplace
Shareholders and investors	<ul style="list-style-type: none"> Increasing the value of SRV's share A clearly communicated investor story Protecting and building SRV's brand and reputation Providing reliable and up-to-date information about the company's financial and non-financial performance Developing ESG topics
Society*	<ul style="list-style-type: none"> Sustainably developing the built environment, combating and adapting to climate change, and taking biodiversity into account Compliance with legislation and ethics in business operations, and influencing legislative developments as an operator Open communication about SRV's activities and sharing best practices within the sector Providing employment and traineeships, and nurturing new professionals in the construction sector
Cooperation partners	<ul style="list-style-type: none"> A reliable and stable partner A good reputation A safe and healthy working environment Interesting projects Financial performance and stability
The media	<ul style="list-style-type: none"> Active, open and fast cooperation Providing a reliable and comprehensive picture of the company Contributing to general debate in the sector

Stakeholders' expectations for SRV

SRV's action in 2024

- SRV uses a lifecycle-wise approach to construct sustainable buildings and provide lifecycle services
- We constantly listen to our customers in accordance with our customer promise, and our customer experience is highly rated (B2B NPS = 78 in 2024)
- Compliance with our ESG-based sustainability programme
- A good level of occupational safety (lost time injury frequency LTIF = 10.97 in 2024)
- The entire personnel completed the new SRV Code of Conduct online course.
- Ensuring personnel competence
- A positive working atmosphere (eNPS = 29 in 2024)
- Employee representation for all personnel groups at SRV
- Continuous improvements to lifecycle-wise construction and reporting on its impact
- A Capital Markets Day for analysts, investors, other capital market representatives and media representatives
- Continuous communications and regular Investor Relations news
- Annual General Meeting
- Sustainability reporting and double materiality analysis in accordance with CSRD
- Sustainable, lifecycle-wise construction
- Commitment to the Science Based Targets Initiative
- Increasing taxonomy-aligned revenue
- Compliance with legislation and transparent reporting
- Close cooperation and advocacy work with industry organisations, and cooperation with stakeholders
- Active communications with neighbours near construction projects
- In 2024, we employed appr. 800 of our own personnel and appr. 3,200 subcontractors.
- The new SRV Code of Conduct and SRV Supplier Code of Conduct were launched
- We know our suppliers, and require both an approved sustainability survey and their commitment to our sustainability programme
- Enhancing safety awareness among our partners' employees
- A diverse project portfolio and thorough risk management
- Continuous communications about the company via interim reports, investor news, press releases and stock exchange releases
- Media meetings
- The launch of SRV's new website
- Highlighting sustainable and lifecycle-wise construction in our communications

* Includes authorities and decision-makers

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Stakeholder cooperation

SRV's business has a significant social impact, and the company considers that its collaboration with stakeholders is a key part of the development of its strategy, sustainability and business. SRV continuously engages in open and constructive dialogue with various stakeholders, taking into account the specific characteristics of business operations and the needs of stakeholders. SRV's most important stakeholders are customers, personnel, shareholders, investors and partners, and society and the media. Both the key stakeholders and the description of cooperation were updated in 2024 as part of the CSRD process. The cornerstones of the company's success are the continuous development of stakeholder cooperation and interaction. SRV's objective is to ensure that all stakeholders receive reliable and up-to-date information and have the opportunity to contribute to building the future of SRV.

Investor and media collaboration

SRV's investors and shareholders regularly receive reliable and up-to-date information about the company's position. SRV actively communicates to investors and the media with interim reports and both stock exchange and press releases.

Customer collaboration and the customer experience

SRV's customer experience is a strong theme in its strategy alongside lifecycle wisdom. SRV's customer promise – "By listening, we build wisely" – combines the company's lifecycle-wise strategy with an operating model based on asking and listening. SRV regularly conducts customer satisfaction surveys in the key stages of the customer journey. The feedback received is used to improve the customer experience.

Inclusive design

SRV listens broadly to its stakeholders and promotes inclusive design. For example, in the Espoon Neuvokas housing project, SRV engaged in dialogue with the future homeowners to learn what they want to make their homes cosy and functional. The participants were able to express their own wishes and thoughts about cosy homes and comment on the existing plans. The growth in the popularity of remote work and the diverse needs set for the common spaces of the housing company were clearly evident in their thoughts. SRV created more working space by changing saunas in some of the units into offices and converting two-room apartments with large rooms into three-room apartments.

In addition to this kind of project-specific dialogue, since 2021, urban residents and industry players have been able to join the Trailblazers digital forum to provide SRV with feedback on future projects. For example, SRV has used Trailblazers to assess how much customers value the environmental certification of buildings.

In addition to Trailblazers, SRV also has a youth panel for those aged 15 to 19 in which the participants create visions of the future homes, cities and working life that they will eventually graduate to. The decisions made by SRV have an impact long into the future – and that's why engaging in development together with young people is valuable.

Employee engagement and well-being

During the review year, SRV held regular personnel events on current topics. Employees have also been extensively invited to participate in the design of new premises. SRV monitored the workplace atmosphere with a quarterly personnel survey, and it remained at an excellent level (4.0/5.0). SRV's occupational safety level improved. SRV issued its revised Code of Conduct in autumn 2024, and all employees had completed Code training by the end of November.

Double materiality analysis and strategic development

Double materiality analysis was clarified as part of CSRD reporting with the aim of identifying the factors that are relevant from the perspective of both SRV's business and impacts on stakeholders. These themes are used in the development of stakeholder relations to ensure that cooperation with stakeholders supports both business objectives and social responsibility.



Stakeholder views are included in CSRD reporting in 2024

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Strategy implementation

SRV's strategy: Sustainably profitable

SRV's strategy for 2024-2027 responds to the major challenges in the operating environment: accelerating climate change, higher-density urban development and faster digitalisation. SRV's strategic objective is to be sustainably profitable and build a lifecycle-wise environment by listening to customers and other stakeholders. Its way of working is encapsulated in its customer promise: "By listening, we build wisely". SRV steers its profitability by tapping into market opportunities and engaging in prudent risk management. To ensure the achievement of objectives, SRV focuses on five strategic priorities: a portfolio that is optimised for market conditions and risk management, customer work that produces value, lifecycle-wise construction, efficiency and digitalisation, and corporate culture, people and expertise.

Strategic priorities

In 2024, the company was developed in line with five strategic priorities.

A portfolio that is optimised for market conditions and risk management

SRV's business structure is continuously optimised. SRV will strengthen its leading position in cooperative alliance projects and project management contracting, and will also increase the relative share accounted for by housing construction to 30–40 per cent of revenue. SRV will increase the relative share of the portfolio accounted for by business premises based on in-house project development, residential development projects and residential developer contracting projects to 30–40 per cent of revenue.

In 2024, consumers and real estate investors were still practically absent from the market for new construction.

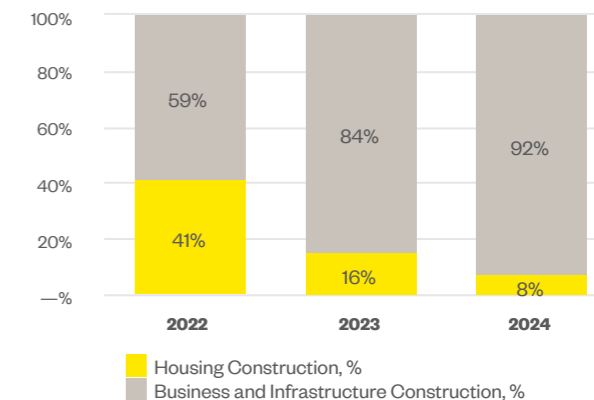
Due to non-existent demand among consumers and investors, SRV has not been able to start any of its planned development projects in the review year, and the development of the company's strategic project portfolio has been delayed. No developer-contracted projects will be recognised as income in 2025 — unlike other project types, they are recognised only upon completion.

Customer work that produces value

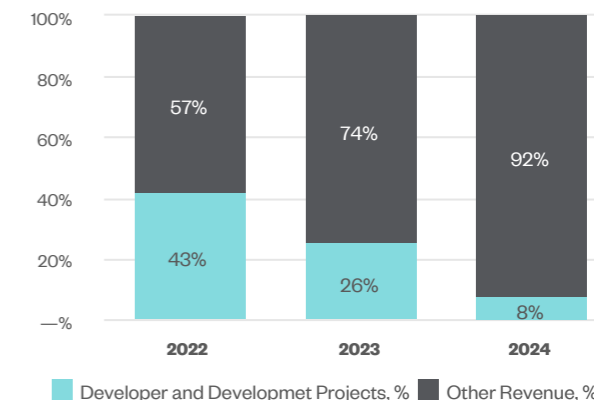
SRV seeks to provide an excellent customer experience. In 2024, SRV systematically developed its customer work, such as by listening to customers, utilising customer feedback and inviting customers to participate in design work. Thanks to these development efforts, SRV's NPS (net promoter score) for B2B projects has risen constantly and was 78 (61) at the end of 2024. SRV has achieved the best possible NPS (NPS 100) in several projects, such as the Matinkylä upper secondary school and sports hall, completed in 2024, the Rajamäki campus and the Kerto LVL mill MW Core, which are under construction, and numerous projects for housing investors.

During 2024, SRV promoted the startup of residential development projects and made outlays on increasing customer dialogue at different stages of the customer journey in the construction of owner-occupied housing. The intention is to listen to consumers' wishes and views early in the home design process. Active dialogue ensures not only that the offerings are right for the market, but also a great customer experience. For example, almost 200 consumers participated in the design of residential units at Neuvokas in Espoo. Participants were able to express their own wishes and thoughts about cosy homes and comment on the existing plans, especially regarding the floor plans of the units and the intended uses of the premises in both individual units and the housing company.

Revenue by business area, %



Revenue by project type, %



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The growth in the popularity of remote work and the diverse needs set for the common spaces of the housing company were clearly evident in their thoughts. SRV responded to customers' wishes for more working space by changing saunas in some of the units into offices and converting two-room apartments with large rooms into three-room apartments.

Customer work during the year focused on enhancing tender operations in business premises projects, providing broader support and improving quality. The company also introduced new processes and tools to reduce manual labour and improve data integrity. In addition, every step of the tender process was successfully streamlined and made more efficient. SRV's goal is to maintain excellent quality in all its offers and win new projects with an even greater understanding of customer needs.

Lifecycle-wise construction

SRV has developed lifecycle-wise construction since 2021 – this means construction that is sustainable from the perspective of the environment, people and financial value alike. During the year, SRV continued to engage in lifecycle-wise development at all its construction sites, develop lifecycle-wise concepts, implement projects with a lifecycle-wise approach, and report in accordance with the taxonomy system.

An essential aspect of lifecycle wisdom consists of the emissions from SRV's own operations, which are mainly on-site energy consumption and fuel emissions. SRV focuses on energy efficiency at its sites and uses renewable energy or energy with guarantees of origin whenever possible. One example of the development of a lifecycle-wise site is the Matinkylä upper secondary school, which was completed in the summer. Geothermal heat was introduced when construction got under way, enabling the use of renewable energy in the earliest possible phase,

high-quality supervision of site conditions, and the optimal use of energy already during construction.

In the development of lifecycle-wise concepts, SRV has focused not only on minimising environmental impacts, but also on building premises that are a good fit for their users. For example, wood was used to build the WithSecure headquarters at Wood City, completed in July, thereby increasing the carbon storage of its materials. A total of about 600 tons of wood have been used in the building's construction, which will bind a total of approximately 250 tons of carbon dioxide. In addition, the premises were designed to support user comfort, interaction and creativity by listening to WithSecure's wishes.

Lifecycle energy consumption is one of the major factors in terms of emissions and lifecycle costs. In 2024, SRV forged ahead with developing solutions for energy efficiency, flexible consumption, energy recycling and storage solutions. For example, savings of around 20 per cent were achieved at the Wood City II office building by means of energy recycling and flexible use in line with requirements. An example of energy reuse is the underground swimming hall in Lempäälä, completed in October, where SRV implemented a heat recovery system to capture heat from shower and pool wastewater and the ventilation system.

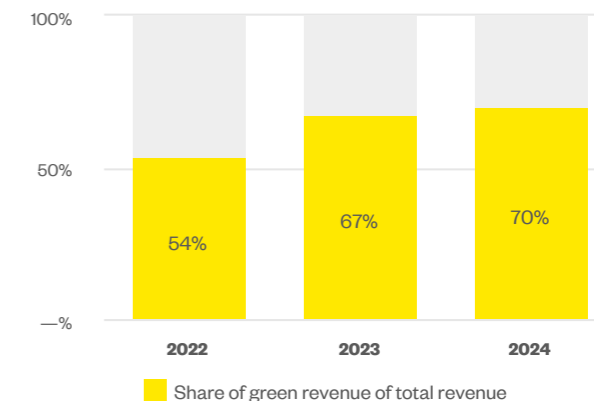
Green revenue indicates how much of SRV's revenue has been generated lifecycle-wisely. SRV's green revenue has grown steadily and amounted to 70 per cent in 2024. Green revenue covers the share of EU taxonomy-aligned revenue accounted for by taxonomy-eligible revenue for the review period and projects for which environmental certification is sought.

Site emissions have continued to decline, and the emission intensity of energy consumption in 2024 decreased by 18.9 per cent. Compared to the 2021 baseline, the company's emission intensity (Scope 1 and 2)

B2B NPS (nationwide)



Green revenue



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has decreased by 87 per cent. The factors that have contributed the most to reducing emissions are enhancing energy efficiency, changing over to electricity and heat produced from renewable and emission-free energy sources, increasing the number of electric work machines, and using biofuels to power the other work machines.

In addition to reducing emissions, good climate deeds are important to SRV. During 2024, the company planted 16,700 trees, which will bind 10,000 tons of carbon dioxide. All in all, the company has already planted more than 50,000 trees that will bind 30,000 tons of carbon dioxide over their lifetime.

In 2024, in cooperation with the University of Jyväskylä, SRV became the first construction company to assess its nature footprint. The construction industry is a significant user of natural resources; for this reason, SRV wants to better understand what the company's environmental footprint consists of so that it can target its actions as effectively as possible.

Efficiency and digitalisation

SRV aims to continue enhancing efficiency in procurements and industrial construction as well as harness the newest technologies in areas such as BIM, production control and design steering. During 2024, SRV continued to engage in wide-ranging efforts to increase efficiency, and drew up a digitalisation roadmap to guide digital development over the years ahead.

During 2024, the predictability and achievement of the budgeted margins of SRV's projects improved. Factors that contributed to this included continuous development to scale good practices and revised project follow-up practices. Systematic project launches and robust follow-up practices enable open interaction throughout projects and improve their controllability.

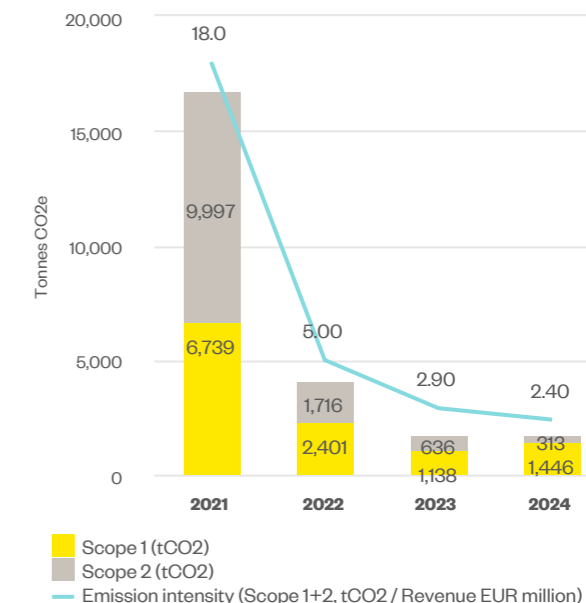
SRV seeks to continuously boost the efficiency of site operations, such as with takt planning applications. In the Laakso Joint Hospital project, takt planning has been

developed, and the indoor work phase is carried out in line with takt time. This is supported by a project coaching programme in which project personnel are provided with training on the management and continuous improvement of flow-focused production. The coaching programme uses belts in four colours to ensure that everyone involved in the project has a sufficient understanding of the alliance and its delivery system.

SRV continually seeks efficiency by developing procurement. Category procurement ensures the best market knowledge and competitiveness at all times. In addition to strengthening category procurement, SRV aims to increase the share accounted for by international sourcing to 10 per cent by 2027. Not only does international sourcing yield cost savings, it also improves delivery reliability, provides solutions for special procurements in projects and enables the company to balance out variations in the Finnish business cycle. All new international suppliers are audited to ensure compliance with quality and sustainability criteria. In 2024, SRV significantly stepped up the share of international sourcing. For example, in the project to build Atlas, the annex to the National Museum of Finland, international sourcing was used to meet the customer's requirements and implement exceptional glass facade solutions and hand-crafted ceramic tiles. International sourcing is an element in SRV's procurement strategy and is thus included in tenders for all projects.

SRV makes extensive use of building information modelling (BIM) to increase efficiency and ensure quality. The company actively uses a federated model that combines models from all design fields into one. A federated model makes it possible to inspect details as well as share information and detect errors efficiently even in large-scale projects. Standardisation and enrichment of data content enable SRV to make extensive use of BIMs.

Emissions from own operations



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BIM processing ensures consistent data content in all projects: the data can always be found in the same data field in a standardised format regardless of the design sector in question. BIM data content is also enriched and categorised in accordance with different needs and roles. For example, the initial data used in takt planning at the new ward building under construction at the Jorvi Hospital includes takt area data input into BIM and amounts divided up accordingly. In 2024, close to 6,500 IFC (Industry Foundation Classes) models, underwent BIM processing. IFC is a common data modeling formula and a common file format supported by data model processing programs. SRV will continue to develop BIM processing with the aim of ensuring that BIM data is stored on a centralised basis and harnessed even more efficiently in projects.

Corporate culture, people and expertise

SRV focuses on competitiveness through its experts and corporate culture, leadership and professional development, and the promotion of its sense of community and diversity. During 2024, development efforts were carried out on a broad front, and corporate culture-related development was positive.

Every two years, SRV conducts a more extensive personnel survey. The personnel survey yields a comprehensive overview of work and workplace strengths and areas for development by assessing employee experience, well-being and factors that impact fitness for work. In 2024, the survey response rate was 89 per cent. Based on the survey, work motivation at SRV was excellent, at a level of 4 (4.1). SRV's occupational safety and cooperation were singled out for praise. Exceptionally low employee turnover, 4.2 (12) per cent, also indicates good work motivation. The employee turnover is calculated from the number of persons leaving in their own initiative. In addition, SRV's eNPS (Employee Net Promoter Score)

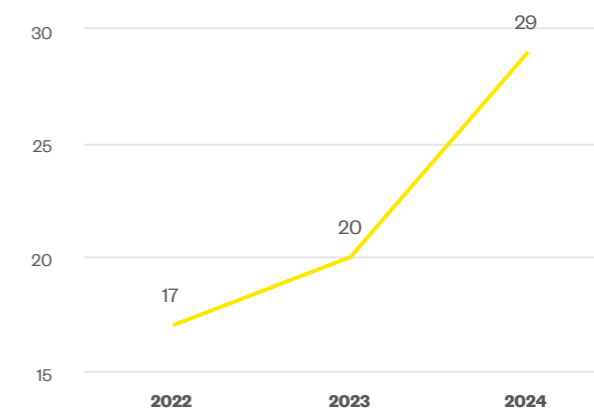
has developed favourably and was excellent at year's end, 29 (20).

In 2024, SRV made outlays on increasing competence levels by overhauling its in-house production training programme, introducing an online training portal for partners, and providing employees with coaching on collaboration. In addition, SRV facilitated the internal mobility of personnel between production units. These measures significantly strengthened SRV's business premises unit in the Greater Helsinki Area as well as the infrastructure unit in which SRV has large and unique projects both under construction and in the order backlog.

SRV also improved its ranking in Universum's annual employer image survey, which assesses Finland's most attractive workplaces and the characteristics associated with them. The company rose to the rank of 32nd in the technology industry's TOP 100 and took bronze in the construction companies category.

In 2024, SRV standardised its job titles to be gender neutral and carried out a pay review in accordance with the Pay Transparency Directive. In the coming year, SRV will continue working to promote equality and diversity, and will start updating SRV's values.

Employee Net Promoter Score (eNPS)



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Business Review

SRV's business operations consists of business premises construction and housing construction in Finland's largest growth centers, i.e. the capital region and the regions of Turku, Tampere and Oulu. Business premises construction consists of project management and alliance contracts and lifecycle projects for clients as well as self-developed projects and urban environment infrastructure solutions. Housing construction consists of developer contracting and development projects, and construction contracts for customers.

The actual construction business of the group takes place in subsidiaries of the group. The group's parent company, SRV Group Plc, is responsible for the group's financing and administration. The profitability and financial position of SRV Group Plc depends on the development of operations of the subsidiaries responsible for construction.

January–December 2024

The Group's revenue grew by EUR 135.8 million to EUR 745.8 million (EUR 610.0 million 1–12/2023). Revenue from business and infrastructure construction rose by EUR 179.2 million to EUR 688.2 million, while revenue from housing construction was down EUR 43.5 million to EUR 57.6 million.

The Group's operative operating profit grew to EUR 10.3 (1.1) million. Brisk growth in volumes in business and infrastructure construction was the main driver of SRV's improved operative operating profit, in spite of the fact that revenue was strongly weighted towards collaborative contracting. Revenue from housing construction remained very low compared to the comparison period and weakened operative operating profit.

The Group's operating profit was EUR 12.0 (-6.8) million. Operating profit was improved by the recognition of EUR 5.1 million from the sale of the Pearl Plaza shopping

Group Key Figures

EUR million	1-12/ 2024	1-12/ 2023	Change	Change, %
Revenue	745.8	610.0	135.8	22.3
Operative operating profit	10.3	1.1	9.3	870.0
Operative operating profit, %	1.4	0.2	1.2	
Operating profit	12.0	-6.8	18.8	
Operating profit, %	1.6	-1.1	2.7	
Profit before taxes	5.7	-15.7	21.3	
Net profit for the period	5.3	-15.1	20.4	
Net profit for the period, %	0.7	-2.5	3.2	
Earnings per share, EUR	0.18	-1.02	1.20	
Order backlog (unrecognised)	1,052.8	1,048.6	4.3	0.4
Equity ratio, %	35.1	34.4	0.7	
Equity ratio, %, excl. IFRS 16 1)	48.2	48.0	0.2	
Net interest-bearing debt	96.2	99.4	-3.2	-3.3
Net interest-bearing debt, excl. IFRS 16 1)	-9.2	-6.3	-2.9	
Net gearing ratio, %	65.5	71.7	-6.2	
Net gearing ratio, %, excl. IFRS 16 1)	-6.0	-4.3	-1.7	
Financing reserves	79.6	78.6	0.9	1.2

¹⁾ Excluding IFRS 16 effect

²⁾ At the end of the period

Personnel on 31 December 2024

	2024	2023
Group, total	817	771

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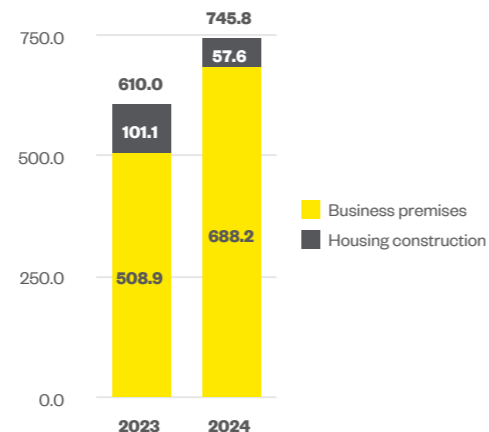
centre, of which translation differences accounted for EUR -4.9 million. Operating profit was weakened by a write-down of EUR -3.4 million on the lease agreement for SRV's current head office. The operating profit for the comparison period was weakened by a capital loss of EUR -9.5 million arising from the sale of SRV Russia Oy and its subsidiaries, of which the recognition of conversion differences accounted for EUR -9.3 million.

The Group's profit before taxes totalled EUR 5.7 (-15.7) million. Financial income and expenses amounted to EUR -6.3 (-9.0) million and included EUR -5.5 (-5.6) million in interest expenses from IFRS 16 leases, EUR -1.9 (-0.6) million in fair value changes on derivatives and EUR 3.4 (2.3) million in interest income. The comparison data largely consists of EUR -2.6 million in rouble exchange rate losses with no cash flow impact.

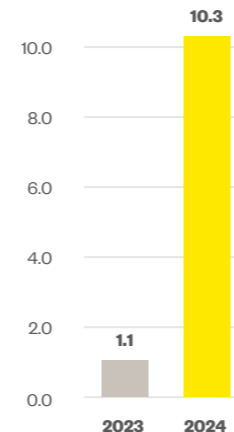
The Group's earnings per share were EUR 0.18 (-1.02). Cash flow from operating and investment activities totalled EUR 8.5 (0.0) million.

New agreements valued at EUR 691.2 (781.4) million were signed in January–December. Projects that were entered into the order backlog in January–December included orders for the Laakso Joint Hospital project (the second phase of infrastructure work, the Ohkola Hospital Building and the southern part of the main building), the Research Hub in the Sähköotalo building in Tampere, a multi-purpose building in the Suutarila district of Helsinki, a service block in Kruunuvuorenranta in Helsinki, the Kirkkonummi shared campus, a residential block with 125 residential units in Nihti, in the Kalasatama district of Helsinki, for the City of Helsinki's housing production service, 128 residential units for Varma in Niittykumpu in Espoo, a student housing project with 92 units in Oulunkylä, Helsinki, and 74 right-of-occupancy units in Kuloistenniitty, Raisio for Varsinais-Suomen Asumisoikeus Oy.

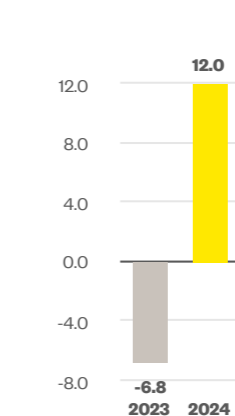
Revenue (EUR million)



Operative operating profit (EUR million)



Operating profit (EUR million)



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Business and infrastructure construction

In accordance with SRV's strategy, the company's business construction mainly consists of project management contracts and alliance projects for external clients, lifecycle projects, and SRV's own development projects. All of SRV's business premises projects are recognised as income according to the degree of completion.

Alliance and project management projects are characterised by very close cooperation with the client. The development and implementation phases overlap and the projects employ an "open book" model. The financial risk and benefit are shared with the client as agreed.

In lifecycle projects, SRV is responsible for both the construction of the building and the property's maintenance for an agreed service period. Lifecycle projects and most other contracts are implemented as turnkey contracts in which SRV is responsible for the design and implementation of the project, typically for a fixed total price.

A business development project is based on in-house project development: SRV solves the end-user's premises requirements and sells the property to an investor before commencing construction. SRV typically bears the financial risks of the project and reaps the benefits.

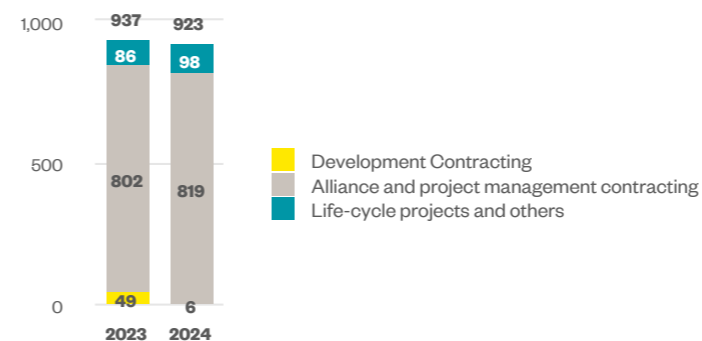
SRV's infrastructure construction consists of infrastructure solutions for the urban environment. In cooperative projects, Infrastructure operates independently with SRV's other units or partners using an "open book" model. The company carries out infrastructure constructing using the turnkey contracting model either as a prime contractor or as a subcontractor, as well as in its own development projects. SRV's infrastructure construction includes a broad range of work, such as rock construction, earthworks and foundation engineering, road construction and demanding concrete construction.

The largest ongoing business construction projects

Project name	Location	Project type	Completion level, %	Completion (estimate)
DEVELOPMENT PROJECTS				
Horisontti	Helsinki	Office	90	Q2/2025
BUSINESS PREMISES				
Laakso Joint Hospital	Helsinki	Public	23	2030
HUS Jorvi Hospital	Espoo	Public	64	Q4/2025
Oulu Main Police Station and Oulu Prison	Oulu	Public	85	Q3/2025
Kerto timber mill for Metsä Wood	Äänekoski	Industry	83	Q3/2025
Wintteri education and well-being centre	Uusikaupunki	Public	92	Q1/2025
Research Hub, Sähköotalo	Tampere	Public	15	Q1/2027
An annex to the National Museum of Finland	Helsinki	Public	41	Q2/2026
Service block in the Kruunuvuorenranta district	Helsinki	Public	0	Q2/2027
Okmetic	Vantaa	Industry	95	Q1/2025
Sammontalo	Lappeenranta	Public	76	Q2/2025
Multipurpose building in Suutarila	Helsinki	Public	3	Q3/2027
Shared campus in Kirkkonummi	Kirkkonummi	Public	8	Q4/2026
Multipurpose building in Inkeroinen	Kouvola	Public	71	Q2/2025
Ruutana school center	Kangasala	Public	85	Q1/2025

*Situation at 31st of December 2024

Order backlog unrecognised as income, Business and Infrastructure construction (EUR million)



Change in the order backlog, Business and Infrastructure construction:-1.4%

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Revenue from business premises and infrastructure construction increased to EUR 688.2 (508.9) million. Considerable revenue growth was seen in project management and alliance contracts.

Business and infrastructure projects under construction

The most significant business premises projects currently under construction include the underground premises, main hospital building and Ohkola hospital building of Laakso Joint Hospital, a new ward building of Jorvi Hospital for HUS, business premises for Senate Properties in Helsinki and Oulu, a large Kerto timber mill in Äänekoski for Metsä Wood, the Wintteri education and well-being centre in Uusikaupunki, the Horisontti office skyscraper in Kalasatama, Helsinki, the Research Hub in the Sähkötalo building in Tampere, an annex to the National Museum of Finland in Helsinki, a factory building for Okmetic in Vantaa, the Sammontalo building in Lappeenranta, the Inkeroinen multipurpose building in Kouvola, and the Ruutana school centre in Kangasala. The most significant infrastructure projects under construction include excavations and interior work for the Laakso Hospital's underground premises, the portal for Vantaan Energia's trans-seasonal storage area, a water tower in Lohja, and demanding foundation structures in the capital region.

Business and infrastructure projects under development

SRV's project development is developing a diverse range of business premises, such as offices, hotels, logistics centres and retail premises in Finland's strongest urban centres. Examples of major projects under development include the Turku multipurpose arena, the Oulu Market Square Hotel, the Northern Deck in Tampere, Tower A (the Pohjola Building) on Lapinmäentie in the Greater Helsinki Area, the Pressi office and logistics area in Vantaankoski, an office building development project on Leonkatu in Kalasatama, an office building development project at the

West Harbour in Jätkäsaari, the Kivenlahti metro centre in Espoo, the Kanavaranta office projects in Jätkäsaari, and the Gemini office towers in Keilaniemi.

Completed business and infrastructure projects

The Matinkylä upper secondary school in Espoo was completed in February, the Lieto galvanising plant in June, WithSecure's head office in WoodCity, Helsinki in July, the Vantaa main police station and police prison in September, the Lempäälä swimming hall and spa in October, and the Kuopio repository library in December.

Housing construction

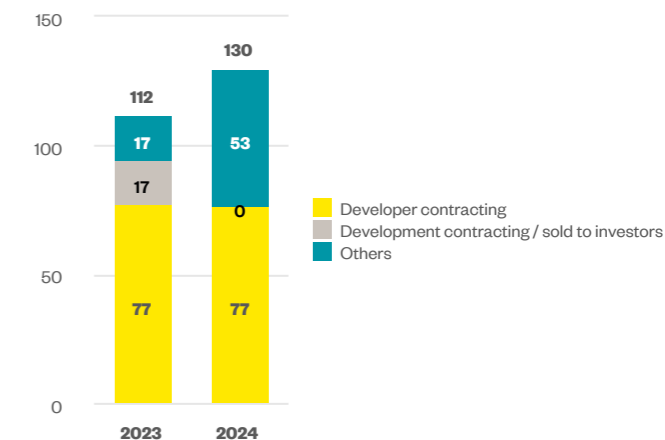
In accordance with SRV's strategy, the company's housing construction consists of residential development projects and developer-contracted housing projects in Finland's strongest growth centres, and particularly in the Helsinki Metropolitan Area. In addition, SRV selectively carries out housing construction projects for public and private sector clients.

A developer-contracted project is based on in-house project development: SRV designs, builds and sells residential units to either consumers or small investors. SRV bears the sales and construction risks, and also reaps the financial benefits. A project is recognised as income on completion, in accordance with the sales percentage.

A residential development project is also based on in-house project development, but is sold to an investor before construction begins. SRV typically bears the financial risk of the project and reaps the benefits, and the project is recognised as income according to the degree of completion.

Other contracts are mainly competitive or negotiated contracts for private or public housing developers. Contracts are typically carried out as turnkey or fixed-price contracts. SRV is the main contractor, and will be responsible for either construction or both design and construction.

Order backlog unrecognised as income, housing construction (EUR million)



Change in the order backlog, Housing construction:15.9 %

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Revenue from housing construction declined to EUR 57.6 (101.1) million. Revenue contracted strongly in development projects, which was partially compensated for by growth in revenue from negotiated and competitive contracting. Four (7) developer-contracted residential units were recognised as income during the review period. New projects started in January–December included a residential block with 125 residential units in Nihti, in the Kalasatama district of Helsinki, for the City of Helsinki's housing production service, 128 residential units for Varma in Niittykumpu in Espoo, a student housing project with 92 units in Oulunkylä, Helsinki, and 74 right-of-occupancy units in Kuloistenniitty, Raisio for Varsinais-Suomen Asumisoikeus Oy.

Housing under construction

At the end of December, SRV had a total of 520 (239) residential units under construction in Finland, located in growth centres. There were 0 (0) developer-contracted residential units under construction.

At the end of December, a total of 0 (138) units were under construction for investors. A total of 520 (101) units were under construction with competitive and negotiated contracts.

Completed and sold residential units, developer contracting

At the end of December, 95 (99) completed apartments remained unsold. A total of four (7) developer-contracted residential units were sold during January–December.

Residential units recognised as income

In January–December, four (7) developer-contracted residential units were recognised as income, generating total revenue of EUR 1.1 (5.9) million. Developer-contracted residential units are only recognised as income on completion, and only to the extent that they have been sold, after an average construction period of about 18 months.

Housing construction projects under development

SRV focuses on residential project development in urban growth centres. SRV is currently developing housing construction projects in areas such as Lapinmäentie, Kalasatama and Lauttasaari in Helsinki, and Kivenlahti, Espoonlahti, Vermonniitty, Säterinkallio and Keilaniemi in Espoo as well as in Turku, Tampere and Oulu.

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Housing construction

Units	1-12/ 2024	1-12/ 2023	Change, units
Housing sales	4	145	-141
developer contracting	4	7	-3
sold to investors	0	138	-138
Developer contracting			0
start-ups	0	0	0
completed	0	85	-85
recognised as income	4	7	-3
completed and unsold	95	99	-4
Under construction	520	239	281
contracts and negotiated contracts	520	101	419
sold to investors	0	138	-138
developer contracting	0	0	0
-sold	0	0	0
-unsold	0	0	0
-sold, %	0.0	0.0	
-unsold, %	0.0	0.0	

Largest ongoing housing projects, investor projects and housing contracting

Project name	Location	Developer	Completion level, %*	Completion (estimate)
Verkkosaarenkatu	Helsinki	Helsingin kaupungin Asuntotuotanto	74	Q2/2025
Residential block in Nihti (Käkikellokortteli)	Helsinki	Helsingin kaupungin Asuntotuotantopalvelut	48	Q4/2025
Komentaja	Espoo	Varma	33	Q1/2026
Patolankulma	Helsinki	Kiinteistö Oy Patolan Kulma	10	Q2/2026
Kuloistenniitty	Raisio	Varsinais-Suomen Asumisoikeus Oy (Vaso)	1	Q2/2026

*Situation at 31 December 2024

Order backlog, housing construction

EUR million	2024	2023	Change	Change, %
Development contracts, negotiated contracts and others	53.1	34.5	18.6	54.1
Under construction, unsold	46.3	46.3	0.0	0.0
Completed and unsold developer contracting	30.3	31.1	-0.8	-2.7
Housing construction, total	129.7	111.9	17.8	15.9

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With a transaction carried out on 20 December 2024, SRV sold its last asset in Russia, a 50 per cent holding in the Pearl Plaza shopping centre in St. Petersburg, to CP Invest Limited. This sale is the final step in SRV's proactive efforts to exit Russia, which began in 2022. The other owner of the Pearl Plaza shopping centre is the Chinese company Shanghai Industrial Investment (Holdings) Co., Ltd. In the transaction, the entire share capital of the shopping centre was transferred to CP Invest Limited. After this transaction, SRV no longer has any assets or business in Russia.

SRV owns five per cent of Tampere Arena and has an 8.33 per cent holding in other Tampere Central Deck and Arena projects.



Economic development

Outlook for 2025

During 2025, SRV's revenue and result will be affected by several factors in addition to general economic trends, such as: the margin of the order backlog and its development; the start-up of new contracts and development projects; geopolitical risks, including their related direct and indirect effects, such as material costs and the availability of materials and labour; and changes in demand. At the beginning of the year, private demand for new construction is very low in several segments. For this reason, there is significant uncertainty about the startup of new projects and their estimated revenue and margin accrual.

In 2025, revenue will mainly consist of relatively low-margin – yet also low-risk – cooperative contracting and, to a lesser extent, of competitive and negotiated contracts. The share accounted for by development projects sold to investors will remain low. The share of revenue accounted for by developer-contracted housing production will be very slight in 2025, as no new developer-contracted projects will be completed during the year.

- Full-year consolidated revenue for 2025 is expected to decline compared with 2024 and to amount to EUR 630-710 million (revenue in 2024: EUR 745.8 million).
- Operative operating profit is expected to be positive (operative operating profit in 2024: EUR 10.3 million).

Financial objectives

As from the beginning of 2024, the company's operations are guided by the following long-term financial objectives that it aims to achieve by the end of 2027:

- Operative operating profit of at least EUR 50 million
- Revenue > EUR 900 million
- The objective is to distribute a dividend equalling 30-50 per cent of the annual result, while taking into account the outlook and capital needs of the company.

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Group key figures

IFRS, EUR million	1-12/2024	1-12/2023	Change	Change, %
Revenue	745.8	610.0	135.8	22.3
Operative operating profit	10.3	1.1	9.3	870.0
Operative operating profit, %	1.4	0.2	1.2	
Operating profit	12.0	-6.8	18.8	
Operating profit, %	1.6	-1.1	2.7	
Profit before taxes	5.7	-15.7	21.3	
Net profit for the period	5.3	-15.1	20.4	
Net profit for the period, %	0.7	-2.5	3.2	
Order backlog (unrecognised)	1,052.8	1,048.6	4.3	0.4
New agreements	691.2	781.4	-90.2	-11.5
Financing reserves	79.6	78.6	0.9	1.2

Group figures

IFRS, EUR million	2024	2023	Change	Change, %
Equity ratio, %	35.1	34.4	0.7	
Equity ratio, %, excl. IFRS 16 1)	48.2	48.0	0.2	
Net interest-bearing debt	96.2	99.4	-3.2	-3.3
Net interest-bearing debt, excl. IFRS 16 1)	-9.2	-6.3	-2.9	
Net gearing ratio, %	65.5	71.7	-6.2	
Net gearing ratio, %, excl. IFRS 16 1)	-6.0	-4.3	-1.7	
Return on investment, % 4)	5.5	-2.6	8.1	
Capital employed	283.6	277.7	5.9	2.1
Capital employed excl. IFRS16	189.5	179.6	9.8	5.5
Return on equity, %	3.7	-10.6	14.3	
Earnings per share, EUR 2)	0.18	-1.02	1.2	
Share price at the end of the period, EUR	4.66	4.08	0.6	14.2
Number of shares outstanding at the end of the period	16.9	16.9	0.0	0.0

¹ The figure has been adjusted to remove the impacts of IFRS 16.

² The figure has been calculated excluding the hybrid bond interest, tax adjusted.

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REVENUE

745.8

EUR MILLION

OPERATIVE OPERATING PROFIT

10.3

EUR MILLION

ORDER BACKLOG, 31 December 2024

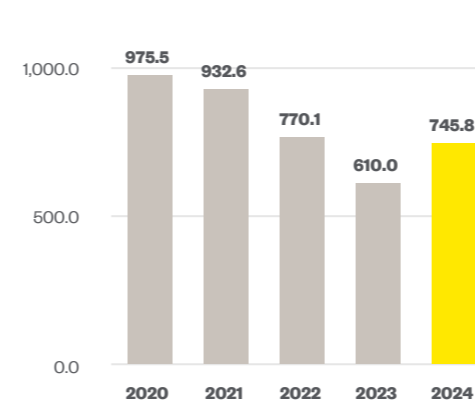
1,052.8

EUR MILLION

EQUITY RATIO (EXCLUDING IFRS 16)

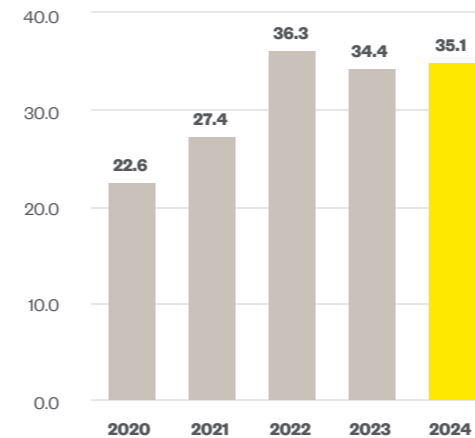
48.2%

Revenue (EUR million)



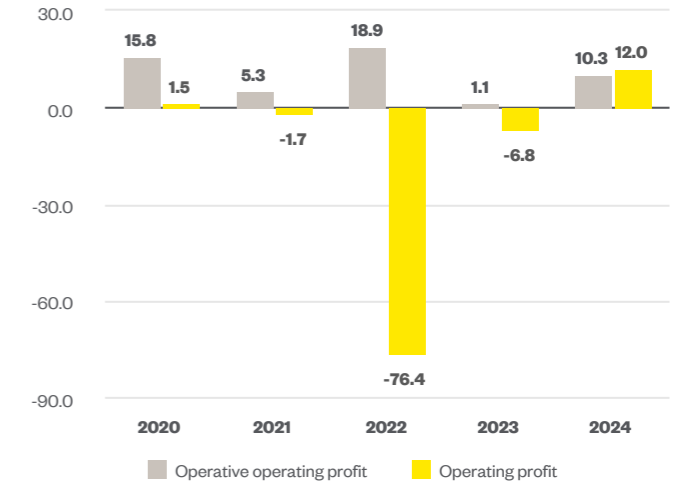
Change from 2023: 22.3%

Equity ratio (%)



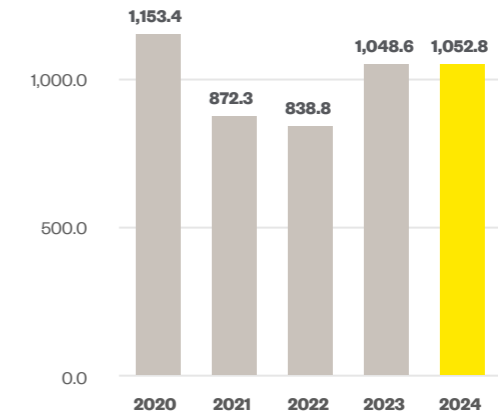
Change from 2023: 0.7 percentage points

Operative operating profit¹ and operating profit (EUR million)



¹ SRV revised the definition of operative operating profit in order to improve comparability and transparency in reporting in 2021. Operative operating profit differs from the IFRS definition of operating profit in that it eliminates the calculated currency exchange differences included in financial items in Russian operations and their potential hedging impacts, as well as other items affecting comparability.

Order backlog (unrecognised) (EUR million)



Change from 2023: 0.4%

Financing and financial position

Financial income and expenses amounted to EUR -6.3 (-9.0) million in January–December. Net financial expenses included EUR 3.4 (2.3) million in dividend and interest income, exchange rate differences amounting to EUR 0.0 (-2.6) million arising from the conversion of subsidiary and associated company loans, which did not have an impact on cash flow, fair value changes on derivatives amounting to EUR -1.9 (-0.6) million, and interest expenses of EUR -1.0 (-1.1) million, of which EUR 0.0 (0.7) million was capitalised as of the beginning of the year. In addition, financial expenses included EUR -5.5 (-5.6) million in interest on lease agreement debts under IFRS 16 and EUR -1.2 (-2.1) million in other financial expenses.

Equity ratio was 35.1 (34.4) per cent and gearing was 65.5 (71.7) per cent. Excluding the impact of IFRS 16, the equity ratio was 48.2 (48.0) per cent and gearing was -6.0 (-4.3) per cent.

Capital employed stood at EUR 283.6 (277.7) million and the return on investment was 5.5 (-2.6) at the end of the review period. Excluding the impact of IFRS 16, capital employed amounted to EUR 189.5 (179.7) million.

Net interest-bearing debt totalled EUR 96.2 (99.4) million at the end of the review period. Net interest-bearing debt saw a year-on-year decrease of EUR -3.2 million. Excluding the impact of IFRS 16, net interest-bearing debt totalled EUR -9.2 (-6.3) million, representing a decrease of EUR -2.9 million on the comparison period. Housing corporation loans accounted for EUR 16.4 (17.1) million of the interest-bearing debt.

In April, the company agreed with the syndicate banks to exercise the one-year extension option of the current EUR 40 million committed revolving credit facility which is

IFRS, EUR million	1-12/2024	1-12/2023	Change	Change, %
Equity ratio %	35.1	34.4	0.7	
Equity ratio excl. IFRS16, % ¹⁾	48.2	48.0	0.2	
Net gearing ratio, %	65.5	71.7	-6.2	
Net gearing ratio excl. IFRS16, % ¹⁾	-6.0	-4.3	-1.7	
Shareholders' equity	146.8	138.7	8.2	5.9
Capital employed	283.6	277.7	5.9	2.1
Net interest-bearing debt	96.2	99.4	-3.2	-3.3
Net interest-bearing debt excl. IFRS16 ¹⁾	-9.2	-6.3	-2.9	
Interest-bearing debt	136.7	139.0	-2.3	-1.6
Of which short-term	2.8	4.5	-1.7	-37.9
Of which long-term	133.9	134.5	-0.6	-0.4
Interest-bearing debt, excl. IFRS 16 ¹⁾	31.3	33.3	-2.0	-5.9

¹⁾ The figure has been adjusted to remove the impacts of IFRS 16

tied to sustainability targets as well as the replacement of the minimum EBITDA covenant with a net debt/EBITDA covenant. In accordance with the exercised extension option, the revolving credit facility is valid until April 2026.

EUR 10 million of the company's EUR 40 million committed revolving credit facility had been allocated as a committed overdraft facility by the end of the review period, and it remained unused at the end of the period. Of the remaining EUR 30 million, EUR 1 million was in use and EUR 29.0 million was unused.

The company has EUR 21.1 million and EUR 36.0 million convertible hybrid bonds resulting from the financing arrangement implemented in June 2022. The coupon interest rate for the equity-like hybrid bonds is 4.875 per cent per annum. The equity-like bonds have no maturity date, are unsecured and rank subordinate to other debt obligations. Convertibility of the hybrid bonds is structured such that the hybrid bond terms include a special right, as per the Companies Act, to convert the bonds into shares if the company does not redeem them before 30 June 2026. The hybrid bonds are recorded as equity in the balance sheet at the assumed market value

(60% of nominal value) at the time of recognition, and their value in equity on the balance sheet as of 31 December 2024 was EUR 33.5 million.

At the end of the period, the Group's financing reserves totalled EUR 79.6 (78.6) million, consisting of an undrawn committed revolving credit facility of EUR 29.0 million, an unused committed overdraft facility of EUR 10 million, and cash and cash equivalents of EUR 40.5 million.

The financial covenants of SRV's financing agreements are equity ratio, gearing, net debt/EBITDA, minimum liquidity, and certain other restrictions. The covenant levels of these financing agreements are determined on the basis of the accounting principles in force when the loan agreements were signed. Recognition of income on the basis of percentage of completion in developer contracting projects and the inclusion of capital loans into equity are taken into consideration in the calculation of the equity ratio covenant. The loan agreements also contain some other deviations from traditional covenant calculation methods. The main covenants of the financing agreements are presented in Note 28 to the consolidated financial statements.

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SRV's investment commitments totalled EUR 19.6 (19.6) million at the end of the review period, and consisted of investments in Fennovoima and the Tampere Central Deck and Arena project.

Translation differences recognised in equity totalled EUR 0.0 (-4.9) million at the end of the review period.



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The Corporate Executive Team assists the President & CEO in operational planning, line management, and decision-making. The team also prepares matters to be dealt with by the company's Board of Directors, and handles matters concerning business operations and operational control and development. The duties of the Group's Corporate Executive Team are based on the Company's management system, and the Group's Corporate Executive Team has no authority grounded in law or the Company's Articles of Association.

Changes in SRV's Corporate Executive Team in 2024

Tero Karislahti, MSc. (Tech.), 40 years old, started out as SRV Group Plc's Senior Vice President, Regional Units and a member of the Corporate Executive Team, effective 1 February 2024.

Anu Tuomola, SVP, General Counsel and a member of the Corporate Executive Team, took a new position outside the company at the end of November 2024. On 1 October 2024, SRV announced that SRV Group Plc had appointed Liisa Krogerus (LL.M), 46, as its new General Counsel and a member of the Corporate Executive Team. Krogerus took up her new position on 2 January 2025.

On 30 October 2024, SRV announced that Kristiina Sotka, SRV's SVP Human Resources and a member of the Corporate Executive Team, has resigned and will take on a position outside the company in April 2025 at the latest.

Risks and risk management

SRV has published a Corporate Governance Statement, which includes a general description of the company's risk management systems, as a separate report from the Annual Report. The report is available on the company's website.

Strategic risks*Market risks*

SRV's most significant strategic market risks are linked to delayed recovery in consumer demand for housing and investor demand for housing and business premises. In order to reduce market risks, the company continued to bolster its activities to identify commercial opportunities, manage customer relationships and sales, and enhance the customer experience. In projects, the aim is to make outlays on public integrated project deliveries. SRV is seeking to put a stronger focus on private development projects in the business premises sector; while in the housing business area, projects will be distributed more evenly among different sectors of housing construction.

The ongoing geopolitical tensions and increased uncertainties in global trade policies have increased macroeconomic uncertainty, which could have a harmful impact on the operating environment. The company has taken several measures to increase the flexibility and resilience of its operations and prepare for the challenges brought by an uncertain operating environment.

Strategic climate risks

SRV's strategy, which emphasises lifecycle wisdom, is strongly linked to combating climate change, boosting biodiversity in the built environment, and supporting customers' needs in a changing operating environment. SRV's climate roadmap, which extends to 2030, supports the company's efforts to combat climate change and

promote biodiversity. Ignoring biodiversity is considered to constitute a significant business risk, which is why SRV continued to more strongly integrate nature and natural solutions into the built environment in 2024.

The reporting recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and Task Force on Nature-related Financial Disclosures (TNFD) have been utilised when assessing the impacts of climate change and biodiversity. The description of risks related to climate change and biodiversity has been deepened by describing more concrete measures and their impacts in SRV's sustainability reporting.

Personnel risks

The availability of labour has remained good and SRV was highly successful at balancing resources during the year by means of internal transfers between different business functions. In spite of the market situation, a personnel risk is posed by attracting and eliciting commitment from project personnel with demanding references for business premises and other key personnel. That said, employee turnover is at an excellent level of 4.2 per cent. Corporate culture, expertise and people are considered to be key draws for the company. Their development will continue to be a strategic focus over the years ahead.

Financial risks*Financing and credit risks*

SRV's developer-contracted construction ties up capital. The availability and price of financing are important for the company's business. Although the availability of financing and certain guarantees for the company has improved, the availability of financing for developer contracting projects remains somewhat limited and the terms and conditions have tightened due to the market situation.

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Liquidity and refinancing risks may have an effect on the Group's financial results, cash flow and the implementation of the Group's developer contracting projects if the Group is unable to ensure sufficient financing for its operations. In addition to cash assets and undrawn committed housing corporation loans, SRV's financing reserves consist of an undrawn committed revolving credit facility and an unused committed overdraft facility. Individual receivables may also be sold within the limits allowed for the purpose of liquidity management, as necessary.

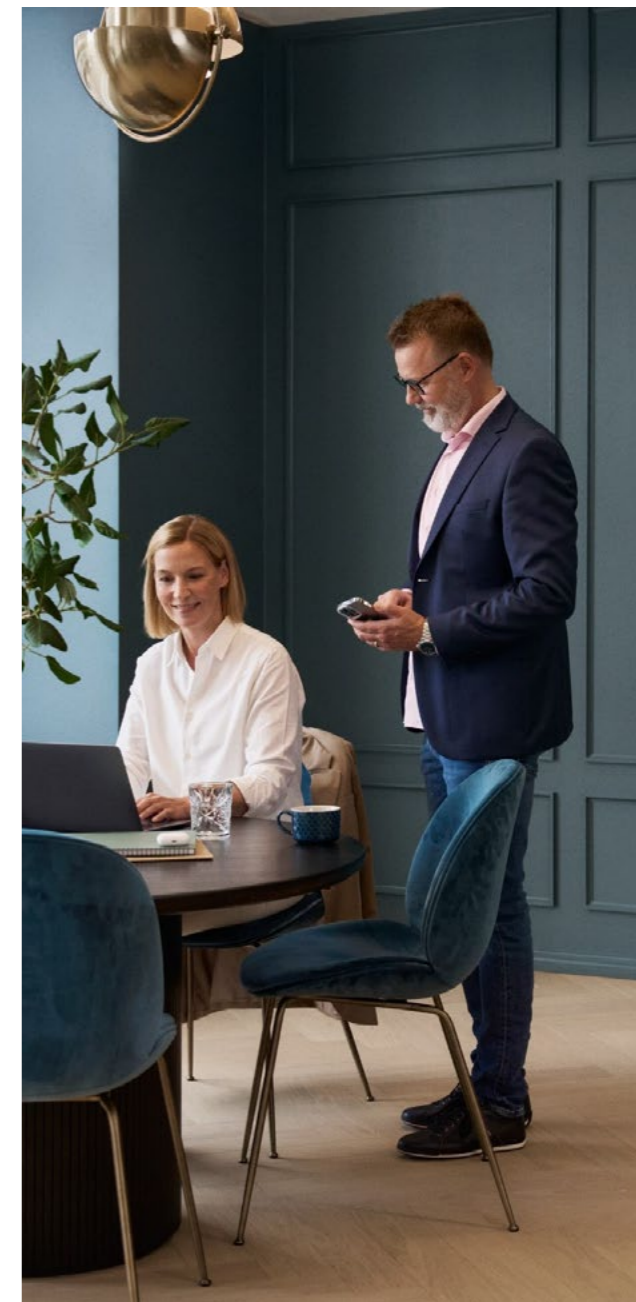
Negative changes in SRV's earnings trend may impact on the fulfilment of the covenants of the revolving credit facility and thereby on the usability of the facility and the company's financing reserves. The company actively monitors the development of the covenant situation and, if necessary, seeks to negotiate on financing terms with the creditor banks.

In order to manage financial risks, financing for developer contracting projects is ensured through sales of projects, project-specific credit facilities and the use of SRV's general financing reserves. The financing situation of projects is assessed at different decision points and the company only starts up projects for which financing has been secured. New projects are only launched when there is sufficient demand.

General interest rates remained high during the first half of 2024, after which they began to decline. SRV is monitoring the interest rates connected to its liabilities, and seeks to hedge interest rate risks through interest derivatives and by choosing the interest type and interest period. In July 2015, SRV signed two interest rate swaps with total capital of EUR 100 million. They will mature in 2025. In addition to its interest rate risk position, SRV can also use interest derivatives to partly hedge against the impact of interest rate changes on its business.

Due to the nature of SRV's operations, the unit sizes of projects and sales invoices are relatively large. For this reason, the company's receivables from individual customers may be subject to credit risks. The company seeks to manage credit risks by means of assessing the solvency of customers, security arrangements, prudently drafting payment instalment tables and proactively keeping track of receivables. The Group's commercial counterparties are mainly listed companies or major real estate companies or institutional investment companies. Historically, the amount of credit losses has been very low.

In the first quarter of 2022, SRV suspended the construction of the Torihotelli contract in Oulu due to the payment difficulties of the client. In June 2022, SRV filed an application to declare the client bankrupt. As a result, the District Court of Oulu declared the company developing the hotel, Kiinteistö Oy Oulun Torihotelli, bankrupt in August 2022. The assets of the bankruptcy estate are being liquidated. The company has also initiated steps to liquidate its non-property collateral. At the end of December, SRV had about EUR 16.0 million in trade receivables due from this contract, secured by a mortgage on the property under construction and pledges on certain other assets. Trade receivables in the Torihotelli contract involve credit loss risks.



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SRV seeks to implement profitable contracting projects and to develop profitable developer contracting and property projects together with its partners. The most significant project management risks concern resources, the operations of customers and the authorities, contract management, site planning, the implementation of procurement, the management of schedules, quality, costs, safety and environmental issues, and the marketing and sale of projects.

SRV seeks to manage project management risks by investing in training and the development of management-enhancing systems and its own customer-focused, flexible and networked operating model. The company has a management system that steers its operations, as well as various development projects aimed at standardising and systematising operative risk management and handling to increase their efficacy.

Subcontracting risks

Partner network management involves risks related to matters such as quality, costs, schedule, safety, the grey economy, labour exploitation, human rights and environmental issues. To manage subcontractor risks, the backgrounds, technical competences and financial capacities of key companies working in projects are assessed, and phase-by-phase working plans are drawn up before work begins. In addition to the implementation of the working plans, SRV constantly monitors the development of procurement costs and reacts rapidly to deviations. Suppliers are also selected for an audit in accordance with the annual audit plan. The methods used for managing risks associated with the subcontracting network are described in more detail in the section on SRV's Code of Conduct.

Procurement management and documentation are handled with SRV's procurement system and in-house network register.

The materialisation of any significant geopolitical tensions would pose problems to global production chains, thereby affecting material availability and raising their prices. Proactive procurement is employed to manage any material availability issues and the impact of inflation on projects.

Operational sustainability risks

Operational sustainability risks highlight the occupational safety and human rights risks of SRV's own personnel and value chain. Occupational safety and human rights risks involve serious accidents at work, labour exploitation, working conditions, and the grey economy. The main themes in 2024 were to intervene in neglect of occupational safety and how to interact appropriately with people in difficult situations. In addition, the management and monitoring of safety has been developed to obtain an even more accurate and better picture of the situation. At the same time, on-site training and own observations of occupational safety have been developed.

SRV requires the realisation of human rights in its own operations and value chain. Measures taken in 2024 to avoid human rights risks are described in the Good Governance section in particular. As one of these actions, SRV has updated its Code of Conduct and provided related training to personnel.

Contractual risks

Incomplete or unclear contract terms and deficient contract management may give rise to ambiguities concerning the responsibilities and obligations of the parties and disputes that weaken project profitability. In particular, additional and modification work implemented

during projects is subject to the risk of divergent interpretations.

In order to avoid contractual risks, SRV's key agreements are drafted on the basis of legal expertise and contract models adapted to the company's operations. Contract practices are developed constantly. In addition, the company constantly maintains the knowledge of responsible persons on different contract terms and the content of contracts with guidance and the necessary training.

Risks of large and demanding projects

Construction projects always involve a variety of risks in the project development, construction and in-service phases, and there might also be unfavourable changes in their circumstances. Large-scale development projects that tie up a great deal of capital over a long period of time are particularly exposed to changes and risks.

The key factor in risk management is the careful selection of projects in order to optimise the project portfolio in line with SRV's risk management framework. We also proactively manage our risks by diversifying our portfolio geographically, by intended use and contract type, and by limiting the amount of capital tied up in projects.

In large and demanding projects, the company manages the risks involved in each phase by carrying out thorough risk analyses and adhering to the project process, decision-making processes and operating system defined by the company. Major and risky projects are always under the special supervision of the company's management. New practices have been introduced in project selection and risk management, and are being constantly expanded and systematised.

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In April 2022, SRV wrote down the balance sheet values of its holdings in Fennovoima. After this write-down, the investment commitment to Voimaosakeyhtiö SF amounts to a maximum of EUR 18.7 million. That said, the realisation of this investment commitment involves significant uncertainty due to the interruption of the Hanhikivi 1 project. Fennovoima has cancelled the application for a construction permit for the Hanhikivi 1 nuclear power plant.

Cyber, information security and continuity risks

The functionality and security of information systems play a key role in the company's business operations. The growing threat posed by cybercrime, potential personnel misconduct, and system replacements and modernisation are risk factors that can result in the interruption of operations, reputational damage and significant financial losses. Cyberattacks and hacking of telecommunications, IT systems and the functionality of other infrastructure are on the rise, which might cause disruptions in the operations of SRV and its customers and implementation partners.

With respect to cyber and information security risks, SRV has constantly enhanced its information security culture by maintaining and improving its information security policy and guidelines as well as information security-related practices. SRV monitors external threats and constantly keeps track of how the situation develops. Other means of risk management include automatic virus scans of systems and issuing separate warnings about major information security threats.

Corporate governance and the decisions of the Annual General Meeting

SRV has published a Corporate Governance Statement as a separate report from the Annual Report. The report is available on the company's website.

General Meetings

SRV's Annual General Meeting (AGM) was held on 25 March 2024 in Espoo. The AGM adopted SRV Group Plc's Financial Statements for the period 1 January–31 December 2023 and released the members of the Board of Directors and the President & CEO from liability as well as approved the company's Remuneration Report for governing bodies for 2023 and their remuneration policy. The Annual General Meeting also approved all the proposals made by the Shareholders' Nomination Board and the Board of Directors to the General Meeting.

The minutes and decisions of the Annual General Meeting, including details, are available on the company's Internet site at www.srv.fi/en/investors.

Dividend payment

In accordance with the proposal of the Board of Directors, the Annual General Meeting decided that no dividend would be paid for the financial year 2023.

The Members and Chair of the Board of Directors and remuneration

The Annual General Meeting confirmed the number of members of the Board of Directors as five. Matti Ahokas, MSc. (Econ.), Hannu Leinonen, MSc. (Tech.), and Heli Iisakka, MSc. (Econ.) were re-elected to the Board of Directors. Ari Lehtoranta, MSc. (Tech.), and Tuomas Kokkila, MSc. (Tech.), were elected as new Board members. Ari Lehtoranta was elected as Chair of the Board.

The Annual General Meeting confirmed that the following annual fees would be paid to the members of the

Board: Board Chair EUR 72,000, Vice Chair EUR 48,000, Board member EUR 36,000, and Chair of the Audit Committee EUR 48,000, if he/she does not simultaneously act as Chair or Vice Chair of the Board of Directors. In addition, a EUR 700 fee will be paid to each member per Board and committee meeting. Travel expenses arising from performing the duties of a member of the Board of Directors will also be reimbursed according to the company's travel policy.

The annual fees of the Board of Directors are paid as a combination of SRV Group Plc shares and a cash component, such that 40 per cent of the annual fee is paid in shares acquired on behalf of Board members at the going price in public trading and 60 per cent is paid in cash. The company reimburses the transaction costs and the costs of transfer taxes associated with share transactions. Shares will be acquired within two weeks of the day after the publication of the interim report for the period 1 January 2024 – 31 March 2024.

At its meeting after the AGM, the Board of Directors elected a Vice Chair, Heli Iisakka, from among its members. Heli Iisakka was elected as Chair of the Audit Committee, and Hannu Leinonen and Matti Ahokas as members. Ari Lehtoranta was elected to chair the Personnel and Compensation Committee, and Hannu Leinonen and Tuomas Kokkila were elected as members.

During 2024, SRV Yhtiöt Oyj acquired 18,142 own shares on 10 May 2024, 0.1% of all shares and votes, from the market for 91,196 euros, and they were handed over to the board members in accordance with the decision of the general annual meeting as part of the board's remuneration.

Board authorisations

The Annual General Meeting authorised the Board of Directors to decide on the acquisition of the company's own shares using the company's unrestricted equity as proposed by the Board of Directors. The Board of

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Directors was authorised to acquire a maximum of 1,700,000 shares in the company so that the number of shares acquired on the basis of the authorisation, when combined with the shares already owned by the company and its subsidiaries, does not at any given time exceed a total of 10 per cent of all shares in the company.

The Annual General Meeting also authorised the Board of Directors to decide on a share issue and granting of special rights as proposed by the Board of Directors. Based on this authorisation, the Board of Directors may decide on the issuance of a maximum of 1,700,000 new shares or the reissuance of shares held by the company and/or granting of other special rights entitling to shares as referred to in Chapter 1, Section 10 of the Finnish Companies Act either for consideration or free of consideration in one or several instalments. The Board of Directors may also decide on a share issue without payment to the company itself in one or more instalments.

The authorisations are valid until 30 June 2025 and revoke the authorisation granted to the Board of Directors at the Annual General Meeting on 27 March 2023 to decide on the repurchase of the company's own shares.

Auditor and remuneration

PricewaterhouseCoopers Oy, a firm of authorised public accountants, was elected as auditor of the company for a term until the close of the Annual General Meeting of 2025. PricewaterhouseCoopers Oy has announced that Jukka Torkkeli, Authorised Public Accountant, will serve as the responsible auditor. The auditors' remuneration was confirmed as payable on the basis of an approved invoice.

Share-based incentive plans

At the end of 2024, SRV had two long-term incentive plans for the Group's key employees: Performance Share Plan 2023 (President & CEO, Corporate Executive Team and other key employees) and a cash-based incentive plan (key personnel excl. the

President & CEO). The purpose of these incentive plans is to align the objectives of shareholders and key personnel in order to increase the company's value over the long term, and to commit key employees to the company.

Descriptions of the company's share-based incentive plans are available on the company's website at <https://www.srv.fi/en/investors/cg/remuneration>.

Shares and shareholders

SRV Group Plc's share capital is EUR 3.1 million. The share has no nominal value and the number of shares outstanding is 16,982,343. The company has one class of shares.

The closing price at Nasdaq Helsinki on 31 December 2024 was EUR 4.66 (EUR 4.08 on 31 December 2023). The highest price of the share during the review period was EUR 6.80 and the lowest was EUR 3.59. On 31 December 2024, market capitalisation was EUR 78.9 million (EUR 69.1 million on 31 December 2023) excluding the Group's treasury shares. 1.8 million shares were traded during the review period with a trade volume of EUR 9.4 million.

At the end of December 2024, the Group held 44,533 treasury shares (0.3 per cent of the total number of shares and combined number of votes).

At the end of December, SRV had 10,272 registered shareholders (10,249 on 31 December 2023).

Proposal for the distribution of profits

The parent company's distributable funds on 31 December 2024 are EUR 76,450,504.85, of which net profit for the financial year is EUR -12,689,036.68. The Board of Directors proposes to the General Meeting that no dividend be paid for the 2024 financial year.

Events after the period

On 31 January 2025, SRV announced that Minna Korander, M.Sc. (Food Economics), 54 years old, has been appointed

Senior Vice President, Human Resources and a member of the Corporate Executive Team of SRV Group Plc. She will start in her new role by 1 May 2025 at the latest. Kristiina Sotka, the current SVP, Human Resources and a member of the Corporate Executive Team is leaving the company at the end of January to join another employer.

On 27 February 2025, SRV announced that the Board of Directors of SRV Group Plc has decided on the commencement of a new performance period under the performance share plan aimed at the group's key employees.

On 28 February 2025, SRV announced that Kimmo Kurki, Senior Vice President, Counting and Procurement and member of the Corporate Executive Team of SRV Group Plc, will retire by the end of May. The company has appointed SRV's Procurement Director, Teemu Linna, as the new Senior Vice President, Counting and Procurement, and a member of the Corporate Executive Team. Linna will start in his new role on March 1, 2025.

Annual General Meeting 2025

The 2025 Annual General Meeting of SRV Group Plc is scheduled for Thursday 27 March 2025 at 4 pm. The Board of Directors will convene the Annual General Meeting separately at a later date.

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Shares and shareholders

Share price development and trading

SRV Group Plc's share is quoted on Nasdaq Helsinki. Trading in SRV Group Plc's shares began on the main list on 15 June 2007. The highest price quoted in 2024 was EUR 6.80 and the lowest EUR 3.59. The average price in 2024 was EUR 5.11.

The closing price at the end of the year was EUR 4.66, and the market capitalisation of outstanding shares was EUR 78.9 million, excluding the Group's treasury shares. 1.8 million shares were traded with a trade volume of EUR 9.4 million.

SRV Group Plc's share capital is EUR 3.1 million. The share has no nominal value and the number of shares outstanding is 16,982,343. The company has one class of shares. At the end of December 2024, the Group held 44,533 treasury shares (0.3 per cent of the total number of shares and combined number of votes).

The maximum number of shares for the conversion right of hybrid bond would be 14,277,165 shares, which corresponds to 44.5 per cent of all shares and the number of votes. A member of the board of SRV Group Plc, a person or company related party would own 881,125 shares with conversion rights, which corresponds to 2.7 per cent of all shares and the number of votes.

Board authorisations

Current Board authorisations for the acquisition of treasury shares and the issue of shares and/or special rights as per Chapter 10 Section 1 of the Limited Liability Companies Act are presented in the Board authorisations section of the Report of the Board of Directors.

Management's share ownership

On 31 December 2024, a total of 1,024,032 shares, representing 6 per cent of the company's shares and

votes, were in the direct ownership of members of SRV Group Plc's Board of Directors and the President & CEO. Tuomas Kokkila owns SRV shares directly and through his controlling entity Tungelin Investments Oy.

Shareholders, 31 December 2024

Shareholders	Number of shares	Holding and voting rights, %
As Pontos Baltic	2,877,709	16.9
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	1,942,246	11.4
Kolpi Investments Oy	1,446,353	8.5
Havu Capital Oy	957,562	5.6
OP-Henkivakuutus Oy	771,547	4.5
Tungelin Investments Oy	654,055	3.9
Lareale Investments Oy	654,055	3.9
Keskinäinen Työeläkevakuutusyhtiö Varma	483,611	2.8
Pohjola Vakuutus Oy	394,650	2.3
Nordea Henkivakuutus Suomi Oy	373,260	2.2
Mandatum Henkivakuutusosakeyhtiö	267,091	1.6
Ålandsbanken Euro High Yield	179,407	1.1
Tenendum Oy	150,000	0.9
Valtion Eläkerahasto	142,344	0.8
Sipola Saku Petri Tapio	141,434	0.8
Nieminen Timo	140,659	0.8
Kokkila Lauri	137,061	0.8
Kokkila Tuomas	132,677	0.8
Ehj Capital Oy	120,568	0.7
Gripenberg Gerda Margareta Lindsay Db	94,000	0.6
20 largest shareholders	12,060,289	71.0
Nominee registrations	153,058	
Other	4,877,521	29.0
Total number of shares	16,937,810	

Breakdown of share ownership by number of shares held on 31 December 2024

Number of shares	Number of shareholders	% of shareholders	Number of shares	% of shares
1-100	6,602	64.27	184 028	1.1
101-500	2,425	23.61	565 788	3.3
501-1000	552	5.37	403 403	2.4
1001-5000	511	4.98	1 096 483	6.5
5001-10 000	65	0.63	458 633	2.7
10 001 - 50 000	87	0.85	1 558 457	9.2
50 001 - 100 000	10	0.10	647 248	3.8
100 001 - 500 000	13	0.13	2 764 776	16.3
500 001 -	7	0.07	9 303 527	54.8
Total	10,272	100,00	16 982 343	100.0
of which nominee registrations	8		153 058	0.9

Breakdown of share ownership

	% of shares
Corporations	30.7
Financial and insurance institutions	12.6
Public institutions	15.6
Households	22.4
Non-profit organisations	0.8
Non-Finnish shareholders	17.9
Total	100.0



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		<u>90</u>	EU Taxonomy	<u>131</u>	S2 Workers in the value chain		
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This Sustainability Statement has been prepared at Group level in accordance with Chapter 7 of the Accounting Act (1336/1997). It covers SRV Group Plc and its subsidiaries; companies operating in the field of building and infrastructure construction. The reporting period is the same as for the company's financial reporting, and the scope corresponds to that of the financial statements.

SRV's current Sustainability Statement primarily covers its own operations and those of its direct contractual partners. The Sustainability Statement identifies the impacts, risks and opportunities associated with the upstream value chain, such as from material procurement. SRV has identified impacts related to its upstream value chain. There are controls in place for some of these impacts, such as checks and audits of first-tier operators. These tools are constantly being developed. SRV currently influences impacts further down the value chain via contractual relationships. This is because value chain management and data collection are currently most efficient through direct contractual partnerships. However, SRV has also begun to determine its nature footprint, and thereby expects to gain a greater understanding of impacts further down the value chain, along with tools to address them.

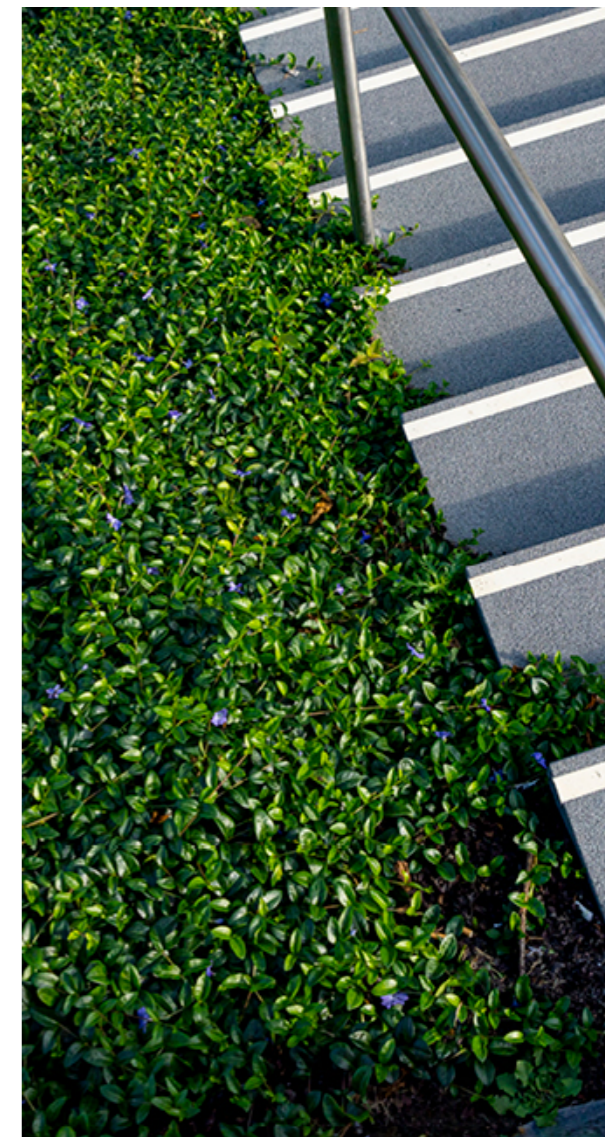
As the downstream value chain mainly consists of future property users, residents and investment owners, its main impacts, risks and opportunities are associated with them. End-of-life management relating to buildings and end-users depends on the actions taken by customers and

other stakeholders. Matters relating to the value chain are reported under the relevant topic-specific sections. SRV has not exercised the option to omit information relating to intellectual property, expertise or innovation outcomes.

SRV has policies, actions and targets for value chain management that define the company's operating method in both its own operations and the value chain. Some of the metrics used in this Sustainability Statement also cover actions taken by operators in the value chain, such as actions taken by partners that impact occupational safety indicators and material emissions.

BP-2 – Disclosures in relation to specific circumstances

In general, SRV's reported data is impacted by the fact that the company's business is based on project-specific activities, and these projects can vary significantly in terms of materials, energy-efficiency solutions and emissions. SRV's carbon footprint can therefore vary depending on the number and type of ongoing projects. SRV's reported data is also affected by its customers' sustainability requirements (such as material requirements), and insufficient supplier information can limit the quality of reporting. For example, if no measurable or accurate data is available, SRV must estimate figures for the value chain when calculating its carbon footprint. See the sections listed below for a more detailed description of such cases.



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E1 – Climate change

Scope 3 emissions are based on both collected data and cost-based estimates that are described in more detail in Section E1. Scope 3 emissions primarily include the following categories:

- Emissions from the manufacture of building materials. These are estimated using industry-specific emissions factors.
- Products and services purchased from suppliers. These are measured on the basis of estimated emission intensities.
- Indirect emissions from construction site operations. These are estimated on the basis of averages reported by energy and logistics suppliers.

A more detailed description of Scope 3 emissions is provided in Section E1-6. SRV primarily uses the quantities and emissions factors obtained from its suppliers as the basis for preparation. However, if a supplier cannot provide emissions factors, SRV uses national emissions data or emissions factors from recognised databases.

The accuracy level of these measurements varies according to the source. Data estimated on the basis of industry averages is considered to be of “general accuracy”. Some categories, such as emissions from construction materials, have a higher level of accuracy as suppliers have provided partially verified data. Although the majority of the calculations for Scope 3 emissions use emissions data provided by material manufacturers, those calculations that use emissions factors introduce some measure of inaccuracy. This inaccuracy affects only emission quantities, not monetary values. Scope 3 emissions calculations are covered in Section E1-6.

In order to improve the future accuracy of these calculations, SRV will be working closely with its suppliers to obtain actual emissions data directly from them. SRV also aims to continuously improve the scope of its reporting.

E4 – Biodiversity

Neither the construction industry nor SRV currently has any systematic visibility into the traceability of raw materials that have, or may have, actual or potential material impacts on biodiversity and ecosystems at different stages of the value chain.

SRV is monitoring the development of methods that will enable better traceability for raw materials and greater transparency in supply chains.

As SRV has no specific metrics, the bases for preparation, accuracy levels and development measures cannot yet be addressed.

E5 – Resource use and circular economy

There is uncertainty surrounding SRV's reported material inflows, as data cannot currently be collected for all of the materials being used. This is partly due to the varying ways in which materials are sourced: some materials are acquired as direct volume purchases, while others are included in total-price contracts signed with contractors. In practice, it is also challenging to track and make detailed analyses of all material flows due to the diverse range of materials that are delivered to construction sites and the complexity of their supply chains.

The proportion of recycled material in construction materials is estimated on the basis of the material volumes obtained from calculations of Scope 3 material emissions. As it is not possible to obtain data about the proportion of recycled material from all material manufacturers, this estimate is partly based on data obtained from material manufacturers and partly on figures from databases. The greatest uncertainties concern the quantities of materials coming from turnkey contracts and the quantities of recycled material estimated using coefficients.

SRV's reporting of waste quantities utilises data provided by its partners, and the majority of waste is reported by weight. However, in some cases, waste

quantities come from estimates that are based on the capacity of smaller waste containers.

S1 – Own workforce

S1-13 – Training and skills development metrics

Training and skills development are covered during SRV's performance and career development discussions. SRV does not currently keep separate statistics on employees who have attended regular performance and career development discussions. However, as these discussions are held annually with all employees in line with SRV's practices, it is assumed that all employees will have attended them. As there is no formal monitoring of regular attendance at performance and career development discussions, the information is based on SRV's policies and an assumption of full attendance. This can lead to uncertainty when reporting accurate figures.

SRV will be reconsidering the best way to measure training and skills development, and how to prepare suitable metrics. No decision has yet been made to adopt new metrics, as the current practice is working and employee motivation is at a good level in this respect.

Unless otherwise stated, the metrics presented in this report have been validated as part of the Sustainability Statement's verification and no other third parties have been used.

Providing information based on other legislation or generally recognised sustainability reporting regulations

SRV does not include in the statement information based on other legislation or generally recognised sustainability reporting standards or frames (BP-2 15) in addition to information required by the ESRS standards.

In accordance with transition regulations, SRV has not reported comparison information on quantitative meters of the last period or on the topics below:

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The information required in ESRS 2 Disclosure Requirement SBM-3 paragraph 48 subparagraph e (anticipated financial effects).

E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

E4-6 – Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities

E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

S1-15 – Work-life balance metrics

Governance

GOV-1 – The role of the administrative, management and supervisory bodies

SRV is a Finnish public listed company whose shares are listed on Nasdaq Helsinki. SRV's decision-making, administration and operations are guided by its values and SRV's Code of Conduct. SRV adheres to the Corporate Governance Code for listed companies. SRV also complies with current legislation, SRV's Articles of Association, the standing orders of SRV's Board of Directors and its committees, the company's policies and guidelines, and the rules and guidelines issued by parties that regulate and supervise Finnish listed companies. SRV's administration, management and supervision are divided between the General Meeting of Shareholders, the Board of Directors, and the President & CEO. An internal auditing unit, which reports to the Board of Directors, is responsible for internal auditing. The President & CEO attends to line operations with the assistance of the Corporate Executive Team. The key bodies involved in sustainability management include the Board of Directors, the Audit Committee, the HR and Nomination Committee, and the Corporate Executive Team. Their responsibilities are described in more detail below.

Board of Directors

The Board of Directors approves SRV's sustainability program and targets, which are based on the company's sustainability programme and the Group's lifecycle-wise strategy and sustainability programme. The Board regularly monitors progress with respect to both the sustainability programmes and targets. The Board of Directors also approves SRV's ethical principles, which are collated in the company's Code of Conduct, and monitors compliance with both this code and the company's other key policies. SRV's sustainability targets are taken into

account in the Board's decision-making, for example, when deciding on investments and contract tenders.

The Board of Directors has five (5) members. Matti Ahokas (MSc (Econ)), Hannu Leinonen (Msc (Tech)) and Heli Iisakka (MSc (Econ)) were re-elected as members of the Board in 2024. Ari Lehtoranta (Msc (Tech)) and Tuomas Kokkila (Msc (Tech)) were elected as new members of the Board in 2024. There are no SRV employees or other employee representatives on the Board of Directors. 20% of the Board are women and 80% are men. The women to men ratio in the Board of Directors is 1:4. 80 per cent of the Board members are independent.

All members of the Board have a university degree in either technology or finance, as well as experience in business management, strategic management and strategic development. The members of the Board hold, or have previously held, management and board positions at both listed and unlisted companies in sectors that are relevant to SRV's business. The Board has professional expertise in construction, investment, finance and economics, and international business.

It is the Board of Directors' role to supervise and approve the integration of sustainability targets into the company's strategy and monitor their implementation. The Board of Directors and senior executives are involved in setting the company's material sustainability targets on an annual basis as part of the strategy process. These targets are based on a materiality analysis and risk assessments that consider a variety of factors, including climate change, biodiversity, and social impacts such as human rights and occupational safety. The Board of Directors monitors progress towards targets on a quarterly basis. Progress is measured with the aid of key indicators that are set during the strategy process.

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The Board of Directors' Audit Committee monitors and assesses the company's sustainability reporting and reporting process on a quarterly basis. It also monitors and evaluates SRV's Sustainability Statement assessment. The Board of Directors and the Audit Committee regularly discuss the company's sustainability reviews, compliance reviews and risk management results, including the risks and opportunities associated with sustainability. These reviews aim to ensure that Board members have up-to-date knowledge and competence with regard to sustainability.

The Audit Committee comprises of 2–3 members whom the Board of Directors elects from amongst its number. The majority of the Committee's members must be independent of the company, and at least one member must be independent of the company's major shareholders.

Heli Iisakka chairs the Audit Committee, with the other members being Hannu Leinonen and Matti Ahokas. Heli Iisakka, Hannu Leinonen and Matti Ahokas are independent of the Company and its major shareholders.

HR and Nomination Committee

The HR and Nomination Committee prepares the Board's proposal to the General Meeting on remuneration policy; matters related to the appointment and remuneration of the President & CEO, the Deputy CEO and other members of the Corporate Executive Team; and matters related to remuneration and incentive schemes for personnel. The committee assesses the activities of senior management, oversees successor planning, plans competence development for management and personnel, and monitors personnel satisfaction and working capacity.

The HR and Nomination Committee is comprised of 2–3 members elected by the Board of Directors from amongst its number. The majority of the members of the

HR and Nomination Committee must be independent of the company.

Ari Lehtoranta chairs the HR and Nomination Committee, with the other members being Hannu Leinonen and Tuomas Kokkila. Of these members, Ari Lehtoranta and Hannu Leinonen are independent of the company and its major shareholders. Tuomas Kokkila is neither independent of the company nor independent of its major shareholders.

President & CEO

The CEO's task is to manage and develop SRV's business and handle the routine management of the company. The CEO is responsible for preparing matters to be dealt with and decided by the Board of Directors, implementing the Board's decisions, and ensuring that any goals set by the Board are attained.

Corporate Executive Team

The Corporate Executive Team assists the President & CEO in operational planning, line management, and decision-making. It also prepares matters to be dealt with by the company's Board of Directors. The Corporate Executive Team handles matters concerning business operations and operational control and development. The duties of the Group's Corporate Executive Team are based on the company's management system, and the Group's Corporate Executive Team has no authority grounded in law or the company's Articles of Association. The Corporate Executive Team consists of the President & CEO as the Chair plus other members appointed by the Board of Directors. Each member of the Corporate Executive Team has their own area of responsibility.

SRV's Corporate Executive Team had ten members at the end of 2024. They were Saku Sipola, Miimu Airaksinen, Miia Eloranta, Jouni Forsman, Kimmo Kurki, Jarkko Rantala, Jorma Seppä, Kristiina Sotka, Hannu Lokka and Tero Karislahti.

Anu Tuomola also served as General Counsel and a member of the Corporate Executive Team until November 2024. During the reporting period, 36 per cent of the Corporate Executive Team were women and 64 per cent were men (calculated as an annual average).

In executive assignments, it has been stated that sustainability is part of the company's business model and strategic objectives. The Senior Vice President, Development is the Corporate Executive Team member who is responsible for monitoring and reporting on the sustainability programme in collaboration with the heads of SRV's businesses. These reports are made to the Board of Directors and Corporate Executive Team.

Material impacts, risks and opportunities

The management of material impacts, risks and opportunities is the responsibility of the CFO in collaboration with the heads of SRV's businesses. The CFO reports on them to the President & CEO and Corporate Executive Team. The Board of Directors reviews impacts, risks and opportunities twice a year.

SRV's operating system integrates impact, risk and opportunity management into strategic planning, risk management and operational decision-making. The Corporate Executive Team and Board of Directors regularly monitor the achievement of sustainability targets in accordance with the system.

Sustainability expertise

SRV's administrative bodies include members with backgrounds and experience in sustainability and responsibility themes, such as energy efficiency, environmental responsibility and financial effects.

Competence is also developed indirectly through experts and training. SRV provides its administrative and management bodies with regular training so that they can maintain an up-to-date understanding of any changes in sustainability matters, such as regulatory requirements

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and new best practices. Internal and external experts and consultants are also available as necessary to support decision-making that requires more in-depth knowledge on specific topics.

When discussing the sustainability programme, the Board of Directors will also be presented with the expertise available within SRV and the number of centralised support personnel. Employees' skill profiles are similarly linked to the material impacts, risks and opportunities that have been identified by SRV.

The sustainability expertise of administrative, management and supervisory bodies is connected to material impacts, risks and opportunities as follows:

- The assessment of material impacts: For instance, administrative bodies examine data on carbon-dioxide emissions and material impacts and metrics related to occupational safety.
- Risk management: The Corporate Executive Team and supervisory bodies use their expertise to assess sustainability risks related to, for example, regulations, combatting the grey economy and climate change; and then incorporate these risks into business strategy and decision-making.
- Harnessing opportunities: Expertise in material impacts helps SRV to identify new business opportunities related to lifecycle-wise construction solutions and customers' sustainability requirements.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Administrative, management and supervisory bodies regularly monitor how SRV's sustainability work is progressing. ESG matters and their related material impacts, risks and opportunities are reviewed by the Audit

Committee and Board of Directors as part of the approval process for interim and annual reports.

SRV's Board of Directors regularly discusses sustainability matters and decides on the company's long-term goals. During the reporting period, sustainability – along with its metrics, monitoring and risks – was discussed at the 11/12 Board meeting. The topics covered by the Board included the achievement of 2023 sustainability targets, 2024 targets and progress towards their attainment, preparing for statutory CSRD reporting, a preliminary debate on strategy, and an assessment of policy coverage. The Board has addressed impacts, risks and opportunities with respect to the following in particular: climate change mitigation, climate change adaptation, energy, SRV's own workforce, occupational safety and working conditions in the value chain, waste, and corporate culture. The Board has also discussed SRV's due diligence. The company's President & CEO and, when necessary, the Senior Vice President, Development present sustainability matters to the Board of Directors.

SRV's administrative, management and supervisory bodies oversee decisions relating to the company's strategy and major business operations, including their risk management processes. Decisions with major significance for the company's business are always reviewed from the perspective of sustainability risks as well. SRV's decision proposal process states that, in addition to business-related impacts, presentations must include ESG impacts, risks and opportunities, complete with any related compromises. This provides administrative, management and supervisory bodies with a comprehensive picture of the impacts of their decisions.

SRV's Corporate Executive Team is responsible for sustainability work. The Senior Vice President, Development leads sustainability work in the Corporate Executive Team. The following sections provide more detailed descriptions of the company's management

practices in different areas of sustainability. The Corporate Executive Team monitors metrics, assesses progress toward targets and decides on required actions on a monthly basis.

GOV-3 – Integration of sustainability-related performance in incentive schemes

SRV's incentive schemes (aka bonus systems) are implemented with the aid of annual discussions in which targets are set and achievements are evaluated. The members of the Board of Directors are not employed by the company or its subsidiaries, do not act in an advisory role to the company, and are not covered by any employment-based remuneration schemes. Board members may not participate in SRV's incentive schemes.

SRV's incentive system takes sustainability targets into account. These targets may apply to occupational safety, low-carbon solutions and/or good governance. SRV aims to integrate sustainability targets into its broader strategy, so that sustainability becomes part of the company's business objectives and performance assessments.

Sustainability-related performance is assessed in relation to specific objectives, including:

- the number of occupational accidents,
- a reduction in the company's carbon footprint,
- completion rate of training in SRV's Code of Conduct.

Incentives will be affected by the level of success in achieving these objectives. Key performance indicators for sustainability are part of SRV's overall performance assessment, and are used as reference values in the company's incentive schemes. For example, achieving reduction targets for Scope 3 emissions or effectively managing occupational accidents are two indicators that affect the incentive scheme for management.

The weighting of sustainability targets with regard to performance bonuses for members of SRV's Corporate

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Executive Team varies depending on their area of responsibility. An occupational safety-related target has been included in the performance bonus for all members of the Corporate Executive Team. Some members of the Corporate Executive Team have additional targets related to good governance, customer and employee satisfaction, or reducing the company's carbon footprint. Sustainability-related targets may constitute a maximum of 32 per cent of the variable portion of the bonus. The GHG reduction target is measured using Scope 3 emissions, and may account for no more than 15 per cent of the maximum variable portion of the bonus for those who are given this target.

Remuneration for SRV's administrative and management bodies is based on the Remuneration Policy approved by the Annual General Meeting, which specifies the decision-making procedure and remuneration policies for members of the Board of Directors and the President & CEO, as well as matters related to remuneration and incentive schemes for personnel. The HR and Nomination Committee draws up the Remuneration Policy for presentation to the General Meeting and, if necessary, will also update the terms and conditions so that the incentives align with the company's strategic priorities and objectives.

GOV-4 – Statement on due diligence

SRV's due diligence process is part of sustainability management. It aims to identify and minimise any negative impacts of the company's operations or value chain on human rights, the environment and communities, and to maximise any positive impacts. This process includes the following elements:

- Identification: SRV uses risk analyses, consultations with stakeholders, and project data and observations to identify significant impacts and risks.

- Assessment: Any impacts that are identified will be prioritised on the basis of set criteria, such as severity and probability.
- Actions: Any necessary actions will be determined on the basis of the previous steps, such as follow-up reports or measures to be carried out with partners.
- Monitoring: Actions will be appropriately monitored in order to track progress and make any required adjustments.

CORE ELEMENTS OF DUE DILIGENCE		PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a)	Embedding due diligence in governance, strategy and business model	GOV-2, GOV-3, SBM-3
b)	Engaging with affected stakeholders in all key steps of the due diligence	GOV-2, SBM-2, IRO-1, MDR-P E1-4, S1-4, G1
c)	Identifying and assessing adverse impacts	IRO-1, SBM-3
d)	Taking actions to address those adverse impacts	MDR-A, E1-4, S1-4, G1
e)	Tracking the effectiveness of these efforts and communicating	MDR-M, E1-4, S1-4, MDR-T E1-4, S1-4, G1

GOV-5 – Risk management and internal controls over sustainability reporting

This Sustainability Statement complies with SRV's Group-level principles for reporting, risk management and internal control. SRV's risk management system covers all of the material aspects of sustainability reporting, including aspects relating to environmental impacts, social impacts and good governance (ESG). It is vital to obtain a comprehensive range of valid data at business and project level with the aid of both automated and manual checks. Sustainability risks have been integrated into the company's general risk management system, which monitors operational and strategic risks. Data integrity is managed with the aid of clear responsibilities for data collection, checking and reporting, and automation is also utilised whenever possible.

The progress of sustainability reporting and its risks are monitored by the Corporate Executive Team and the Audit Committee of the Board of Directors. Progress and any risks and their mitigation are reported to the Audit Committee at least quarterly. The sustainability risk assessment model has been built around the data points of the ESG framework and an aligned process. Responsible parties have been assigned to processes and data. Processes and data points are monitored internally and operations are developed continuously. Key data points are reported on a monthly basis. HSEQ and compliance teams monitor the performance of processes and data points, along with any risks.

The specifications and processes of the different data points are reviewed once a year. Risks are also identified at that time in terms of their significance, data volume, complexity and inaccuracy, and the complexity of the calculation method. The identified risks concerned the amounts of materials and their emissions, energy emissions and the calculation of the on-site working hours of subcontractors. SRV has developed its internal

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processes and systems with respect to the identified risks. The risk identification and mitigation process is annual.

The Sustainability Statement's internal controls are based on best practices for internal controls, and on identifying, analysing and allocating controls to the most material risks and opportunities. The Sustainability Statement highlights SRV values, management's commitment to a lifecycle-wise approach, a corporate culture that emphasises ethics and sustainability, policies that promote sustainable business, centralised business processes, skilled personnel, and transparency.

SRV's risk management process is based on the general process described in the ISO 31000 standard (International Organization for Standardization: Risk management – Guidelines). The foundation of the process is a comprehensive approach with regularity and continuous improvement. Risk assessment includes the identification and analysis of risks, and an assessment of their significance, irrespective of the topic. All of these should be repeated at regular intervals, taking into account any changed circumstances. Risks are assessed on the basis of their impact and probability, through which they can be classified as high, medium or low risk. Primarily, the highest-level risks are handled first.

Risks associated with sustainability reporting and their mitigation strategies include:

- Data validity and accuracy: Data that is used as the basis for reporting may contain inaccuracies: for example, carbon footprint reporting may need to resort to the cost-based assessment of data. Data validity can be improved with the aid of both internal checks and external audits and verifications.
- Division of responsibility and repeatability: Uncertainties with regard to responsibilities can slow down reporting, and if the reporting method or boundaries are not

accurately described, the numbers may be very different. Ambiguities can be eliminated by providing personnel with training on reporting principles and drawing up detailed descriptions of the metrics and related data.

- Legal compliance: Changes in reporting requirements must be monitored, and organisations must be able to respond to them. These impacts can be mitigated by appointing someone within the organisation to be responsible for monitoring changes and handling related matters in, for example, a Compliance team.

SRV incorporates its risk assessments and internal controls into the sustainability reporting process by integrating them into the company's key internal functions and processes. The risk management and internal control system provides continuous monitoring and assessments that will identify any risks and deviations that are significant enough to be included in sustainability reporting. These findings are regularly reported to the Corporate Executive Team and the Board of Directors, so that the company can quickly and effectively react to any identified risks. Any required changes will be made to internal processes and procedures on the basis of these findings. This includes revising sustainability targets, reassessing operative practices, or taking additional measures to reduce risk. The continual improvement of the sustainability reporting process has therefore been incorporated into SRV's decision-making and reporting structures, with the aim of ensuring that the information presented in reports is reliable and gives a true and accurate picture of the situation.



General risk management process (in accordance with the International Organization for Standardization: Risk management. Instructions)

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Strategy

SBM-1 – Strategy, business model and value chain

SRV's most significant product and service groups during the reporting period were business premises construction, infrastructure construction and housing construction. During the reporting period, SRV's order backlog consisted of development projects, developer contracting, cooperative projects and competitive tenders in which the company promotes lifecycle wisdom. During the reporting period, SRV developed new solutions for projects (such as a technological solution for demand response in lifecycle projects) and increased its knowledge and expertise in low-carbon materials.

SRV's main market is located in Finland's urban growth areas, namely the capital region, Turku, Tampere and Oulu. Its customer groups consist of the public sector, private companies and private customers. SRV did not expand into any new markets during the reporting period, and will no longer provide services in markets that do not support SRV's strategic objectives.

At the end of the reporting period, the number of employees by geographic region was 815 people in Finland and 2 in Estonia.

In terms of strategic metrics, SRV has set the following sustainability targets:

Lifecycle wisdom:

- Carbon neutrality 2050. Interim target, 2030: -80%, emissions from own operations, Scopes 1 and 2 in relation to revenue (tons CO₂e/MEUR)
- Carbon neutrality 2050. Interim target 2030: -25%, Scope 3 emissions in relation to revenue (tons CO₂e/MEUR)
- Degree of waste sorting and recycling (%)
- Percentage of green revenue (%)

Corporate culture and people:

- Employee net promoter score (eNPS)
- Lost time injury frequency (LTIF)
- Women as a percentage of all personnel (%)

Customer work that produces value:

- B2B net promoter score (NPS B2B)
- B2C net promoter score (NPS B2C)

SRV's key products and services, and in particular its construction and real estate development projects, are continuously assessed in relation to sustainability objectives. These objectives include lifecycle-wise solutions (such as low-carbon solutions), improving energy efficiency and integrating circular economy solutions into projects. SRV monitors both market developments and its customers' growing sustainability needs and requirements, and aims to promote lifecycle-wise solutions on a project-by-project basis. These products and services meet SRV's sustainability objectives, and reach stakeholders and customer sectors across all the company's geographic markets.

SRV's current major products and services (which include housing construction, business premises construction and lifecycle services) focus on building comfortable and energy-efficient homes and modern facilities that meet the demands of investors and building owners alike, such as BREEAM or LEED environmental certification. Projects aim to minimise environmental impacts while maximising energy efficiency and the use of renewable energy. SRV's main market centres around growth centres in Finland, where projects have increasing criteria for sustainability and low-carbon solutions. The public sector is a customer group that is seeking sustainable and lifecycle-wise solutions for schools, hospitals and other public buildings. Companies are focusing on adaptable and energy-efficient premises, while

consumers value comfort and predictable costs. SRV believes that its products and services, and in particular its construction and real estate development projects, support low-carbon and lifecycle-wise objectives in both the company's own operations and those of its customers and end-users. In SRV's opinion, this is also reflected in customer satisfaction. SRV's projects harness circular economy solutions whenever possible, which also supports waste reduction. SRV also believes that improving occupational safety and value chain management will increase well-being at work and combat the grey economy. These actions will also improve job satisfaction and employees' willingness to recommend SRV as an employer. Good working conditions can also increase the proportion of women on the company's payroll. These actions are aligned with SRV's long-term objectives and plans.

SRV's strategy includes key focus areas that support the company's sustainability and affect its sustainability reporting. The key elements of SRV's strategy and their connection to sustainability are as follows:

Lifecycle-wise construction:

- SRV is committed to reducing carbon dioxide emissions during both the construction process and the property's occupancy. This includes fossil-free construction sites, lifecycle-wise and low-carbon buildings, and urban greenery that boosts biodiversity.
- The availability, quality and environmental impact of building materials pose critical challenges to achieving sustainability objectives. Sustainable materials are essential, but their procurement can be costly and supply chains unreliable.
- Cooperation plays a critical role in promoting sustainability and low-carbon solutions both in the supply chain and within the industry as a whole.

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Customer work that produces value:

- SRV can generate value for its customers by providing customer-driven solutions that meet customers' sustainability needs and requirements.
- There has been a significant increase in customers' expectations with regard to responsibility and sustainability. Creating a more sustainable offering in the construction industry requires continual innovation and the adoption of new technologies and materials. More and more customers are expecting low-emission, energy-efficient building solutions, but developing and integrating these solutions can be challenging in terms of costs and schedules.
- Growing demand for sustainable solutions is putting the industry under increasing pressure to make rapid changes, but the availability of material suppliers, technologies and expertise can limit developments.

Efficiency and digitalisation:

- The goal to increase international procurement, may encounter challenges related to logistics, quality control and supply chain sustainability. Long and complex supply chains in particular can cause delays and make it difficult to control the quality and sustainability of materials. Globalisation also brings risks to international procurement, such as political or economic uncertainty, which can impact supply chains.
- Digital project management tools enable SRV to track the progress of construction projects in real-time, optimise schedules, and manage resources more effectively. This improves efficiency and quality, and increases project transparency.

Corporate culture, people and expertise:

- SRV invests in its competitiveness by building a strong corporate culture and attracting a skilled workforce.

- SRV invests heavily in leadership development and supervisory work to ensure that the organisation's capabilities meet today's demands. Competence development is also supported by providing a broad range of internal training, and thereby ensuring a diverse range of up-to-date competence development opportunities.
- SRV's goal is to create a diverse workplace with a good sense of community and healthy, happy employees. Diversity and a sense of community are key competitive factors that increase employee commitment and create the foundation for more sustainable business operations.

Key sustainability initiatives include roadmaps for setting targets and milestones; a variety of development projects in areas such as biodiversity and the circular economy; and the continuous improvement of the reporting system, which will enable more accurate data collection and reporting. The focus areas of SRV's strategy are closely linked to sustainability. They address current challenges and provide concrete solutions that support both the company's business strategy and its sustainability objectives.

SRV's business focuses on housing construction, business premises construction, infrastructure construction, project development and lifecycle services.

Key inputs include:

- Construction materials and technologies. These include building materials and low-carbon, energy-efficiency solutions.
- Personnel competence and innovative working methods. SRV invests in skilled personnel and developing new solutions via its projects, and particularly in terms of lifecycle-wise construction and low-emission energy solutions.

- Partnerships and financing. SRV works with partners in both the public and private sectors, and financing takes both low-carbon construction and occupational safety into account.

SRV safeguards its inputs by, for example, setting sustainability criteria for the selection of partners; identifying and addressing risks in the supply chain; and engaging in continuous collaboration with material suppliers to implement new lifecycle-wise solutions.

SRV generates value for different stakeholders as follows:

Customers:

- Lifecycle-wise concepts, such as high-quality and durable buildings that are energy efficient and meet the criteria for environmental classifications.
- Energy and lifecycle services for buildings that utilise smart controls to optimise energy consumption and technical building systems.

Investors:

- A lifecycle-wise and sustainable business model that reduces financial risk and supports long-term value generation.
- Compliance with ESG requirements and transparent reporting.

Suppliers and partners:

- Long-term partnerships generate synergies and build trust.
- Responsible procurement practices promote sustainability within the industry.

Personnel:

- A safe working environment that encourages personal development.
- A sense of community and well-being at work.

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Society and the environment:

- Positive social and environmental impacts, such as climate change mitigation and adaptation, supporting biodiversity, promoting circular economy solutions, and providing internships to young people.

The main value chains in SRV operations are related to lifecycle-wise construction projects and urban development projects. These value chains highlight:

- harnessing innovative design solutions,
- integrating circular economy materials into projects,
- the constant reduction of a project's carbon footprint during its lifecycle,
- occupational safety and supply chain management.

SRV works with building material suppliers, designers and technology companies in the upstream value chain. This collaboration focuses on areas such as the use of sustainable, low-carbon and circular-economy materials. Cities and municipalities play an important role in the development and location of new projects.

SRV supplies buildings to its customers and end-users in the downstream value chain, such as residents, companies and public-sector actors. In lifecycle projects, SRV also tracks the use and maintenance of buildings in order to ensure a long service life and energy efficiency.

In the value chain, SRV works as both a project developer and a constructor, coordinating the entire construction process from idea to finished building. SRV works closely with key organisations in trade and commerce:

- Suppliers: local and global material suppliers who meet sustainability criteria.
- Partners, subcontractors: SRV provides supervision, training and support for subcontractors and partners, so that they can internalise sustainable working methods.
- Customers: public- and private-sector developers and end-users.

SBM-2 – Interests and views of stakeholders

SRV's strategy and business model are based on close dialogue with stakeholders. Stakeholder's interests and views play a key role in business development and sustainability.

Affected stakeholders include:

- Customers and end-users: homebuyers, tenants and corporate customers.
- Personnel: construction industry professionals, office staff and agency workers.
- Suppliers and partners: construction material suppliers, designers and subcontractors.
- Government agencies and public-sector actors: cities, planners and environmental authorities.
- Communities and neighbourhoods: local residents and operators in the areas under construction.

Sustainability Statement users include:

- Investors and owners: capital investors and shareholders.
- Creditors: banks and analysts.
- Suppliers and partners: construction material suppliers, designers and subcontractors.
- Government agencies and public-sector actors: cities, planners and environmental authorities.
- Communities and neighbourhoods: local residents and operators in the areas under construction.
- The media.

SRV engages with a variety of stakeholders on a regular basis and in a targeted manner. The main ways of engaging with affected stakeholders include:

- Surveys and feedback mechanisms: customer satisfaction surveys, employee well-being surveys and subcontractor assessments.
- Workshops and co-development projects: such as collaborating with customers and local communities

during the planning phase; the Trailblazers stakeholder panel and youth panel.

- Regular meetings and negotiations: working with authorities, investors and suppliers in strategic projects.

Key ways to engage with Sustainability Statement users include:

- Communications: interim reports, stock exchange releases and press releases.
- Media meetings.
- Surveys and feedback mechanisms: corporate image survey.

Customers and end-users

SRV's customer promise is 'by listening, we build wisely'. The company's strategy and business model highlight taking the interests, views and rights of consumers and end-users into account, including respecting their human rights. This is accomplished in the following ways:

1. Regular dialogue and consultations with stakeholders

SRV systematically collects feedback from consumers and end-users with the aid of surveys, workshops and one-on-one interviews, so that their views can be taken into account in decision-making. The aforementioned Trailblazers stakeholder panel and youth panel act as concrete aids in listening to customers and keeping SRV's customer promise. SRV also listens to its customers through regular customer satisfaction surveys and in daily customer interface work.

2. Respecting human rights as part of our operations

SRV is committed to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, and strives to protect the rights of consumers and end-users at all stages of its operations. This

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includes developing buildings and premises that meet health, safety and accessibility requirements.

3. Sustainability and responsibility in products and services

SRV seeks to develop solutions that promote sustainable development and improve quality of life for consumers and end-users. This includes designing energy-efficient and low-emission buildings that can be easily adapted to meet their users' evolving needs.

4. Transparency and communications

SRV communicates the sustainability impacts of its projects and the quality standards they meet. This helps consumers and end-users make informed decisions.

5. Handling customer complaints and concerns

SRV has a feedback processing system that helps to address consumers' and end-users' concerns quickly and effectively.

Own workforce

SRV's strategic focus is on corporate culture, people and expertise. SRV's own workforce is the most important stakeholder in the company's business, and their well-being is essential to the success of SRV's strategy. SRV takes sustainability into account in its strategy and business model, which includes safeguarding employees' well-being and rights and promoting inclusion.

SRV is committed to following a model of continuous dialogue in all of its activities, and follows its customer promise – "by listening, we build wisely" – in its HR work as well. Employees are regularly informed about the company's situation and any issues affecting their work. SRV listens to its employees' wishes, suggestions and thoughts, and makes changes as necessary. Personnel are regularly consulted through employee surveys, work motivation measurements and development discussions, and their feedback is taken into account in the company's strategic decision-making. Personnel are encouraged to

provide feedback and suggestions through a variety of channels, such as intranet discussion forums and team meetings. SRV also has anonymous channels through which people can suggest improvements or address concerns. Anonymous feedback can be provided via an extensive employee survey or the Ethical Channel (a whistleblowing channel).

SRV employees' rights and their terms and conditions of employment comply with national legislation and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work; and there are policies and controls in place to enable their realisation.

Subcontractors and partners

SRV's strategy and business model take the interests, views and rights of workers in the value chain into account, which includes respecting their human rights. This is accomplished in the following ways:

- SRV is committed to the UN Guiding Principles on Business and Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work. For example, one of SRV's objectives is to operate in a fair and safe manner throughout the value chain.
- SRV identifies potential human rights impacts associated with its value chain as part of its risk management processes. Particular attention is paid to vulnerable employees, such as those working in subcontracting chains.
- SRV listens to the views of its subcontractors, either directly or indirectly through its partners and other subcontractors.
- SRV's business model is based on a Code of Conduct that also requires its partners to operate sustainably and respect human rights. This includes non-discrimination, a ban on child and forced labour, and adequate working conditions in terms of occupational health and safety.

- SRV monitors the human rights impacts of its value chain through regular assessments and audits. Data concerning the well-being of subcontractors' employees is collected and analysed in order to monitor the realisation of workers' rights and the company's strategic objectives.
- If any negative impacts on employees are detected in the value chain, SRV will work with stakeholders to mitigate them and take corrective action.

Impacted communities

SRV's strategy and business model take the interests, views and rights of affected communities into account, especially in terms of safety in the vicinity of construction sites. Cities engage with local communities in the upstream value chain, primarily in connection with planning and permit processes. Particular attention is paid to safety risks associated with construction sites, such as traffic, noise and any potential incidents that may affect the neighbourhood. SRV has clear safety practices, such as construction site fences, appropriate warning signs, and access routes that do not inconvenience or endanger local residents. Security risk management is continually monitored, and any reports from the community regarding safety issues will be addressed promptly. SRV's policies are based on international human rights standards, such as the UN Guiding Principles on Business and Human Rights. The right to a safe living environment is taken into account during the planning and implementation of construction sites. Local communities are also provided with feedback channels. These feedback channels may include a contact person or a digital platform through which community members can report safety issues or other concerns.

Stakeholder engagement has been integrated into the company's management and project management processes. Feedback from stakeholders is analysed and processed as required during strategy work, at meetings of

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the Corporate Executive Team, and (as necessary) also by the Board of Directors.

Stakeholder engagement seeks to identify the essential factors for achieving sustainability targets, to improve customer satisfaction, and to promote sustainable operations throughout the value chain.

Stakeholder views guide SRV's strategic target setting, business model development and operational improvements. For example, growing expectations with regard to sustainability among customers and investors has led SRV to make sustainability targets an integral aspect of its business model and project development.

SRV has analysed stakeholders' interests and views with the aid of due diligence and materiality assessments. They are primarily related to:

1. Promoting lifecycle wisdom and sustainability. Customers and investors value sustainable construction and energy-efficient solutions.
2. Improving occupational safety. Both personnel and subcontractors highlight the importance of safe working environments.
3. Supply chain management helps SRV to better understand and manage the impacts of both human rights and material chains.

SRV has implemented a number of concrete measures on the basis of these findings, such as the development of:

- a lifecycle-wise construction site concept,
- a database of low-carbon materials and
- policies governing supply chains and subcontractors.

The integration of stakeholder views into SRV's strategy supports the creation of a sustainable and competitive business model that will address both financial objectives and social responsibilities. Stakeholder views have had a direct impact on SRV's strategic focus areas.

The Board of Directors and Corporate Executive Team regularly review the sustainability perspectives

raised by stakeholders and decide on appropriate action. The Corporate Executive Team is informed of the views of affected stakeholders when SRV processes customer feedback and the outcomes of various surveys and workshops with the Trailblazers stakeholder panel and youth panel. The Corporate Executive Team also reviews SRV's Network Promoter Score (NPS) on a quarterly basis.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

SRV's strategy and business model guide the company's actions to identify and manage material impacts, risks and opportunities. The company's sustainability-related decision-making and the revisions made to its strategy and business model are based on material impacts, risks and opportunities.

SRV has conducted a materiality analysis to identify the key impacts, risks and opportunities associated with its own operations and value chain. Their assessment considered both the key elements of SRV's business model and operators in the upstream and downstream value chain.

SRV has identified the following current and anticipated effects of material impacts, risks and opportunities on the basis of the materiality analysis:

- Business model: Climate change mitigation and adaptation requires action from the construction industry. This is why SRV promotes lifecycle-wise construction and low-carbon solutions.
- Value chain: Selecting responsible suppliers, choosing high-quality low-carbon materials, and promoting the rights and conditions of workers in the value chain are particularly important in the supply chain. SRV's business revolves around keeping its customer promise and providing an excellent customer experience.

Companies must listen to and meet their customers' needs.

- Strategy: Lifecycle wisdom and low-carbon targets guide decision-making and resource allocation towards the establishment of low-emission construction sites, the development of lifecycle-wise concepts, and taking a lifecycle-wise approach to project implementation.

The key impacts on people and the environment are:

Negative impacts

The most significant negative impacts on people relate to health and safety in SRV's own operations and value chain, such as work-related illnesses. Other material impacts include potential human rights violations and forced labour in the value chain. These impacts relate to SRV's business model and, thereby, to construction. The impacts can occur over all time horizons, and can affect both SRV's own workforce and subcontractors who are involved in the company's projects.

As construction uses large quantities of materials and energy, the most significant negative impacts on the environment are associated with energy consumption and climate change mitigation and adaptation. Other material impacts include the impact of construction material usage on biodiversity. These impacts relate to SRV's business model for any construction that requires the use of materials and energy. They can occur over all time horizons, and SRV is involved in these material impacts through its operations and business relationships. These business relationships may, for example, involve the procurement of materials from suppliers.

Positive impacts

Positive impacts on people are associated with training and skill development for SRV's own workforce. Measures to combat violence and harassment in the workplace are also material impacts. Other positive impacts include best

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practices, safe and fair employment, and a reputation for being a responsible employer that addresses inappropriate behaviour. These impacts arise from SRV's strategy, as it focuses on culture, people and expertise. They can occur over all time horizons, and SRV is involved in these impacts through its own actions, as it sets policies for its workplaces.

Positive environmental impacts include opportunities for lifecycle-wise construction and solutions that will reduce SRV's emissions, mitigate climate change and help people adapt to the challenges arising from climate change. The impacts relate to SRV's lifecycle-wise strategy and business model, which promote low-carbon construction. SRV is involved in these material impacts through its own actions, such as procurement and project development. They enable SRV to make lifecycle-wise choices. SRV also has impacts through its business relationships: For example, SRV requires its partners to provide low-carbon solutions for its projects.

Topic-specific disclosure requirements related to ESRS 2 SBM-3 (Material impacts, risks and opportunities and their interaction with strategy and business model) are reported on under the relevant topic-specific standard in sections E1, E4, S1, S2, S3 and S4.

The financial effects of short, medium and long-term risks and opportunities

Short term: SRV is of the opinion that, during the reporting period, material risks and opportunities have not had any significant financial effects that would require material corrections to the accounting values of assets or liabilities in the financial statements.

Medium term:

- Financial position and performance:
 - Low-carbon investments, such as supporting the use of low-carbon materials in projects as well as

developing energy-efficient and renewable energy solutions, will increase costs in the short term.

- The compliance costs associated with tightening regulations may impact the resources and investments required for R&D.
- Risks and opportunities:
 - Risks include rising material costs, supply chain disruptions, and issues with material availability.
 - Other risks may include serious incidents and accidents that could impact project costs and completion, and damage the company's reputation. However, preventive measures will reduce these risk and can be seen as an opportunity for increasing well-being at work.
 - There is an opportunity to improve the company's market position among responsible customers and as a forerunner in lifecycle-wise solutions.

Long term (over 5 years):

- Financial position and performance:
 - Low-carbon and climate change-adaptation solutions are now more readily available, and their cost levels may decrease as competition increases.
 - New regulatory requirements are becoming clearer and being integrated into operations, and increased efficiency is generating savings.
 - Enforcement of low-carbon strategy is expected to improve cost-effectiveness and competitiveness of the company, which will in long term increase cash flows and revenue.
- Risks and opportunities:
 - There is a risk that competitors may adapt more quickly to sustainability requirements.
 - There is a risk that SRV will not meet its equal pay target. This could affect the company's reputation as a responsible and fair employer, thereby making it difficult to attract a skilled workforce.

- There is an opportunity to increase the number of advanced low-carbon building solutions in the market and strengthen the SRV brand.
- There is an opportunity that demand on lifecycle-wise solutions may open new business opportunities.

SRV ensures the resilience of its strategy and business model by continuously monitoring changes in the market in terms of both business and sustainability. For example, these changes are monitored through advocacy organisations, banks and investors, and with the aid of forecasts issued by research institutes. SRV's Corporate Executive Team met four times during the reporting year, and delved into both actual and potential changes in business and sustainability. During these reviews, impacts, risks and opportunities were considered in the short, medium and long term. The analyses used the SWOT model, which included a review of changes in the political, economic, social, technological, natural and regulatory environments.

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Impact, risk and opportunity management

Disclosures on the materiality assessment process

IRO 1 – Description of the processes to identify and assess material impacts, risks and opportunities

SRV uses a structured approach to assessing material impacts, risks and opportunities that combines qualitative and quantitative analyses.

The methods and assumptions include:

1. In a background analysis, SRV analyses impacts, risks and opportunities in relation to legislation, the themes identified by industry associations such as the Confederation of Finnish Construction Industries (RT) and Green Building Council Finland (FIGBC), and general developments in sustainability issues. Some examples of the data sources and issues that SRV has been monitoring include the FIGBC's materials and the development and impacts of the Confederation of Finnish Construction Industries' low-carbon roadmap.
2. In its stakeholder analysis, SRV analysed key stakeholders and their needs, and identified relevant stakeholders (such as customers, personnel, investors, cooperative bodies within the industry, partners, the media, local communities, civic organisations, the government, shareholders, authorities, educational institutions). The stakeholder analysis was conducted as interviews and surveys. Twenty people from a total of 17 external stakeholder organisations were interviewed, and a survey was sent to all SRV personnel and summer interns. The response rate ranged from 20 to 30 per cent, depending on the personnel group.

3. When assessing risks and opportunities, SRV uses a severity and probability matrix to assess any identified impacts.

SRV's double materiality analysis process is a key tool for identifying, assessing, prioritising and monitoring potential and actual impacts, risks and opportunities on people and the environment. This process adheres to materiality assessment principles, and therefore takes sustainability impacts, risks and opportunities into account systematically. The process and its scope are described below. The materiality analysis was carried out in 2023 and updated during the reporting period. The next materiality analysis is scheduled for 2025.

SRV's process for assessing material impacts, risks and opportunities includes the following stages:

1. Identification
 - Key areas and functions: The focus is on high-risk activities, such as occupational safety in construction, and lifecycle-wise solutions, such as low-emission materials.
 - Business relationships: SRV is reviewing its partners and suppliers, and particularly in terms of the environmental impacts associated with materials and its direct partners' working conditions.
 - Geographic focus areas: SRV's main operating area is Finland.
2. Assessment and prioritisation:
 - Severity and probability of impacts: Negative impacts are prioritised on the basis of their scale, scope, remediability and probability of occurrence. Positive impacts will be assessed on the basis of their scale and scope. SRV used 3.5 as a threshold, when the minimum value of assessing is 1 and maximum value is 5.
 - Qualitative and quantitative criteria: SRV uses ESRS 1 criteria to assess the materiality of impacts.
3. Listening to stakeholders:

- Affected groups: SRV listens to its stakeholders (such as affected customers, employees and subcontractors), and especially when impacts may be either direct or indirect. SRV also listens to Sustainability Statement users, such as investors and banks. By listening to relevant groups, SRV seeks to gain a sufficiently broad and accurate understanding of the impacts.
- Consulting experts: If necessary, SRV will use external experts to assess environmental and occupational safety risks and human rights impacts.

4. Monitoring and reporting

- Monitoring impacts and actions: SRV has mechanisms to monitor actions in accordance with their estimated impacts, such as audits and periodic reviews in the supplier chain.
- Reporting: In SRV's Sustainability Statement, material impacts, risks and opportunities are reported in accordance with ESRS standards.

Both qualitative and quantitative criteria have been used to identify and prioritise material sustainability matters. Both a heat map and thresholds were used in the materiality analysis to prioritise sustainability matters and determine which impacts, risks and opportunities are material to the company's strategy and business model.

SRV uses the approach described below to identify, assess, prioritise and monitor risks and opportunities that have, or may have, financial effects. The process includes the following stages:

1. Identification

Whenever possible, SRV analyses the risks and opportunities for the entire value chain (from its own operations to both the upstream and downstream value chain).

SRV assesses the potential financial effects of risks and opportunities on the basis of the impacts and

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dependencies. During the identification purposes, SRV utilises internal and external sources, such as risk analyses, market trends, stakeholder feedback and consultations with experts.

SRV considers how its own impacts (such as environmental or human rights impacts) and dependencies (such as material availability and employee well-being) will impact the identified risks and opportunities.

2. Assessment

SRV assesses any identified risks and opportunities on the basis of their probability and financial effects using both quantitative and qualitative criteria. For example, SRV uses statistical models and expert estimates to evaluate probability. Financial effects are assessed through factors such as financial results, cash flow and brand value.

Financial effects are evaluated from the perspectives of cash flows, financial position and financial results.

3. Prioritisation

SRV prioritises sustainability risks and opportunities on the basis of their severity, business criticalness, and long-term impact.

SRV uses tools to prioritise risks, such as risk matrices that combine the probability and severity of an impact. SRV used 3.5 as a threshold, when the minimum value of assessing is 1 and maximum value is 5.

Sustainability risks are assessed in relation to critical business objectives, such as strategic goals, reputation management, legal compliance and customer satisfaction.

4. Monitoring and reporting

SRV constantly monitors conditions, and updates its assessments as conditions change. SRV monitors regulations, market dynamics and technological innovations in particular.

Risk and opportunity management has been integrated into SRV's general risk management, and reporting is carried out in conjunction with the Sustainability Statement and Annual Report.

ESG risks (such as risks relating to the climate, biodiversity and employee well-being) are assessed as part of regular risk assessment, which is reported on to management and the Board of Directors twice a year. Any identified impacts and risks are incorporated into the risk profile using a prioritisation tool that assesses the probability of each risk and its impact on SRV's business. Prioritisation helps to target actions on the key risks that will be addressed during the company's general risk tolerance assessment. The risk profile is updated regularly, and any changes are reported to the Board of Directors' Audit Committee.

The identification of opportunities has been integrated into the company's strategic management process through market analyses, customer feedback and reviews of megatrends. The results of analyses are reviewed by the Corporate Executive Team as part of annual strategy work, and will steer business development.

Topic-specific disclosure requirements related to ESRS 2 IRO-1 (Description of the processes to identify and assess material impacts, risks and opportunities) are reported on under the relevant topic-specific standards in sections E1, E4 and E5.

The standards E2 Pollution and E3 Water and marine resources did not meet SRV's materiality threshold and are not therefore covered by this report. Pollution management is clearly defined and regulated in the construction industry, and SRV has precise, site-specific criteria, systems and procedures to prevent pollution. SRV does not use significant quantities of water in its own operations, and water consumption and management have been part of the company's routine construction site practices for a long time. Both water consumption and

pollution prevention are strictly regulated, and are included in, for example, building permits whenever the company implements a project.

IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

When drawing up its Sustainability Statement, SRV has complied with the following disclosure requirements on the basis of its materiality analysis:

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Standard	Disclosure requirement	Paragraphs in the Sustainability Statement	
ESRS 2	ESRS 2 BP-1	1.1 General basis for preparation of the sustainability statement	
	ESRS 2 BP-2	1.1 Disclosures in relation to specific circumstances	
	ESRS 2 GOV-1-GOV-5	1.2 Governance	
	ESRS 2 SBM-1 - SBM-3	1.3 Strategy	
	ESRS 2 IRO-1	1.4 Description of the process to identify and assess material impacts, risks and opportunities	
	ESRS 2 IRO-2	1.4.1 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	
	ESRS MDR-P		- Climate change E1-2
			- Biodiversity and ecosystems E4-2
			- Resource use and circular economy E5-1
			- Own workforce S1-1
			- Workers in the value chain S2-1
			- Affected communities S3-1
	ESRS MDR-A		- Consumers and end-users S4-1
			- Business conduct G1-1
ESRS MDR-A		- Climate change E1-3	
		- Biodiversity and ecosystems E4-3	
		- Resource use and circular economy E5-2	
		- Own workforce S1-4	
ESRS 2 MDR-M		- Workers in the value chain S2-4	
		- Affected communities S3-4	
		- Consumers and end-users S4-4	
		- Business conduct G1-4	
	ESRS 2 MDR-M	- Climate change E1-4, E1-5, E1-6	
		- Resource use and circular economy E5-3, E5-4, E5-5	
ESRS MDR-T		- Own workforce S1-6, S1-7, S1-9, S1-10, S1-11, S1-13, S1-14, S1-16, S1-17	
		- Workers in the value chain S2-5	
		- Affected communities S3-5	
		- Consumers and end-users S4-5	
		- Business conduct G1-4	
	ESRS MDR-T	- Climate change E1-4	
		- Biodiversity and ecosystems E4-4	
		- Resource use and circular economy E5-3	
		- Own workforce S1-5	
		- Workers in the value chain S2-5	
	- Affected communities S3-5		
	- Consumers and end-users S4-5		
	- Business conduct G1-4		

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ESRS E1	ESRS E1-1	Transition plan for climate change mitigation	
	ESRS E1-2	Management of impacts, risks and opportunities	
	ESRS E1-3	Management of impacts, risks and opportunities	
	ESRS E1-4	Metrics and targets	
	ESRS E1-5	Metrics and targets	
	ESRS E1-6	Metrics and targets	
ESRS E4	ESRS E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	
	ESRS E4-2	Management of impacts, risks and opportunities	
	ESRS E4-3	Management of impacts, risks and opportunities	
	ESRS E4-4	Metrics and targets	
ESRS E5	ESRS E5-1	Management of impacts, risks and opportunities	
	ESRS E5-2	Management of impacts, risks and opportunities	
	ESRS E5-3	Metrics and targets	
	ESRS E5-4	Metrics and targets	
	ESRS E5-5	Metrics and targets	
ESRS S1	ESRS S1-1	Management of impacts, risks and opportunities	
	ESRS S1-2	Management of impacts, risks and opportunities	
	ESRS S1-3	Management of impacts, risks and opportunities	
	ESRS S1-4	Management of impacts, risks and opportunities	
	ESRS S1-5	Metrics and targets	
	ESRS S1-6	Metrics and targets	
	ESRS S1-7	Metrics and targets	
	ESRS S1-8	Metrics and targets	
	ESRS S1-9	Metrics and targets	
	ESRS S1-10	Metrics and targets	
	ESRS S1-11	Metrics and targets	
	ESRS S1-13	Metrics and targets	
	ESRS S1-14	Metrics and targets	
	ESRS S1-16	Metrics and targets	
	ESRS S1-17	Metrics and targets	
	ESRS S2	ESRS S2-1	Management of impacts, risks and opportunities
		ESRS S2-2	Management of impacts, risks and opportunities
ESRS S2-3		Management of impacts, risks and opportunities	
ESRS S2-4		Management of impacts, risks and opportunities	
ESRS S2-5		Metrics and targets	
ESRS S3	ESRS S3-1	Management of impacts, risks and opportunities	
	ESRS S3-2	Management of impacts, risks and opportunities	
	ESRS S3-3	Management of impacts, risks and opportunities	
	ESRS S3-4	Metrics and targets	
	ESRS S3-5	Metrics and targets	

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ESRS S4	ESRS S4-1	Management of impacts, risks and opportunities
	ESRS S4-2	Management of impacts, risks and opportunities
	ESRS S4-3	Management of impacts, risks and opportunities
	ESRS S4-4	Management of impacts, risks and opportunities
	ESRS S4-5	Metrics and targets
ESRS G1	ESRS G1-1	Management of impacts, risks and opportunities
	ESRS G1-2	Management of impacts, risks and opportunities
	ESRS G1-3	Management of impacts, risks and opportunities
	ESRS G1-4	Metrics and targets
	ESRS G1-5	Metrics and targets

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EUClimate Law (4) reference	Location in report
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816 (5), Annex II		p. 52
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 e			Delegated Regulation (EU) 2020/1816, Annex II		p. 52
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				p. 55
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not relevant
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not relevant
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not relevant
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not relevant

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ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14			Regulation (EU) 2021/1119, Article 2(1)	p. 80
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book -Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2	Not relevant
ESRS E1-4 GHG emissions reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	p. 83
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1			p. 85
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1			p. 84
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 16			p. 84
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	p. 86
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	p. 86
ESRS E1-7 GHG removals and carbon credits paragraph 56			Regulation (EU) 2021/1119, Article 2(1)	Not relevant
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	Not relevant
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book -Climate change physical risk: Exposures subject to physical risk.		Not relevant

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ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collatera	Not relevant
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69		Delegated Regulation (EU) 2020/1818, Annex II	Not relevant
ESRS E2-4 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, paragraph 28	Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1		Not relevant
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1		Not relevant
ESRS E3-1Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1		Not relevant
ESRS E3-1Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1		Not relevant
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1		Not relevant
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1		Not relevant
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1		p.100
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1		p.100
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1		p.100
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1		Not relevant
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1		Not relevant
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1		Not relevant
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1		p.112
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1		p.112
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I		p.115

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ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I		p. 115
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I		p. 122
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21		Delegated Regulation (EU) 2020/1816, Annex II	p. 122
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I		Not relevant
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I		p. 125
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I		p. 124
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	p. 130
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I		p. 130
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	p. 130
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I		p. 130
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I		p. 130
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	p. 130
ESRS 2- SBM3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I		p. 60
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1		p. 136
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1		p. 136

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ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	p. 153
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19		Delegated Regulation (EU) 2020/1816, Annex II	p. 139
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1		p. 153
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1		p. 143
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	p. 144
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1		p. 145
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1		p. 150
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	p. 151
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1		p. 153
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1		p. 160
ESRS G1-1 Protection of whistle blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1		p. 161
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II	p. 163
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1		p. 163

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Disclosure Regulation) (EUVL L 317, 9 December 2019, page 1).

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(2) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation) (EUVL L 176, 27 June 2013, page 1).

(3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on , on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (EUVL L 171, 29 June 2016, page 1).

(4) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 on establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (European Climate Law) (EUVL L 243, 9 July 2021, page 1).

SRV defines material information using a process that is based on the criteria in ESRS 1 Section 3.2. This process takes into account both the impacts of the company's operations and the associated financial risks and opportunities. The materiality assessment covers both sustainability matters and business-critical information.

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Environmental information

<u>74</u>	E1 Climate change
<u>90</u>	EU Taxonomy
<u>97</u>	E4 Biodiversity and ecosystems
<u>106</u>	E5 Resource use and circular economy



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Environmental information

E1 Climate Change

Strategy

E1-1 – Transition plan for climate change mitigation

Lifecycle wisdom is one of SRV's strategic focus areas. The company develops the built environment while taking into account its entire lifecycle. Lifecycle wisdom consists of several factors, such as the chosen form of energy, energy-efficient solutions, material choices, and minimising emissions. By using and continually developing lifecycle-wise concepts, SRV aims at ensuring that its business model and strategy align with the transition to a sustainable economy and limiting global warming.

SRV's actions to mitigate climate change are outlined in a climate roadmap that is an integral part of the company's business strategy, and also in SRV's transition plan for achieving carbon neutrality. The climate roadmap defines targets and areas in which action is required to reduce the company's carbon footprint. The roadmap is part of SRV's strategy, and has been approved by the Corporate Executive Team. Its targets are also tied to the company's financing plan. SRV's Corporate Executive Team has already discussed the climate roadmap, and it will be reviewed by the Board of Directors during the next reporting period. This means that the roadmap has not yet been approved by the Board of Directors.

The climate roadmap covers areas such as lifecycle-wise construction sites, energy and energy efficiency, the circular economy and low-emission materials, and lifecycle-wise concepts. Key actions related to these areas include:

- Lifecycle-wise construction sites: Construction sites use renewable energy, and the use of fossil fuels is being phased out for site machinery.
- Energy and energy efficiency: Low-emission solutions, such as geothermal energy and district heating from renewable energy sources, are used to heat buildings throughout their lifecycle.
- The circular economy and low-emission materials: SRV chooses sustainable materials, and promotes the use of low-emission materials, such as wood and low-carbon concrete, in its projects. SRV promotes the circular economy by reusing structural components and soil, and employing other circular-economy solutions.
- Lifecycle-wise concepts: Continually evolving lifecycle-wise concepts for housing and business premises steer project planning. The aim is to harness lifecycle-wise solutions to reduce a building's lifecycle carbon footprint and support a low-carbon lifestyle for customers and users.

See Section E1-4 of this Statement for more information about actions related to the climate roadmap.

SRV's actions to mitigate the climate change impacts of its products (that is, its buildings), are carried out on a project-by-project basis during the design and construction phase. One of SRV's key focus areas is allocating capital and resources to projects that promote decarbonisation, harness new technologies and improve the lifecycle wisdom of buildings. In principle, all of SRV's project investments and financing support the implementation of the transition plan. The company is



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therefore of the opinion that it is impossible to itemise investments and financing.

SRV is committed to setting climate targets that are approved by the Science Based Targets initiative (SBTi) and will help to limit global warming to 1.5 degrees Celsius. SRV is committed to reducing its carbon footprint, and carries out development work and continual assessments of the carbon sequestered in its projects. The risks associated with sequestered carbon are primarily related to construction sites that use fossil fuels, energy-intensive projects, and projects that use carbon-intensive materials or are dependent on fossil energy sources. If SRV is unable to meet its GHG reduction targets, this may result in transition risks such as cost increases, tighter regulatory requirements, or changes in customer requirements. SRV manages these risks through its strategy, which focuses on lifecycle-wise solutions that are implemented in accordance with the company's climate roadmap.

SRV is not excluded from the EU Paris Agreement-aligned Benchmarks.

In SRV's business strategy, the transition plan is part of the lifecycle wisdom focus area and steers decision-making and resource allocation across all aspects of the company's business, but particularly in energy efficiency, emissions reductions on construction sites and the selection of construction materials.

SRV has a revolving credit facility tied to sustainability objectives. One of the credit facility's sustainability targets is the reduction in carbon dioxide emissions. SRV uses continual monitoring to ensure that its transition plan remains aligned with the company's strategy and financial objectives. Progress with the roadmap is regularly assessed, and the roadmap is updated as necessary to reflect any changed circumstances or new innovations.

Progress and key achievements

SRV's transition plan is progressing as planned. By the end of 2024, SRV has achieved an absolute reduction of 80 per

cent for location-based Scope 1 and Scope 2 emissions compared to the 2021 baseline and an 75 per cent reduction with respect to its intensity reduction target. For Using market-based 2024 accumulation of emissions the absolute reduction is 89 per cent and 87 per cent measured by intensity. As far as Scope 3 emissions are concerned , the reduction was 56 per cent (absolute) and 64 per cent (intensity). In part of Scope 3 the baseline year is 2023.

Some key achievements during the reporting period were:

- developments in ESG reporting,
- putting together a low-emission product library to facilitate product selection during procurement and
- making better use of annual contractual partners in, for example, the procurement of fuels.

One of the most important ways of reducing emissions is for SRV to work with its partners and enhance reporting accuracy by obtaining more detailed information about reported materials. Progress with the transition plan is monitored quarterly for Scope 1 and Scope 2 emissions, and annually for Scope 3. SRV aims to improve and intensify the monitoring of its Scope 3 emissions.

ESRS 2 SBM-3 Disclosure Requirement – Material impacts, risks and opportunities and their interaction with strategy and business model

SRV has material impacts, risks and opportunities related to climate change adaptation, climate change mitigation and energy.

Climate change adaptation:

- **Actual negative impact:** The rainfall, floods and rising temperatures caused by climate change affect not only living conditions but also construction work and the design and maintenance of buildings and infrastructure

as a whole. This impact arises from SRV's business model, which is based on resource utilisation, and therefore contributes to climate change. These impacts are already occurring. SRV's own operations, such as the planning and implementation of projects, play a key role in ensuring climate resilience. Unless they are adapted, construction practices may have a negative impact on both environmental resilience and infrastructure functionality. Construction material suppliers and subcontractors are key partners in terms of climate resilience. For example, the choice of materials has a significant impact on the sustainability of a completed project.

- **Potential positive impact:** Good planning can help to prevent the negative impacts of climate change and create a pleasant built environment. This impact is the result of SRV's strategy and lifecycle-wise business operations, which highlight long-term customer value and sustainability. Some of these potential impacts are already being seen. SRV's project development and construction processes are playing a key role in creating climate resilience and a pleasant built environment. Through its operations, SRV can actively prevent negative impacts and promote positive impacts by improving its design processes and prioritising sustainable solutions. The selection of partners plays a significant role. Collaborating with innovative and sustainable partners will enable the implementation of better solutions.
- **Potential positive impact:** Lifecycle-wise construction can help to maximise the durability and service life of buildings. SRV's strategy focuses on sustainability and long-term value for its customers. Lifecycle-wise solutions are directly linked to SRV's business model, which aims to deliver high-quality and sustainably built projects. These potential impacts would occur in projects and, depending on the duration of these

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projects, the impacts would be realised in the medium to long term. SRV's main role is to develop and construct long-lasting buildings that can be adapted to future needs. This requires a special focus on sustainable design, material choices and construction quality. Lifecycle-wise construction requires collaboration with responsible clients, material suppliers and subcontractors. When selecting suppliers and subcontractors, SRV focuses in their ability to provide sustainable and long-lasting solutions.

- **Transition risk:** If SRV does not implement lifecycle-wise solutions, there will be a decrease in satisfaction among users and other stakeholders, and projects may end up being implemented by competitors. Financial effects would then be experienced as a reduction in competitiveness. This risk is related to SRV's own operations.
- **Transition opportunity:** SRV has the chance to create lifecycle-wise concepts and buildings that can adapt to changing conditions. There are financial opportunities related to competitiveness, which will be increased by providing lifecycle-wise solutions. This opportunity relates to SRV's own operations and the downstream value chain.

Climate change mitigation:

- **Actual negative impact:** Alongside industry, the built environment is one of the most significant consumers of energy and producers of carbon dioxide emissions. Its role in mitigating climate change is therefore undeniable. The built environment and its energy consumption are directly related to SRV's business model and strategy. If SRV does not prioritise energy-efficient and low-emission solutions, its projects may exacerbate climate change over the long term. In the medium-term, energy efficiency and the reduction of carbon dioxide emissions from buildings during their

occupancy will begin to have an impact as energy-efficient buildings become more commonplace. SRV's construction processes and design choices, such as material choices and energy solutions, directly impact the built environment and its carbon footprint. SRV can reduce emissions by prioritising low-carbon materials, renewable energy and innovative design solutions. SRV's impact also depends on its partners, such as material suppliers and subcontractors. Partners who provide low-carbon, energy-efficient solutions that support the circular economy play a key role in sustainable construction.

- **Actual negative impact:** Construction consumes large quantities of energy and natural resources, which accelerates climate change. SRV's business is based on construction, which is directly related to the consumption of natural resources and energy. These impacts relate to strategic and business choices, such as a focus on lifecycle wisdom, material choices and energy efficiency, in both the company's own operations and its customers' projects. Responsible choices can reduce the negative impacts of consumption. The impacts of this sustainability matter are already occurring in the short term. The consumption of natural resources and energy for construction is directly linked to SRV's operational processes. The decisions that SRV makes in its projects and own operations will have a significant impact on both the quantity of consumed resources and their ecological footprint. Material suppliers and subcontractors also affect resource efficiency and the environmental impact of resource consumption. When selecting partners, SRV focuses on operators who promote low-carbon solutions and the principles of sustainable development.
- **Transition risk:** There is a risk that SRV's reputation as a responsible company will be weakened if it fails to meet its sustainability targets and, thereby, also fails to

mitigate climate change. Regulations and stakeholder expectations are generating an increasing number of requirements with respect to reducing climate impacts in the value chain. Identifying the climate impacts of SRV's partners is currently more challenging than identifying the impacts of the company's own operations, as operators have varied expertise and capabilities to reduce climate impacts. The realisation of this risk would lead to lower competitiveness and higher construction costs, or the need to sell projects at a lower price. This risk relates to both SRV's own operations and those in the upstream value chain.

- **Transition opportunity:** By using low-carbon materials and energy solutions, SRV has the chance to create lifecycle-wise concepts that will reduce the carbon footprint and improve the carbon handprint of construction. The financial effects of these opportunities would be related to increased competitiveness, winning more projects and an improved margin.

Energy:

- **Actual negative impact:** Construction consumes a considerable amount of energy, and improvements in energy efficiency will have a significant impact on energy consumption. A great deal of energy is used to heat buildings in northern latitudes. On the other hand, increasingly hot summers are also increasing the need for cooling, which likewise results in higher energy consumption. Energy consumption in buildings and construction accounts for more than a third of Finland's GHG emissions. SRV's business model and strategy directly influence energy consumption during the design, construction and operational phases. In the short term, SRV can reduce energy consumption in its own operations and pay attention to the choices made in its projects. Impacts from projects will occur over the medium and long term. SRV can have a significant

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impact on energy efficiency by developing and building properties that consume less energy during their operational phase. The energy efficiency of buildings is directly influenced by SRV's choice of partners, such as designers and suppliers of energy systems and construction materials. SRV can reduce negative impacts by selecting energy-efficient solutions and partners.

- **Potential positive impact:** The construction industry can influence emissions from both buildings and the industry as a whole with the aid of energy-efficient, zero-emission solutions. SRV's lifecycle-wise strategy supports the integration of energy efficiency and zero-emission solutions into construction. A strategy and business model that focus on lifecycle-wise energy solutions can significantly reduce emissions in the construction industry. SRV can select energy-efficient and zero-emission solutions for its construction projects, which will support the achievement of climate targets and promote the construction of low-carbon buildings. In the short term, SRV can make an impact through its own operations and project planning. These impacts will be realised over the building's lifecycle, in the medium to long term, as projects are completed. SRV is directly involved in implementing energy-efficient solutions, as the company develops and builds properties that can integrate various energy solutions. SRV can also influence energy consumption during construction via its own construction sites. SRV's partners, such as clients, material suppliers and energy solution providers, will influence the kind of energy-efficient and zero-emission solutions that can be used in buildings. SRV can choose partners that offer sustainable solutions and materials.
- **Opportunity:** By improving the energy efficiency of buildings and switching to renewable energy sources, it will be possible to significantly reduce emissions. This

impact can be made by paying attention to energy efficiency and energy systems during both construction and design. For example, the choice of heating or cooling method will have a significant impact on a building's energy consumption during its occupancy – that is, for several decades. Integrated energy solutions can be used to manage fluctuations in energy costs, and this is a feature that will be valued by end-users. Offering such features can give SRV a business advantage.

In late 2021, SRV assessed climate risks against the resilience of its business model in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) framework. The analysis covered SRV's own operations and the upstream and downstream value chain. It assessed the themes on the basis of their significance (critical/substantial/moderate), probability (probable/potential), and time horizon (short/medium/long). The analysis omitted 1) extremely improbable risks, such as a fast and complete global ban on a particular type of energy, 2) technology risks with limited impacts, such as innovations that are still under development and are unlikely to be introduced during the analysis period, 3) the extremely rapid acceleration of climate change, and 4) very distant risks that cannot be realistically estimated at the present time.

The critical assumptions for the analysis were 1) investors will shift their investments towards low-carbon buildings and raise their ESG requirements, 2) regulatory requirements and their tightening, 3) electrification and an increase in the amount of renewable energy, and 4) the development of new low-carbon technologies and materials.

The time horizons applied were the same as for the climate and business scenarios. An indicative estimate of the financial effects of material physical and transition

risks, including mitigation measures and resources, was made.

The uncertainties associated with the resilience analysis include future economic and technological uncertainties, and the complexities of global and local changes. Other significant uncertainties include risk interaction, synergies, counter-effects and surprising impacts. SRV takes climate change uncertainties into account in its strategy and business decisions. SRV continuously analyses both changes in its operating environment and the impacts of climate change on its own strategy and business (including the products and services to be built), and adapts to them as required.

SRV assesses transition risks in both its own operations and the upstream and downstream value chain from the following perspectives: 1) Legislation and operating principles: changes in the price of energy and emissions, stricter regulation, new reporting obligations or directives, and new regulations in construction or the construction industry, 2) Technology: new low-emission technologies (particularly in terms of energy consumption), construction materials (including their cost impacts in relation to emissions reductions), and investments in new technologies in buildings and on construction sites (including their cost impacts), 3) Market changes: changes in customers' needs and requirements, increases in the price of raw materials and thereby the cost of materials and equipment, and market uncertainty, and 4) Reputation: the industry's reputation, changes in consumer and professional customer behaviour and preferences, changes in stakeholders' attitudes, and negative feedback from stakeholders.

Transition risks were examined using the same time horizons that were used to determine risks.

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SRV has not identified any assets or businesses that are not compatible with the transition to a climate-neutral economy.

As the Task Force on Climate-related Financial Disclosures (TCFD) has been used to assess the impacts of climate change, the climate scenarios are compatible with the critical climate-related assumptions presented in the financial statements.

SRV has used a climate scenario analysis to reflect on the vitality of its current business and consider any changes that may be required in both the short and long term.

SRV adapts to climate risks with the aid of proactive planning both on its construction sites and in projects. Through collaboration with stakeholders, SRV is constantly developing new, more sustainable building solutions that will meet its customers' needs and promote climate change mitigation and adaptation. The use of low-emission energy in projects depends on the chosen solutions, such as the emission intensity of a heating solution. The identified themes and topics have been taken into account in SRV's strategy, annual planning and projects. A TCFD assessment has been incorporated into business risk management, and is updated annually in conjunction with updates to SRV's business risks.

SRV has conducted a climate risk and resilience analysis that assessed both the transition risks of climate change (such as market and legislative changes) and the physical risks associated with sudden extreme weather phenomena and chronic long-term changes. The analysis also identified opportunities related to climate action. The first analysis was conducted in November 2021, and it has been updated annually in conjunction with updates to SRV's business risks. SRV assesses transition risks and opportunities in accordance with a climate scenario that aims to limit global warming to 1.5 degrees.

The analysis is based on a basic scenario that examines acute and chronic risks or changes. The significance, probability and time horizon of climate risks were assessed using a three-point scale. The analysis also considered which mitigation measures could realistically be implemented in practice and whether adequate resources were available. The most significant risks were associated with market changes and the company's reputation. However, these risks were considered to be only potential with a medium-term time horizon.

On the basis of the analysis, SRV has integrated both the identified risks and measures for their management into its strategy and operational processes. For example, SRV takes the results of the analysis into account when making investment decisions and planning mitigation measures, and ensures that its business can adapt to any potential climate risks if they are realised.

SRV is prepared to adapt its strategy and business model as necessitated by climate change in the following ways:

1. **Strategic flexibility:** The climate risk and resilience analysis is updated annually, and is used to assess SRV's strategic focus areas and potential investment needs. In the short to medium term, SRV will focus on operational risk management, such as harnessing existing management tools and processes. Over the longer term, the company will adapt its business model to support the transition to a low-carbon economy.
2. **Funding continuity:** SRV ensures funding continuity by talking to banks and allocating funds to the implementation of its climate roadmap. This will increase the company's attractiveness and credibility in promoting climate action.
3. **Asset management:** Opportunities for relocating, upgrading or decommissioning existing assets are assessed annually on the basis of climate risks. For example, upgrades to existing equipment take the

transition to a low-carbon economy into account. The company's assets include a moderate amount of machinery and equipment that is used in infrastructure construction.

4. **Adapting the product and service portfolio:** SRV promotes low-carbon and lifecycle-wise solutions in its product and service portfolio, which supports adaptation to changes in markets, regulations and customer needs.
5. **Workforce retraining:** SRV is committed to providing its personnel with training that will support the transition to more sustainable practices, and particularly in new technologies and sustainable building practices.

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Impact, risk and opportunity management

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The identification and assessment process is described at a general level in ESRS 2 General Disclosures.

SRV takes the most significant impacts, risks and opportunities into account in its strategy, and then sets targets and actions for them that are monitored with the aid of strategic metrics, a sustainability programme and a climate roadmap.

The company's business risk analysis follows the TCFD framework. Physical climate risks have been identified and assessed accordingly. SRV has assessed the susceptibility of its business to physical risks as follows:

- **Construction projects:** Climate risks, such as flooding and extreme temperatures, can damage both existing buildings and those under construction, which will increase project costs and schedule risks. Structural design takes these risks into account using the principles of lifecycle-wise construction, such as improving weather resistance and energy efficiency.
- **Raw material availability and price fluctuations:** SRV seeks to identify risks associated with the impact of climate change on the procurement of building materials, such as increased transportation costs and production disruptions in certain areas or related to certain materials. Climate risks can also affect energy and water consumption throughout the value chain.
- **Business sensitivity:** SRV is assessing the sensitivity of various markets, such as cities and coastal areas, to the impacts of climate change. The company will analyse how these regional risks may impact business

opportunities, customer needs and project requirements in the long term.

Climate impacts, risks and opportunities have also been identified using the methods described below.

SRV has systematically screened its own operations and entire value chain to identify actual and potential sources of future emissions and other climate impacts.

Actual sources of emissions include:

- **Direct emissions (Scope 1):** The use of fuel in SRV's own machinery and equipment on construction sites, and fuel for leasing cars.
- **Indirect emissions (Scope 2):** The consumption of electricity, district heating and district cooling on construction sites and in offices.
- **Indirect emissions in the value chain (Scope 3):** In particular, emissions from construction materials (such as concrete and steel), logistics, travel and other material purchases.

Potential sources of future emissions include material choices in future construction projects and their impacts (such as materials and their manufacture) and energy-related solutions and choices for future projects.

Other climate impacts include changes in land use. Construction causes a reduction in the amount of carbon sequestered in the soil.

SRV assesses the scope and significance of GHG emissions and other climate impacts as follows:

When calculating total GHG emissions, Scope 1 and Scope 2 emissions are calculated directly on the basis of measured fuel and energy consumption data. Scope 3 emissions are calculated on the basis of the materials' environmental product declarations and lifecycle assessments (LCA) using the appropriate emissions factors.

Emissions data is reported annually in accordance with international standards such as the GHG Protocol standard.

Short-term impacts will be monitored through success in achieving emissions reductions. Long-term assessments will focus on how climate objectives are impacting materials in supply chains and what materials will be available for use in projects.

SRV has identified the following physical risks related to its business and the climate for different time horizons:

- **Short-term (the reporting period):** Heavy rainfall and storms may cause disruptions on construction sites and in logistics.
- **Medium-term:** Rising temperatures and an increase in extreme weather phenomena, such as droughts and flooding, may affect requirements for energy efficiency, structural durability and technical features.
- **Long-term:** Rising sea levels and chronic temperature changes may affect technical solutions and project locations.

Assets have not been considered, as SRV does not have any assets that would be subject to physical risks.

Definition of short, medium and long term time horizons and connection to the business model

SRV defines its time horizons as follows:

- **Short-term:** Current projects and operational objectives for the next few years.
- **Medium-term:** Strategic planning and development priorities for the next 1–5 years.
- **Long-term:** Strategic planning and development priorities for the next 5–10 years.

These time horizons relate to SRV's strategic planning as follows: short-term risks take operational risk management for projects into account, while medium- and long-term risks affect development plans and priorities, such as the development of energy-efficient and low-carbon building solutions.

SRV believes that its exposure to identified climate hazards will vary by region and project. When planning

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projects, SRV will consider their location in relation to climate risks such as flood-sensitive areas.

SRV assesses transition risks in both its own operations and the upstream and downstream value chain from the following perspectives:

- **Legislative and regulatory risks:** Legislation governing emissions, energy efficiency and other environmental impacts from construction and buildings may increase, and likewise the reporting requirements related to climate and environmental matters. There is uncertainty surrounding legislative developments and schedules with regard to climate change and corporate responsibility.
- **Technology risks:** The transition to new building technologies, such as low-carbon concrete, may require significant investments and research. Increasing technical requirements for construction will require investments in, for example, energy efficiency, climate-friendly heat production and smart technical building systems.
- **Market risks:** The green building transition may cause changes in demand and increase the popularity of low-carbon solutions. SRV's competitiveness may be compromised if the company cannot meet its customers' requirements for low-emission solutions. The cost of energy and materials may rise. For example, a rise in the price of emission rights and/or increasing demand for renewable energy will affect the energy industry and the price of energy. Higher prices for the most climate-friendly materials will affect both the market and demand.
- **Reputation risks:** SRV's reputation is influenced by its ability to meet its stakeholders' expectations concerning climate action. Companies are facing growing requirements with respect to climate action, reporting, communications and concrete action: more attention is being paid to them and they are being

critically reviewed. SRV's reputation is also affected by its partners and their potential failure to take climate action or meet SRV's requirements.

SRV has identified the following transition opportunities that can promote the sustainability and competitiveness of its business:

- **Innovative low-carbon, lifecycle-wise solutions:** SRV can strengthen its market position by developing new products and services that promote carbon-neutral construction. For example, integrating renewable energy into buildings and using low-carbon and circular-economy materials can boost demand.
- **Green financing:** Green construction projects are more likely to receive funding if they meet the criteria for the EU Taxonomy and sustainable funding.
- **Energy efficiency:** Designing energy-efficient buildings can generate long-term cost savings and meet growing customer demand.
In SRV's opinion, the company's assets and business have been exposed to transition risks and opportunities as follows:
 - **The attractiveness and value of construction projects:** construction projects can be less attractive and less valuable if they do not meet future climate criteria or customer requirements.
 - **Material procurement:** projects can be significantly impacted by price increases or a limited range of construction materials. This is particularly true when supply chains have not been optimised to reduce their carbon footprint and do not meet tightening requirements.
 - **Overall transitional preparedness:** SRV's business can only benefit from the transition if the company is able to implement lifecycle-wise, low-carbon solutions in a timely manner, boost the efficiency of its processes (reducing waste, for example), and meet growing market expectations.

SRV carries out a climate risk survey for every project in accordance with the EU Taxonomy, which assesses the physical risks associated with the project in question and the means by which they can be managed and adapted to climate change. The scenarios assess physical risks at a national level. In its projects, SRV mirrors the industry's climate risk frameworks and expected risks in the short, medium and long term, and adapts its project planning, implementation and lifecycle approach accordingly. Strategically, this is taken into account in business planning under the lifecycle-wise solutions focus area.

SRV identifies climate change risks in its projects and construction site operations. These risks are addressed in construction site guidelines, and project planning steering takes the long-term impacts of climate change into account in the building's operations.

As part of its risk management process, SRV assesses and identifies climate transition risks and opportunities in both in its own operations and the upstream and downstream value chain over short-, medium- and long-term time horizons. SRV assesses transition risks and opportunities using a climate scenario that aims to limit global warming to 1.5 degrees Celsius. This includes tighter regulation, a shift in the market towards low-carbon solutions, and the introduction of new technologies and energy sources. At the same time, SRV assesses how its business may be exposed to transitional events, such as stricter emission limits and energy-efficiency requirements. There are opportunities related to innovations and cost savings in energy efficiency. However, risks may also be realised as rising material and energy costs, availability issues, and changes in market demand. The assessment has not used any scenarios that involve extremely rapid global warming. When identifying climate-related hazards and assessing its exposure and sensitivity, SRV has not utilised any climate scenarios with very high GHG emissions, such the IPCC SSP5-8.5 scenario.

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SRV uses a scenario analysis (which aims to limit global warming to 1.5 degrees) to help assess its business resilience and short-, medium- and long-term business risks. SRV thinks that its chosen scenario covers the probable risks and uncertainties, as the risk assessment has also taken major changes into account. SRV's strategy is updated annually with a view to changes in the company's operating environment. The company's strategy is revised accordingly, along with any resulting actions. SRV also keeps an eye out for new business opportunities in the longer term. The scenarios consider changes in the economy, technology, energy use and energy sources. Geopolitical impacts on business are also considered as part of the package. The scenarios are based on national data.

E1-2 – Policies related to climate change mitigation and adaptation

The company's Code of Conduct provides top-level steering for all of SRV's operations. As stated in the code, SRV is committed to mitigating climate change and promoting climate change adaptation. SRV's Supplier Code of Conduct requires the same from the company's partners. Both documents are approved by the Corporate Executive Team, and are the responsibility of the General Counsel. These documents are publicly available. SRV's Code of Conduct covers the company's own personnel, while the Supplier Code of Conduct covers operations in SRV's value chain. The above policies apply to all of SRV's functions and operating areas, which are geographically located in Finland.

Policies related to climate change mitigation

In addition to the aforementioned policies, SRV has other policies related to climate change mitigation. SRV's Sustainability Policy states that SRV helps to fight climate change by reducing greenhouse gas emissions.

Emissions reductions are achieved by, for example, harnessing renewable energy, promoting energy efficiency and using low-carbon materials. The Sustainability Policy governs all of SRV's operations and describes the company's commitments to environmental responsibility, social responsibility and good governance. The Sustainability Policy is approved by SRV's Corporate Executive Team, and is the responsibility of the Senior Vice President, Development. The policy is publicly available.

SRV's travel guidelines state that SRV actively seeks to reduce the carbon footprint of business travel by, for example, recommending the use of public transport. These travel guidelines cover SRV's own operations but not the upstream or downstream value chain. The travel guidelines are approved by the Corporate Executive Team, and are the responsibility of the Senior Vice President, HR. They are available to SRV personnel via the company's intranet.

SRV's operations are also steered by an ISO14001 certified environmental system, which seeks continuous improvement and is audited by an external body at regular intervals.

There are several guidelines to support the planning and implementation of projects:

- An EU Taxonomy checklist helps ensure that projects meet climate change mitigation targets, such as reducing carbon footprints.
- SRV's lifecycle-wise design checklist describes targets in areas such as energy efficiency, renewable energy, demand flexibility, materials and green spaces.
- Potential targets for environmental classifications can determine things such as a project's location and energy efficiency.
- Material data is collected from projects in order to calculate carbon footprints.
- Lifecycle-wise action on construction sites includes using renewable energy, sorting waste, and minimising waste.

Policies related to climate change adaptation

Climate change adaptation is also governed by other policies in addition to SRV's Code of Conduct. SRV's Sustainability Policy states that the company is taking measures to adapt to climate change, such as handling stormwater, building green cities, and favouring light-coloured materials to combat the urban heat island effect. Projects can also make use of climate change risk assessments and adaptation solutions, such as designing structures that can adapt to a variety of weather conditions and temperatures.

Policies related to energy efficiency

Energy efficiency is a key element of SRV's lifecycle-wise strategy. The company's Sustainability Policy states that the energy efficiency of construction sites should be improved by upgrading equipment to more efficient technology and planning work as effectively as possible. SRV's developer-contracted projects aim for Class A energy efficiency, which is accomplished with the aid of good design, energy-efficient technical building systems and renewable energy solutions.

Policies related to renewable energy

SRV's Sustainability Policy states that SRV's offices and construction sites should in principle use renewable energy, nuclear energy or other low-emission energy.

E1-3 – Actions and resources in relation to climate change policies

SRV defines annual climate change actions in its sustainability programme and climate roadmap. In 2024, SRV implemented several key measures to mitigate climate change in Finland. These measures addressed identified impacts in the company's operations relating to climate change mitigation and adaptation, energy efficiency and renewable energy.

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SRV aimed for EU Taxonomy-aligned projects during the reporting period. The company seeks to ensure that its projects meet the criteria for Taxonomy alignment with regard to climate change mitigation. The Taxonomy alignment of SRV's projects is pursued to be ensured through target setting and monitoring as projects progress. This objective is related to SRV's own operations and customers in the downstream value chain. SRV will continue these long-term efforts in its operations. The number of Taxonomy-aligned projects will depend on the targets set by customers – which SRV can attempt to influence. SRV always sets Taxonomy alignment as a target for its developer-contracted projects.

SRV reduced its carbon dioxide emissions by increasing the share of energy acquired from low-emission sources. Energy procurement for construction sites is monitored with the aid of reporting. This action relates to SRV's own operations and its selection of energy supplier in the upstream value chain. SRV will continue these long-term efforts in its operations. The purchase of low-emission energy depends on energy operators and the amount of low-emission energy available in the market.

SRV enhanced the material emissions data collection in its environmental reporting system. This action relates to SRV's own operations on construction sites and in procurement, and also to value chain suppliers and partners who provide information about acquired materials. SRV will continue these long-term efforts in its operations. The availability and validity of emissions data depends on operators' ability to provide this data. The collection of emissions data can support emissions reductions. A broader knowledge base can facilitate decision-making and enable low-emission choices.

During 2024, SRV promoted decarbonisation by developing its reporting, with the goal of obtaining more accurate and comprehensive information about site-specific material use. The accuracy level will be further

improved over the coming years. With regard to Scope 3 emissions, the aim is to shift from cost-based data to measured data and more accurate emission factors for any data that is not yet precise. The data indicates that SRV can develop its own operations towards low-emission materials and concepts. Data is used to support decision-making.

SRV's ability to promote the achievement of climate change mitigation targets (such as emissions reductions) is highly dependent on the availability and allocation of adequate financial, technological and human resources, as well as on its clients' objectives and their willingness to invest. The use of advanced low-emission solutions also depends on SRV's technology and material suppliers, which can pose challenges if there are any delays or issues with availability. These actions apply to construction, on which SRV's business is based. They cover SRV's own operations and value chain operations. The geographical region is Finland.

SRV's emission intensity (market-based) has decreased by 87 per cent in part of Scope 1 +2 from the 31 December 2021 baseline. The biggest factors that have contributed to this reduction in emissions are the use of renewable or nuclear electricity; the use of bioheat, waste heat or heat-pump energy with a guarantee of origin; an increase in the amount of electric machinery and the use of biofuels in other machinery. As SRV's Scope 1+2 emissions have significantly decreased in previous years, SRV expects that its Scope 1+2 emissions in relation to revenue (emission intensity) will not decrease remarkably further in the near future. For Scope 3 emissions, SRV expects that its emission intensity will decrease in the future.

SRV's ability to promote climate change mitigation and adaptation is strongly linked to its projects and clients. SRV's business is based on projects in which the client's commitment to sustainable solutions plays a decisive role.

SRV always promotes its own lifecycle-wise activities, such as lifecycle-wise concepts, regardless of the project. Anticipating annual carbon dioxide emissions is neither practical nor possible, as the majority of SRV's emissions are generated by construction materials, and the quantities used each year vary significantly according to the nature and scale of ongoing projects. Emissions can therefore vary considerably depending on the projects' lifecycles and volumes, which makes forecasting challenging at an annual level, and years will not be mutually comparable. Forecasted emissions reductions are planned to be carried out in accordance with an SBTi target that will be set and validated in 2025.

There is no significant operating expenditure associated with implementing the planned and implemented actions. The capital and operating expenditure related their implementation has not been itemised in the financial statements, as it is fully included in project expenses. It is not therefore possible to report the costs of particular activities as separate capital or operating expenditure items, as they are included in the project's total cost.

Metrics and targets

E1-4 – Targets related to climate change mitigation and adaptation

SRV's commitment to limiting global warming to 1.5 degrees Celsius is based on international scientific recommendations and global climate targets. In line with this commitment, SRV has set ambitious emissions reduction targets that cover both the company's own operations and the value chain. SRV's Code of Conduct seeks to minimise negative environmental impacts and support the transition towards a low-carbon construction industry.

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Emissions reduction targets are a concrete manifestation of the Code's objectives. They define clear, measurable goals that will steer decision-making and strategic choices. Examples include reducing the emissions of SRV's own operating processes and construction through energy efficiency, renewable energy, and low-carbon building materials. Examples in the value chain include working with subcontractors and material suppliers to find low-carbon solutions and reducing the climate impact of the entire value chain.

SRV has set several ambitious targets for reducing GHG emissions and managing climate impacts. These targets are designed to tackle both SRV's own operations and the value chain's broader impacts. SRV is committed to setting climate targets that are approved by the Science Based Targets initiative (SBTi) and will help to limit global warming to 1.5 degrees Celsius. These targets include reducing emission intensity, and particularly in terms of construction emissions and the lifecycles of materials. They support the objectives of SRV's Code of Conduct, Supplier Code of Conduct, Sustainability Policy and travel guidelines. Construction is one of the largest consumers of energy and materials, and thereby contributes to climate change. SRV has set two carbon footprint reduction targets:

- By 2030: an 80 per cent reduction in emissions from the company's own operations (Scopes 1 and 2) in relation to revenue compared to the 2021 baseline.
- By 2030: a 25 per cent reduction in indirect emissions (Scope 3) in relation to revenue compared to the 2023 baseline.

These targets are emission intensities, and no absolute targets have been set. SRV has not set separate targets for Scope 1 and Scope 2 emissions. Scope 2 is market-based. These targets were not validated by an external party during the reporting period. SRV's decarbonisation methods include improving energy and

material efficiency, increasing the use of renewable materials and energy, switching from fossil fuels to biofuels or electricity, and adopting new technologies, such as flexible consumption and technical solutions that improve energy consumption as required.

Emissions calculations comply with the GHG Protocol. See Section E1-6 for more details about these calculations. SRV will revise its targets in 2025 when setting its SBTi-compliant targets. Emissions reductions are monitored quarterly for Scope 1 and 2 emissions, and annually for Scope 3 emissions.

SRV also aims to reduce climate impacts, manage any associated risks, and harness climate opportunities with the aid of:

- **Renewable energy:** SRV aims to increase the share of renewable energy used in its own operations and construction projects by, for example, utilising geothermal energy and purchasing renewable electricity and district heating.
- **Energy efficiency:** SRV promotes energy-efficiency measures both on construction sites and in construction projects. This includes advanced energy management and the use of low-emission solutions.
- **Climate change adaptation:** SRV identifies and prepares for the physical risks of climate change, such as extreme weather phenomena, by incorporating adaptation measures into its construction projects.
- **The mitigation of transition risks:** SRV closely monitors market and regulatory developments, and proactively responds to changes, for example, by developing low-carbon solutions and adopting circular-economy principles.

SRV is committed to setting a general climate target that is approved by the international Science Based Targets initiative (SBTi) and will help to limit global warming to 1.5 degrees Celsius. The SBTi has not yet

verified SRV's targets. SRV will attempt to verify its GHG Protocol-compliant calculations during 2025. The targets used a scenario that aims to limit global warming to 1.5 degrees Celsius.

Absolute reduction compared to the reference year	250906.2	tCO2e
Percentage reduction from the reference year	56.8	%
Intensity target reduction	N/A	tCO2e/M€
Scope 1 absolute reduction	5293.0	tCO2e
Scope 2 absolute reduction	8160.0	tCO2e
Scope 2 percentage reduction in location-based or market-based emissions	81.6	%
Scope 2 location- or market-based emissions intensity reduction	8.3	tCO2e/M€
Scope 3 absolute reduction	237453.2	tCO2e
Scope 3 percentage reduction from the reference year	55.9	%
Reduction of Scope 3 emissions intensity	445.2	tCO2e/M€

Figure 1. Emission reductions by category. Base year for Scope 1 and Scope 2 2021, for Scope 3 2023.

SRV calculates its carbon footprint both in absolute terms and in terms of intensity, as its carbon footprint is affected by the number and type of ongoing projects, which vary from year to year. Emission intensity indicates trends in the company's carbon footprint in relation to revenue, which provides comparability.

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In SRV's opinion, monitoring emission intensity is more illustrative of emissions reductions than using absolute emissions. This is because SRV's total emissions are largely affected by the number, type and scope of its ongoing projects, while climatic deviations, such as temperature fluctuations, are not as significant. As a metric, emissions intensity better reflects the company's effectiveness in reducing emissions in relation to its business volume. By measuring the company's emission intensity, actual progress can be monitored without the results being distorted by variations in the number of projects.

While climatic factors such as exceptional weather conditions may affect energy consumption, SRV has estimated that their impact on emissions will be less than the impact of changes in business volumes. The baseline has not therefore been normalised on the basis of weather conditions – instead, the focus is on calculating emission intensity.

SRV's climate roadmap has set targets for the following themes:

- SRV's construction sites aim to use fossil-free fuels and energy with a guarantee of origin.
- Throughout a project's lifecycle, SRV aims to use heating energy solutions with the lowest possible emissions, such as geothermal energy and district heating.
- SRV promotes the use of low-emission materials through the circular economy and its material choices. The company promotes the circular economy by reusing structural components and soil, and employing other circular-economy solutions.
- SRV employs lifecycle-wise concepts to reduce a building's lifecycle carbon footprint with the aid of a broad variety of solutions, including adaptability.

The absolute decrease in emissions is directly dependent on ongoing construction sites and project

types. This means that project-specific factors – such as customer requirements, the size of buildings, the materials used and energy-efficiency requirements – will have a significant impact on actual emission volumes. For example, projects that use materials with a larger carbon footprint, such as concrete and steel, will increase emission volumes; while using sustainable, energy-efficient solutions will reduce lifecycle emissions. The location of construction sites and their logistics can also affect emissions, and particularly in terms of transportation and energy consumption.

E1-5 – Energy consumption and mix

SRV monitors energy consumption through fuel purchases and energy monitoring. Service providers are responsible for data reporting.

Energy consumption and mix	Year 2024
1) Fuel consumption from coal and coal products (MWh)	0
2) Fuel consumption from crude oil and petroleum products (MWh)	5,815
3) Fuel consumption from natural gas (MWh)	0
4) Fuel consumption from other fossil sources (MWh)	0
5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	2,148
6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	7,962
Share of fossil sources in total energy consumption (%)	23.8 %
7) Consumption from nuclear sources (MWh)	10,801
Share of consumption from nuclear sources in total energy consumption (%)	32.3 %
8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	6,651
9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	8,002
10) The consumption of self-generated non-fuel renewable energy (MWh)	0
11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	14,653
Share of renewable sources in total energy consumption (%)	43.8 %
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	33,416

SRV's energy intensity is 44.8 (MWh/M€).

All of SRV's operations are significant in terms of their climate impact. SRV's operations include the following sectors with significant climate impacts:

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- Section F – Construction
 - Division 41 Construction of buildings
 - 41.1 Development of building projects
 - 41.2 Construction of residential and non-residential buildings

- Section L – Real estate activities
 - Division 68 Real estate activities
 - 68.1 Real estate activities with own or leased property

Revenue from operations in **sectors with significant climate impacts** have been matched with the relevant item or Note of the financial statements. All of SRV's operations have significant climate impacts. Revenue figures have been cross-referenced with the relevant information in the financial statements.

and assessment has been carried out in accordance with GHG Protocol standard.

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

tCO2e	2023	2024
Scope 1	N/A	1,446
Scope 2	N/A	313
Scope 3	424,721	187,268
Total	N/A	189,027

SRV's most significant Scope 3 emissions relate to material procurements and the energy consumption of buildings during their lifecycle. In particular, these include purchased goods and services (building materials such as concrete and steel) and the energy consumption of buildings during their occupancy. The emission categories have been selected on the basis of their significance, taking into account the magnitude and impact of their GHG emissions on the company's overall carbon footprint. The assessment also considers transition risks and opportunities, such as stricter legislation and stakeholders' views on promoting low-carbon solutions. Identification

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		Retrospective				Milestones and target years			
		Base year 2021 Scope 1 and 2, tCO ₂ e	Base year 2023 Scope 3, tCO ₂	2024	% 2024/base year	2025	2030	2050	Annual % target / Base year
Scope 1 emissions	Gross Scope 1 GHG emissions (tCO ₂ eq)	6,739	N/A	1,446.0	0.2	N/A	1347.8	N/A	8.9
	Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0.0	0	0	N/A	N/A	0.0	N/A	N/A
Scope 2 emissions	Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	9,997.0	N/A	1,837	0.2	N/A	1999.4	N/A	8.9
	Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	N/A	N/A	313.0	N/A	N/A	N/A	N/A	N/A
Significant Scope 3 emissions	Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	N/A	424,721	187,268	0.4	N/A	318540.8	N/A	4.2
	1 Purchased goods and services	N/A	331,987	117,217	0.4	N/A	N/A	N/A	N/A
	3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	N/A	822	356	43 %	N/A	N/A	N/A	N/A
	4 Upstream transportation and distribution	N/A	N/A	5,536	N/A	N/A	N/A	N/A	N/A
	5 Waste generated in operations	N/A	352	252	71 %	N/A	N/A	N/A	N/A
	5 Business traveling	N/A	690	178	26 %	N/A	N/A	N/A	N/A
	7 Employee commuting	N/A	N/A	669	N/A	N/A	N/A	N/A	N/A
Total GHG emissions	11 Use of sold products	N/A	90,870	63,061	69 %	N/A	N/A	N/A	N/A
	Total GHG emissions (location-based) (tCO ₂ eq)	N/A	N/A	190,550.8	N/A	N/A	N/A	N/A	N/A
	Total GHG emissions (market-based) (tCO ₂ eq)	N/A	N/A	189,027	N/A	N/A	N/A	N/A	N/A

The %2024/base year is calculated by dividing the year 2024 by the base year and multiplying by percentage. For example in Scope 3 the base year is 2023, thus %2024/base year is calculated 2024/2023 x 100

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SRV's carbon footprint calculation is based on the GHG Protocol standard and its guidelines. The calculation is done at Group level, and covers all of SRV's operations.

Scope 1 emissions calculations include all direct GHG emissions from the company's own operations, such as emissions from the use of fuels and gases.

Scope 2 emissions calculations include indirect emissions from energy consumption, such as purchased electricity, district heating and district cooling.

Calculation methods

Energy consumption data is collected in SRV's environmental reporting system. SRV's annual contractual partners send data automatically via an interface once per month. Information from other suppliers is manually entered into the system on a monthly basis.

All reported data is converted into megawatt hours in the system using the following coefficients:

Unit	Coefficient
GJ	0.2777780000
kg	0.0128620000
kWh	0.0010000000
Litre	0.0099848330
m3	9.9848330000
MJ	0.0002777780
MWh	1.0000000000

Gases are reported in kilograms, and the conversion factor corresponds to the Fuel classification's density and energy content for liquefied petroleum gas.

Fuels are reported in litres or cubic volume, and their conversion factors are estimated conversion factors for liquid fuels (Gasoline, Diesel, Liquid fuel) based on the Fuel classification.

If the provider has supplied the information, users can record the energy product's emissions factor and the share of renewable energy when making their reports. If

these fields are left blank, the system uses the default emissions factors administered by the Environmental Manager to calculate emissions and assumes a zero share of renewable energy. SRV's annual contracting partner Neste's products are linked to default emissions factors, which means that if no emissions data is received via the interface, the system calculates emissions using the default emissions factors for the type of energy in question. Emissions from electricity obtained via SRV's annual contracting partner Gasum are determined at the interface.

If the user has not entered any other data, the default emissions factors (emissions during use) are the emissions factors provided by the provider, which are listed below.

Energy type	Emission factor, kgCO2e/MWh
Electricity	70
District heating	145
District cooling	36
Biofuel	0,0555 (Neste MY non CO2)
Biogas	3,06 (Biogas non CO2, Y-Hiilari)
Other renewables	0
Fuel oil	248
Petrol	234
Diesel	222
Liquefied gas	233
Natural gas	200
Liquefied natural gas (LNG)	199

Data is converted into the format required by ESRS on the basis of the selected energy types and the reported share of renewable energy.

SRV has no carbon-based fuel consumption. It does, however, use crude oil-based energy sources, such as fuel oil, motor gasoline and diesel. Natural gas and liquefied natural gas (LNG) are classified as natural gas-based fuel consumption. Liquefied gas is produced in

Finland as a by-product of oil refining. It is also obtained from gas deposits. Liquefied gas is classified as a petroleum-based product.

Electricity is primarily purchased through an annual contractual partner, and guarantees of origin will be purchased to reflect actual consumption in February 2025. In 2024 consumption was 80 per cent with nuclear guarantees of origin and 20 per cent with renewable guarantees of origin. The content of any other electricity contracts must be noted during the reporting process. The reporting system asks for emissions data and the share of renewable energy. This information can be used to determine if a product is renewable or nuclear electricity, which are both zero-emission sources. Any surplus is reported under "Consumption of electricity, heat, steam and cooling from purchased or acquired fossil sources (MWh)".

When reporting steam consumption and district heating and cooling, the share of renewable energy must be entered into the system. Any surplus is reported under "Consumption of electricity, heat, steam and cooling from purchased or acquired fossil sources (MWh)".

Biofuels and biogas are reported under "Fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renewable sources, etc".

Location-based Scope 2 emissions are calculated by multiplying the total consumption of electricity, district heating and district cooling by the default emissions factors in Table 1.

Biogenic emissions are calculated using green fuels and, if necessary, other organic sources as reported by the provider during annual reporting.

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Scope 3 emissions include all indirect emissions from SRV's operations that are not directly controlled by SRV.

SRV has acquired 14,653 MWh of renewable energy and 10,801 MWh of nuclear electricity with guarantees of origin.

SRV's biogenic Scope 1 emissions totalled 1,653 tCO₂e.

SRV has omitted the following categories from its Scope 3 calculations:

- 2 capital goods, SRV does not own capital goods, like buildings, machinery and devices,
- 8 Upstream leased assets. SRV does not have any such assets, which product greenhouse gas emissions,
- 9 Downstream transportation SRV has no downstream transportation,
- 10 Processing of sold products. SRV has no related operations.
- 12 End-of-life treatment of sold products. SRV does not have any related operations, as buildings will be owned by another party at the end of their service life.
- 13 Downstream leased assets. SRV has no downstream leasable assets.
- 14 Franchises. SRV does not have any franchises
- 15 Investments. SRV has no investments.

SRV's Scope 3 calculations include the following emissions categories on the basis of their significance:

- 1 Purchased goods and services
- 3 Fuel & energy-related activities (not included in Scope 1 or Scope 2)
- 4 Upstream transportation and distribution
- 5 Waste generated in operations
- 6 Business traveling
- 7 Employee commuting
- 11 Use of sold products

SRV has determined its most significant Scope 3 GHG categories by analysing the key stages of its value chain and their environmental impact. The reporting boundaries, calculation methods and calculation tools used are as follows:

Purchased goods and services, subcategory 1.

Boundaries and calculation methods:

1. Energy acquired for construction sites by contractors, clients and other partners. Contractors report the energy they have acquired for projects on a monthly basis via SRV Ympäristö (typically fuels for their own equipment, electricity acquired via the client), along with emissions data for products and the share of renewable energy. If no emissions data is provided, the system uses the average emissions factors for the type of energy in question (see Scope 1 and 2).
2. Emissions from the manufacture of materials and products supplied to projects. Construction sites and suppliers report products, quantities and emissions data either on a monthly basis or by batch. If there is no environmental declaration, conservative emissions data is used. Emissions from technical building system products. As there was still very little information on emissions from technical building system products, their emissions were calculated by adding 25 per cent to material emissions.

Fuel and energy-related activities (not included in Scope 1 or Scope 2), subcategory 3

- Boundaries: Upstream emissions from any acquired energy that is not included the Scope 1 and Scope 2 categories.
- Calculation methods: The calculation is based on Scope 1 and Scope 2 energy consumption data, on the basis of which the upstream emissions will be calculated using either supplier-reported data or literature-based averages.
- Lifecycle fuel emissions are obtained from SRV's annual contractual provider . Early lifecycle emissions are obtained by calculating the emissions from consumed energy using the aforementioned default factors for fuels and subtracting this figure from total lifecycle emissions.

Upstream emissions factors for electricity and district heating are given in Table 3.

Source	kgCO ₂ e/kWh
Electricity production	0.0233
Transmission loss (electricity)	0.0008
District heating production	0.0260
Transmission loss (district heating)	0.0014
District cooling	0.0122

Table 3. Emission factors for energy related activities not reported in Scope 1 or 2. Source: A guide for construction companies to comply with the GHG protocol greenhouse gas emission calculation. Opas rakennusliiketoiminnan GHG Protokollan mukaiseen päästötilojen laskentaan, Kainulainen Joona, Karelia-ammattikoulujen julkaisu B:87, ISBN 978-952-275-387-8, ISSN 1797-383X

Upstream transportation and distribution, subcategory 4

- Boundaries: The transportation of construction materials and other equipment from suppliers to SRV's construction sites.
- Calculation methods: Transport distances, the mode of transport used, and the appropriate emission factors. Transportation emissions are reported on the basis of

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either actual mileage or the A4 value in the environmental declaration. Kilometres of transportations are converted to emissions using emission factor 1,84 kgCO₂e/km. In 2023, 20 per cent was still being added to reported transport emissions, as transport emission data was deemed to be of low accuracy. This emission factor is used also in the national emissions database.

- Calculation tools: A4 values from environmental declarations, the UK's BEIS emissions factors (formerly DEFRA), and spreadsheet templates.

Waste generated in operations, subcategory 5

- Boundaries: Any construction waste generated onsite that ends up in landfills or is sent for recycling or other treatment.
- Calculation methods: Emissions estimates are based on actual and estimated weights of waste and the emission factors for various treatment options. SRV's annual contractual partners calculations on waste emissions (including waste treatment and transportation). Any loads of waste that are transported by others will be estimated according to averages in the CO₂data.fi database.
- Calculation tools: Construction waste management systems that are used in the industry, and operator-specific waste-specific emissions factors.

Business traveling, subcategory 6

- Boundaries: This subcategory includes emissions from employees' business trips and other work-related travel.
- Calculation methods: Modes of travel, number of trips, and their associated emissions factors. Travel by private vehicle is calculated using the average vehicle emissions factor for the reported mileage. Emissions from taxi journeys and public transport are estimated on the basis of monetary values (EUR).

- Calculation tools: Information provided by travel agencies and estimated emissions data.

Employee commuting, subcategory 7

- Boundaries: An estimate of employees' commutes in the capital region, starting from their home to SRV's headquarters in Espoo, on the basis of a 2023 report.
- Calculation methods: Commuting is calculated in accordance with the average distance, in addition the average of working days at the office in a year are used. It is based on the distances calculated in the report (which were used to calculate the average distance of a commute), the average number of working days at the office and the number of working weeks per year.

Use of sold products, subcategory 11

- Boundaries: The energy consumption of buildings during their lifecycle in SRV's developer-contracted and development projects.
- Calculation methods: Emissions from energy consumption are estimated on the basis of typical usage profiles and emissions factors for the energy sources in question, using the nominal value in the energy certificate. An estimated service life of 50 years is used.
- Calculation tools: The nationally approved energy certificate calculation model.

GHG intensity based on net revenue	Comparative	2024	% 2024/ comparative
Total GHG emissions (location-based) per net revenue (tCO ₂ -ekv./million)	N/A	255.5	N/A
Total GHG emissions (market-based) per net revenue (tCO ₂ -ekv./million)	N/A	253.5	N/A

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Environmental information

EU Taxonomy

The EU Taxonomy is a classification system for sustainable finance, with activity-specific sustainability criteria. The EU Taxonomy Regulation 2020/852 entered into force in July 2020. The taxonomy consists of the regulation in question, delegated acts that supplement it, and technical standards issued on the basis thereof. The classification system seeks to steer capital into sustainable investments that meet EU specifications, such that the EU will be able to meet the emissions reduction and environmental objectives set for its economic area.

In order to demonstrate its taxonomy eligibility, the activities of a company must correspond to those listed in the EU Taxonomy, which are considered to contribute to at least one of six environmental objectives: 1) climate change mitigation, 2) climate change adaptation, 3) sustainable use and protection of water and marine resources, 4) transition to a circular economy, 5) pollution prevention and control, and 6) protection and restoration of biodiversity and ecosystems. In order to constitute a sustainable investment under the EU definitions, that is, to be taxonomy-aligned, a company must demonstrate that its taxonomy-eligible activity also complies with the technical sustainability criteria set for one environmental objective and that it does not cause significant harm to the achievement of other environmental objectives, and it must also pass the requirements set for so-called minimum social safeguards. At the Group level, SRV reports on the proportion of the key figures for revenue, capital expenditure (CapEx) and certain operating expenses (OpEx), as defined in the Taxonomy Regulation, in the financial statements for the year which are accounted for by activities it has identified as taxonomy-eligible and taxonomy-aligned.

1. Assessment of compliance with the Taxonomy Regulation

SRV's taxonomy-eligible activities relate to the construction of new buildings and renovation of buildings, accounting for over 90 per cent of our revenue. Taxonomy-eligible capital expenditure comprises the share of the total capital expenditure for the financial year allocated to SRV activities that generate taxonomy-eligible revenue, or which arises from an increase in tangible or intangible asset items capitalised in the balance sheet due to the acquisition of taxonomy-eligible third-party production. The taxonomy eligibility of an activity has been determined by comparing the activities carried out by SRV during the financial year to the NACE codes listed in the EU Taxonomy and to qualitative descriptions of taxonomy-eligible activities. In order to demonstrate taxonomy alignment, the taxonomy criteria of SRV projects are reviewed in accordance with the management system as part of design management, procurement and on-site activities.

SRV assesses the taxonomy eligibility of its activities by comparing each activity to the activities included in the Taxonomy Regulation for which technical evaluation criteria have been provided. Based on this, SRV has concluded that its taxonomy-eligible activities are new construction and renovation.

SRV then assesses on a project-by-project basis whether the economic activity in question contributes significantly to climate change mitigation or another environmental objective. SRV has found that projects involving energy-efficient buildings and in which renewable energy may have been used contribute positively to the climate objective by reducing energy consumption and



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fossil energy use. In order to avoid the double-crediting of revenue and capital expenditure items, SRV considers that its activities primarily contribute to climate change mitigation.

In the next phase, SRV assesses on a project-by-project basis whether the project in question meets the technical criteria of the activity. The technical criteria are described below. As a final step, SRV evaluates whether the activity has fulfilled the minimum social safeguards. If all technical criteria are met and the minimum social safeguards are fulfilled, SRV considers the activity to be taxonomy-aligned.

SRV activities that generate revenue or to which capital expenditures are allocated, the most relevant taxonomy-eligible activities listed in the taxonomy that correspond to them, and the verification of their taxonomy alignment are described below. All activities have been determined to be the most compatible with the EU objective of climate change mitigation, and no activity is considered to contribute to more than one environmental objective simultaneously:

Construction and real estate

7.1. Construction of new buildings Fully corresponds to SRV's activities in the construction of new buildings. These activities include also for example installing electric car charging infrastructure, technology for renewable energy and measuring, adjusting and control devices for energy efficiency for the buildings. The fulfilment of criteria for substantial contribution to climate change mitigation has been assessed by comparing the primary energy demand of new buildings with the national threshold set for the primary energy consumption of a nearly zero-energy building, and by determining that it is at least 10 per cent lower than the threshold value. This is verified by comparing the value indicated in the energy certificate of the building to the threshold value. In addition, the air-

tightness and thermal integrity of buildings larger than 5,000 m² in the completion stage have been measured or the quality assurance process has been completed. Depending on the project, this is determined by means of measurements or connection detail drawings and quality assurance. The global warming potential (GWP) resulting from the construction of buildings larger than 5,000 m² has been calculated for each stage in the lifecycle and is disclosed to investors and clients on demand. This is verified from the GWP calculation document.

Demonstrating the avoidance of significant harm to other environmental objectives in new construction projects:

- Climate change adaptation: the requirements set out in Annex Appendix A to the Commission Delegated Regulation (EU) 2021/2139. This is carried out as a separate study.
- Sustainable use and protection of water and marine resources: Water appliances meet the flow requirements specified in Delegated Regulation 2021/2139. The flow requirements are attested by the manufacturers.
- Transition to a circular economy: at least 70 per cent (by weight) of the non-hazardous construction and demolition waste generated on a construction site is prepared for reuse, recycling and other material recovery. This is monitored on a monthly basis through the environmental system, yielding the actual result for the calendar year. Building structural designs and construction techniques must support circularity. The adaptability, multipurpose use, and recyclability of building structural designs and construction techniques is determined by means of a separate study.
- Pollution prevention and control: Building components and materials used in the construction comply with the criteria set out in Annex Appendix C to the Commission Delegated Regulation (EU) 2021/2139, and building

components and materials that may come into contact with occupiers emit less than the quantity recommended in the regulation of formaldehyde and other carcinogenic volatile organic compounds in categories 1A and 1B. These are determined by means of material classifications, such as an M1 certificate indicating material emissions using the units required by the taxonomy. If a new construction is located on a potentially contaminated site, a study of potential pollutants has been conducted. This is determined by means of separate studies. In addition, measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works. These measures are stated in the environmental plan for the noise, dust and pollutant emissions of the renovation site.

- Protection and restoration of biodiversity and ecosystems: The activity complies with the criteria set out in Annex Appendix D to the Commission Delegated Regulation (EU) 2021/2139. The new construction is not built on arable land and crop land with a moderate to high level of soil fertility and below ground biodiversity. The new construction is not built on greenfield land of recognised high biodiversity value and land that serves as habitat of endangered species listed on the European Red List. The new construction is not built on land matching the definition of forest as set out in national law used in the national greenhouse gas inventory. These are stated in the construction permit and plan.

7.2. Renovation of existing buildings Fully corresponds to SRV's renovation activities. It is estimated that the criteria for substantial contribution to climate change mitigation are fulfilled when the building renovations comply with the applicable requirements for major renovations or lead to a reduction in primary energy demand by at least 30 per cent.

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Demonstrating the avoidance of significant harm to other environmental objectives in renovation projects:

- Climate change adaptation: the requirements set out in Annex Appendix A to the Commission Delegated Regulation (EU) 2021/2139. This is carried out as a separate study.
- Sustainable use and protection of water and marine resources: Water appliances meet the flow requirements specified in Delegated Regulation 2021/2139. The flow requirements are attested by the manufacturers.
- Transition to a circular economy: at least 70 per cent (by weight) of the non-hazardous construction and demolition waste generated on a construction site is prepared for reuse, recycling and other material recovery. This is monitored on a monthly basis through the environmental system, yielding the actual result for the calendar year. Building structural designs and construction techniques must support circularity. The adaptability, multipurpose use, and recyclability of building structural designs and construction techniques is determined by means of a separate study.
- Pollution prevention and control: Building components and materials used in the construction comply with the criteria set out in Annex Appendix C to the Commission Delegated Regulation (EU) 2021/2139, and building components and materials that may come into contact with occupiers emit less than the quantity recommended in the regulation of formaldehyde and other carcinogenic volatile organic compounds in categories 1A and 1B. These are determined by means of material classifications, such as an M1 certificate indicating material emissions using the units required by the taxonomy. In addition, measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works. These measures are stated in

the environmental plan for the noise, dust and pollutant emissions of the renovation site.

- Protection and restoration of biodiversity and ecosystems: Not applicable

SRV engages in building lifecycle and energy business that in its view does not fall into any of the taxonomy categories. Revenue from this business is disclosed under taxonomy-non-aligned revenue.

The numerators of the taxonomy KPIs (revenue and capital expenditure items associated with the taxonomy-eligible and -aligned activities listed above) have been derived in accordance with the project IDs used in SRV's accounting system, avoiding their double-crediting.

SRV's business meets the minimum social safeguards set in the taxonomy in terms of human rights, corruption and bribery, fair competition and taxation. The assessment has taken into account both the existence of processes and intervention in violations.

The general reporting principles of the Sustainability Statement, the Social Responsibility sections and the Business Conduct section describe SRV's commitment to the UN Guiding Principles on Human Rights, the ILO Convention, and international human rights legislation. These sections also describe the principles of the Ethics Channel for whistleblowers.

The minimum social safeguards are described in more detail in sections S – Social Responsibility and G – Administrative Responsibility of the Sustainability Statement.

Our Corporate Social Responsibility Report contains information about taxonomy-aligned revenue, capital expenditure and operating expenses in tabular format in accordance with EU guidelines.

2. Additional information on calculating KPIs**Revenue reporting**

In revenue calculation, SRV uses the same IFRS accounting principles that are applied in the consolidated financial statements. The total revenue used in the calculation corresponds to the revenue presented in the consolidated financial statements, which consists entirely of the recognition of income from customer agreements during the financial period. The SRV Group's total revenue for the financial year is divided into project-specific revenues using accounting system project IDs. Taxonomy eligibility and taxonomy alignment are reviewed by project ID. The Group's total taxonomy-eligible revenue comprises project-specific revenues from taxonomy-eligible projects during the financial period. During the financial period, no taxonomy-aligned revenue items related to internal use were generated. No factors had a significant effect on the calculation or amount of the taxonomy KPI for revenue during the financial year. During the financial year, SRV did not have any outstanding bonds issued to fund specific taxonomy-aligned activities. Revenue accounting principles are presented in Note 3 to the consolidated financial statements. The Group's taxonomy-aligned revenue consists of Business Construction, Housing Construction and Infrastructure Construction.

Capital expenditure reporting

SRV includes increases of tangible and intangible assets in capital expenditure in the consolidated cash flow statement (Investments in tangible and intangible assets) and as set out in Notes 13 and 14. Increases in fixed assets in accordance with IFRS 16 Leases are not included in the calculations. No factors had a significant effect on the calculation or amount of the taxonomy KPI for capital expenditure during the financial year.

SRV's taxonomy-aligned capital expenditures mainly consist of increases in tangible fixed assets in the

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infrastructure and energy business, amounting to EUR 0 million, of which EUR 0 million through mergers and acquisitions.

Tangible fixed asset items are not allocated to project IDs in accounting, as such equipment is utilised in many construction and renovation projects thanks to their long service life. As these fixed assets are not tracked with project IDs, SRV does not allocate capital expenditures to taxonomy-aligned activities. SRV has not drafted a CapEx plan that would aim at converting a specific taxonomy-eligible activity into a taxonomy-aligned activity during a certain period of time.

Operating expenses reporting

The denominator of the operating expenses KPI consists in its entirety of the uncapitalised repair and maintenance expenses of tangible fixed assets in the balance sheet associated with the infrastructure and energy business. In SRV's view, operating expenses (OpEx) as defined in the Taxonomy Regulation are immaterial under its business model. Operating expenses (OpEx) as defined in the Taxonomy Regulation that were incurred during the financial period and which were not capitalised in the balance sheet amounted to EUR 4.8 million. No factors had a significant effect on the calculation or amount of the taxonomy KPI for operating expenses during the financial period. SRV has not drafted a CapEx plan that would include planned operating expense items uncapitalised in the balance sheet for the conversion of a specific taxonomy-eligible activity into a taxonomy-aligned activity during a certain period of time.

SRV does not have a significant amount of fixed asset equipment, for which reason its capital and operating expenses are immaterial.

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

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Revenue	2024		Substantial contribution criteria							DNSH criteria (Does Not Significantly Harm)										
	Economic activities (1)	Codes (a) (2)	Turnover (3)	Proportion of turnover, FY 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, FY 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Construction of new buildings	CCM 7.1	490.4	65.8 %	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	62,1%*		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		490.4	65.8 %	100.0%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	Y	62,1%*		
Of which enabling		0.0	0.0	%	%	%	%	%	%									— %		
Of which transitional		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											
Construction of new buildings	7.1	174.5	23.4 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL											
Renovation of existing buildings	7.2	0.4	— %	EL	N/EL	N/EL	N/EL	N/EL	N/EL											
Storage of thermal energy	4.11	4.9	0.7 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL											
Construction, extension and operation of waste water collection and treatment	5.3	1.5	0.2 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL											
Construction, extension and operation of water collection, treatment and supply systems	5.1	2.1	0.3 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL											
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		183.4	24.6 %																	
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		673.8	90.3 %															92.1 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		72.0	9.7 %																	
TOTAL		745.8	100 %																	

*2023 comparative data has been adjusted to correspond to the 2024 presentation. The 2023 taxonomy-based revenue mainly includes revenue of CCM 7.1.

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CapEx	2024		Substantial contribution criteria							DNSH criteria (Does Not Significantly Harm)									
	Code(s) (2)	Capex (3)	Proportion of Capex, FY 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) Capex, FY 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
				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;/N/EL	Y;N;/N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%
Economic activities (1)		EUR million	%																
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	— %														55%*		
Of which enabling		0.0	0.0																
Of which transitional		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																
A. Capex of Taxonomy-eligible activities (A.1+A.2)		0.0	— %																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities		2.6	100 %																
TOTAL		2.6	100 %																

*2023 part of capital expenditure classified as taxonomy-aligned. Classification method changed in 2024.

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OpEx	2024		Substantial contribution criteria							DNSH criteria (Does Not Significantly Harm)									
	Code(s) (2)	Opex (3)	Proportion of Capex, FY 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) Opex, FY 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
				EUR million	%	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	%
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	— %	100%	%	%	%	%	%								100%*		
Of which enabling		0.0	0.0	%	%	%	%	%	%										
Of which transitional		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																
A.Opex of Taxonomy-eligible activities (A.1+A.2)		0.0	— %																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Opex of Taxonomy-non-eligible activities		4.8	100 %																
TOTAL		4.8	100 %																

*2023 operational expenditures were classified as taxonomy-aligned. Classification method changed in 2024.

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Environmental information

E4 Biodiversity and ecosystems

Strategy

E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model

SRV's business is dependent on the use of materials that impact biodiversity. The construction industry uses a wealth of natural resources such as wood, sand, stone and metals. SRV is committed to identifying and managing the impacts of its business operations, and to utilising ecosystem services in a sustainable manner. SRV identifies risks associated with biodiversity, such as business impacts caused by ecosystem degradation, including those associated with regulations, operational continuity and the company's reputation.

SRV's strategy supports the company's ability to tackle challenges related to biodiversity and ecosystems. One of its strategic focus areas is the lifecycle-wise construction of the built environment. The continuous development of SRV's risk management system and materiality analysis takes changes in biodiversity, tighter regulations and greater stakeholder expectations into account. SRV supports the objectives of the EU's biodiversity strategy, the Nature Restoration Regulation, and the UN Sustainable Development Goals. SRV aims to promote lifecycle-wise, low-carbon construction solutions and the conservation of biodiversity in built environments.

SRV's business model and strategy have been assessed in relation to the following risks:

- **Physical risks:** Biodiversity degradation and the associated loss of ecosystem services, such as a reduction in soil fertility or water availability.
- **Transition risks:** Stricter regulation, such as biodiversity-related mandatory restoration measures or financial incentives.
- **Systemic risks:** Broad-ranging changes in ecosystem functionality that can impact supply chains and the environmental conditions in which SRV conducts its business.

The sustainability of SRV's business model can be further strengthened by, for example, improving supply chain transparency and protecting biodiversity.

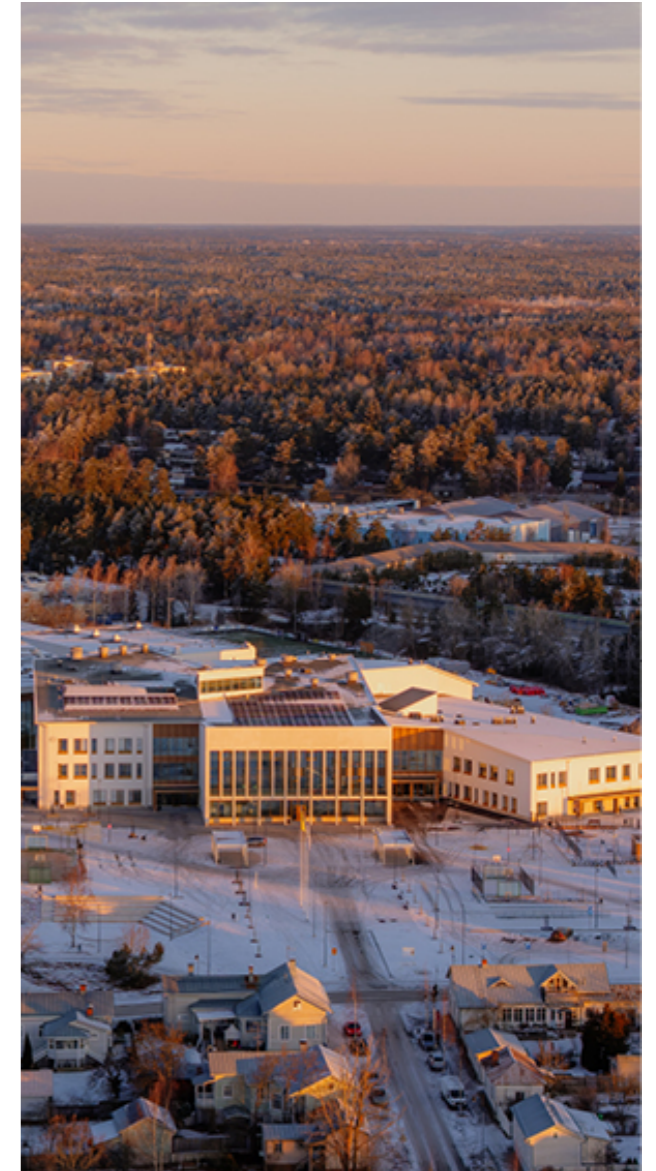
SRV has carried out a resilience analysis that covers:

- **SRV's own operations:** SRV's construction sites and project areas in which ecosystem impacts may be significant.
- **Upstream and downstream value chain:** Impacts during raw material procurement (such as sustainably produced wood and other natural materials) and the lifecycle impacts of buildings.

The analysis covers key physical, transition and systemic risks, and their impact on the value chain.

Key assumptions:

- Biodiversity will continue to degrade at the current rate if no further significant measures are taken.
- Legislative and financial requirements for protecting biodiversity will tighten over the coming decades.



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- Stakeholders, such as customers and investors, have increasing expectations for corporate responsibility.

Time horizons used

- Short-term reviews (1 year):** The assessment and minimisation of site-specific impacts.
- Medium-term reviews (5 years):** Strategic measures to improve supply chain sustainability and biodiversity impacts.
- Long-term reviews (10 years):** A sustainable business model that supports the conservation and restoration of ecosystem services.

Results of the resilience analysis

- Strengths:** Resilience is supported by the company's current sustainable procurement practices, environmental impact assessments, and environmental policies.
- Vulnerabilities:** Biodiversity impacts in some sections of the supply chain are not yet being comprehensively monitored, and no information about them is available.
- Opportunities:** Developing new business models, such as nature restoration services and eco-efficient solutions. SRV is in the process of determining its nature footprint as part of a development project that is developing and testing how to calculate a nature footprint caused by direct land use (primarily construction) and indirect procurement.

Stakeholder involvement

- Local communities:** Construction is a regulated activity. During the planning phase, cities and municipalities involve communities whose conditions or interests will be affected by zoning and construction.
- Indigenous peoples:** If projects are located in areas where indigenous peoples have specific rights or interests, their needs are taken into account and they are involved through active dialogue.

- Partnerships:** SRV works with environmental organisations and experts to develop sustainable practices and monitoring indicators. In 2024, SRV launched a process to determine its nature footprint, that is, the impacts that its own operations and value chains have on biodiversity. Determination work is carried out by experts of the University of Jyväskylä. In addition SRC cooperates with Aalto University on this theme.

ESRS 2 SBM-3 Disclosure Requirement – Material impacts, risks and opportunities and their interaction with strategy and business model

Mitigating climate change is one of SRV's strategic objectives. Lifecycle-wise construction, which involves the promotion of biodiversity, is also one of SRV's strategic focus areas.

In this disclosure requirement, SRV covers the impact of its own operations on biodiversity-sensitive areas. SRV has begun investigating the impacts and dependencies of the upstream value chain in cooperation with a university, as the construction industry does not yet have a methodology to investigate impacts on nature. Information about these impacts will be available in future reporting periods.

Factors that directly impact biodiversity reduction include climate change, land-use changes, freshwater-use changes and sea-use changes

Climate change:

Actual negative impact: The impacts are similar to those described in the earlier sections on climate change. Construction generates GHG emissions that warm the climate. Additional information on these impacts is given in Section E1 SBM-3. Climate change can contribute to

biodiversity loss and thereby impact both humans and the environment. This impact is linked to SRV's business on the basis of the company's consumption of materials and energy during both the construction and use of buildings. Negative impacts may occur in the short, medium and long term, and SRV can influence them through its own operations and upstream value chain.

Land-use changes, freshwater-use changes and sea-use changes

Potential negative impact: Construction sites carry out earthworks, which significantly changes the landscape. This may lead to soil erosion, soil compaction and a loss of soil fertility. These impacts are related to SRV's business model, and especially to construction projects that carry out significant soil modifications. Although this is typical for the construction industry, managing negative impacts supports SRV's strategic targets for sustainable construction and environmental risk management.

Potential negative impact: Construction requires large quantities of raw materials, such as sand, gravel, stone, wood, concrete and steel. This increases the extraction of natural resources, and can lead to ecosystem disruption and habitat loss. The impacts are related to SRV's business model, as the raw materials used in construction projects constitute a significant proportion of the company's supply chain and cost structure. In the short term, construction and raw material procurement will have immediate and negative environmental impacts, such as changes in land use and greenhouse gas emissions. In the long term, the overuse of natural resources can lead to irreversible changes in ecosystems. SRV is involved in generating these negative impacts via its own operations and business relationships. SRV uses large quantities of raw materials in its construction projects, which increases the consumption of natural resources and the associated negative impacts. Sourcing natural resources through

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partners and suppliers can worsen the impacts if their supply chain operators fail to comply with sustainability principles. SRV's responsible procurement practices can, however, reduce this risk.

Direct exploitation:

Actual negative impact: The direct exploitation of building materials, such as wood, sand and minerals, can lead to the overuse of natural resources and ecological consequences such as deforestation and ecosystem degradation. The overuse of natural resources and associated environmental changes, such as deforestation, can affect the living conditions of local communities by, for example, reducing the availability of natural resources or affecting air and water quality.

The direct exploitation of materials, such as forestry harvesting and sand mining, can lead to deforestation, soil erosion, biodiversity degradation, and a decline in ecosystem services, which will affect the long-term balance of nature. These impacts are related to SRV's business model, which includes the use of large quantities of materials in construction projects.

SRV's strategy focuses on sustainable procurement practices. Favouring sustainable materials can also reduce the negative impacts of direct exploitation. In the short term, the direct exploitation of resources can lead to immediate environmental changes, such as the onset of deforestation and soil disruption. SRV is involved in these impacts through its own operations and business relationships. SRV utilises materials such as concrete and wood in its construction projects, which increases direct raw material consumption. Sourcing natural resources from suppliers can have a negative impact if sustainability is not adequately supervised in the supply chain. This underlines the importance of sustainable procurement and conducting environmental impact assessments in collaboration with the supply chain.

Opportunity: Companies that incorporate biodiversity into their sustainable construction strategy can attract investors who engage in sustainable investment. SRV can therefore be an interesting investment.

Impacts and dependencies on biodiversity and ecosystems

Actual negative impact: Construction takes space from natural habitats, which reduces biodiversity and degrades ecosystem services, such as pollination and food chains. These impacts are related to SRV's business model, as construction projects always involve changes in land use and the modification of habitats, either directly or in the value chain. The sustainability targets set in SRV's strategy can help to manage these negative impacts. Natural habitats are immediately lost during the construction phase, which has an immediate impact on biodiversity. SRV's construction projects require land-use changes and land-area modifications, which directly impact natural habitats. Material procurement in the supply chain can impact biodiversity if, for example, the materials come from regions in which natural habitats have been destroyed. This underlines the importance of supply chain sustainability.

Potential negative impact: Construction increases greenhouse gas emissions, which contributes to climate change. This can reduce ecosystems' ability to provide services such as carbon sequestration, and increases the risk of extreme weather phenomena, such as floods, droughts and storms. These phenomena can endanger human living conditions, food security and health.

These impacts are related to SRV's business model, as construction and construction materials generate significant greenhouse gas emissions. SRV's strategy plays a key role in managing negative impacts: for example, targets that promote lifecycle wisdom, low-carbon solutions and energy efficiency can reduce climate

impacts. The impacts of emissions will accumulate in the long term, and the consequences of climate change, such as biodiversity loss and reduced ecosystem functionality, will become increasingly apparent.

In SRV's own operations, both construction itself and the consumption of energy and materials during construction generate emissions that directly impact the climate. Emissions from the construction material supply chain, such as those generated in steel and concrete manufacturing, are indirectly related to SRV's operations. To reduce these, SRV can work with suppliers to manage the negative impacts and ensure that materials are procured more sustainably.

SRV's construction projects may be located near biodiversity-sensitive areas. In this case, SRV will strictly comply with nature conservation legislation and other regional regulations issued by the authorities. SRV currently has offices in Espoo, Kerava, Tampere, Jyväskylä, Turku and Oulu. SRV has had a total of 21 working construction sites during the reporting period. Four of these construction sites have been identified as being close to biodiversity-sensitive areas.

Of SRV's projects, Laakso Joint Hospital is close to a core area for flying squirrels. In this project, the core area for flying squirrels is next to site offices, and the squirrels' routes have been considered in cooperation with the authorities, even though the authorities have not required any specific action with regard to the flying squirrels.

Espoon Komentaja, HUS Jorvi's new ward building, and the Patolan kulma project in Helsinki are all close to sensitive water areas: These projects must take the Helsinki Metropolitan Area's guidelines for construction site water management into account. The guidelines state that the quantity of construction site water must be minimised and its quality must correspond to that of natural water when it is discharged into the environment. The environment must not be polluted with substances

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that cause harm to the environment, and litter and debris must be prevented from ending up in the environment.

Although SRV has no physical production facilities that would impact biodiversity, there may be endangered species in the vicinity of ongoing projects. No significant negative impacts related to desertification have been identified in SRV's operations, as the company's operations are mainly focused on areas in which such risks are low. Soil sealing and local land degradation have been identified risks for construction projects. These risks are, however, taken into account by the city or municipality during the planning phase, and SRV does not make any decisions on these matters.

SRV's projects can affect endangered species if they are located in sensitive or protected areas. These kinds of cases have been identified as significant sustainability issues and are managed with the following policies:

- Cooperation with authorities on a project-by-project basis.
- Ecological studies: Ecological studies are carried out before a project starts in order to determine any potential effects on endangered species and their habitats.
- Impact mitigation: If a study identifies any risks concerning endangered species, measures will be taken during design and implementation. These may include species relocation, habitat conservation or scheduling construction in a way that minimises its impacts.

Due to the aforementioned measures, SRV has assessed that its construction sites that are located near biodiversity-sensitive areas do not have negative impacts on biodiversity.

Management of impacts, risks and opportunities

ESRS 2 IRO-1 Disclosure Requirement – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities

The identification and assessment process is described at a general level in ESRS 2 General Disclosures. SRV has assessed the impacts, risks and opportunities associated with biodiversity and ecosystems.

SRV has identified impacts both in its own operations (on construction sites) and in the value chain. The locations of construction sites have been determined, including their potential connections to protected areas, vulnerable ecosystems and biodiversity-significant areas. Geospatial analytics and local environmental databases have been used in this process. Based on these analyses and cooperation with the authorities, SRV takes mitigation measures such as establishing protective zones during construction and complying with official instructions into account. Construction sites will address identified risks as part of the monitoring meetings held in accordance with the company's management system.

The construction industry does not yet have any completely standardised or clearly defined methods and criteria for assessing the value chain. SRV is not, therefore, currently aware of the impacts that the various sections of the value chain have on biodiversity. During the reporting year, SRV began to determine its nature footprint, which is the first step in more accurately determining the value chain's materiality. As part of this analysis, methods are being developed and data is being collected on the significant phases in the value chain where impacts are likely to occur. A more detailed analysis of risks and

opportunities will be carried out as data collection and the analysis progress.

They will cover ongoing projects for which policies have been established and for which regulations on nature values have been imposed by the authorities.

SRV has identified and assessed impacts on biodiversity and ecosystems, and in the following areas in particular:

- 1 The impact of construction projects on nature:
 - Project-related land-use changes that may lead to the fragmentation of habitats, soil sealing, or the degradation of protected species' habitats.
 - Impacts will be locally assessed on the basis of ecosystem studies and an environmental impact assessment (YVA). These are carried out already in the upstream value chain by the authorities.
- 2 Impacts of the value chain:
 - Although SRV does not currently have an accurate picture of the impacts occurring in the value chain, they are now being examined as part of the company's nature footprint analysis.
 - There are impacts related to the procurement of construction materials (in forestry and mining in particular) that may lead to biodiversity degradation. For example, steel and concrete manufacturing processes are emission-intensive and therefore contribute to biodiversity loss.
 - Third-party sustainability certificates (such as FSC, PEFC) are used in the assessments. In the future, SRV will aim to improve material traceability and utilise risk-based analysis tools.

SRV aims to evaluate matters related to the value chain in accordance with its procurement principles. SRV has also started to determine its nature footprint in collaboration with the University of Jyväskylä. This

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cooperation seeks to gain a comprehensive understanding of SRV's business-related impacts and the impacts it causes in the value chain. This project aims to create criteria for assessing impacts on biodiversity.

SRV has identified critical services that impact its operations and value chain, and which are dependent on biodiversity and ecosystem services.

- **Value chain dependencies:**
 - SRV's business is dependent on materials and energy.
 - The availability of certain materials, such as wood, is dependent on healthy ecosystems.
 - Impact management utilises sustainable procurement principles and sets requirements for suppliers. They reduce the risks associated with ecosystem services and aim to ensure the continued availability of materials.

- **Ecosystem services that may be disrupted:**
SRV assesses which ecosystem services are sensitive to disruption or are likely to be disrupted by construction. These include:
 - Degradation of groundwater quality: Construction can impact groundwater if adequate protective measures are not taken.
 - Reduction in pollinators: Urban construction can lead to a reduction in pollinator-friendly habitats, which can impact the biodiversity of vegetation in both nearby areas and food chains.
 - The impacts of material procurement on local ecosystems.

- Assessment criteria:**
- Although the construction industry does not yet have fully standardised and clearly defined criteria, SRV

complies with legislation and local requirements and holds discussions with local authorities. SRV recognises that the standardisation of assessment methods and criteria is important, and the company is involved in their development in collaboration with industry organisations. SRV's aim is to create standard criteria, expand its impact assessments in the value chain, and publish these criteria and related findings to increase transparency.

- Assessing the status of local and global ecosystem services in collaboration with ecological experts will be part of an ongoing assessment of SRV's nature footprint, and a project related to this was launched in 2024.
- Favouring certified materials and products, such as those with FSC and PEFC certificates, to ensure the utilisation of sustainable ecosystem services.
- Analysing ecosystem services on a project-by-project basis and from the perspectives of water protection and biodiversity.

- Ecosystem services that are, or may be, disrupted:
- Stormwater management in densifying urban areas may hinder the ability of local ecosystems to handle water loads.
 - If not sustainably managed, forest habitat services may be degraded by material procurement.

SRV has identified and assessed transition and physical risks – and also opportunities – associated with biodiversity and ecosystems, taking into account the impacts of the company's operations and its dependencies on natural ecosystems. The bases for assessment have included the impacts on local biodiversity and ecosystems caused by land-use changes, resource use, and adverse impacts arising from climate change, such as extreme weather phenomena.

Transition risks in particular are assessed through tightening environmental regulation and sustainable

construction requirements that can impact operating methods and value chain choices. There are opportunities related to, for example, harnessing ecological solutions (such as low-carbon solutions) and planning principles that support biodiversity. Physical risks are examined with regard to the depletion of natural resources and the degradation of ecosystems, which may affect construction projects and material availability in the long term.

Systemic risks arise when several risk factors, such as biodiversity degradation, natural disasters and extreme weather phenomena, combine to create broader, uncontrolled risks for the entire industry and society. The aim is to analyse these risks through the calculation of SRV's nature footprint, so that these risks can be addressed and prepared for in the future. The calculation also aims to gain an understanding of affected communities and how to prevent negative impacts.

SRV does not currently have access to a full range of data for the entire value chain and its impacts on biodiversity and ecosystems. At the moment, SRV is primarily focusing on the impacts that its own operations have on biodiversity and ecosystems. Construction and its associated environmental impacts have mainly been assessed in SRV's own operations. As part of this process, SRV pays particular attention to official assessments and stakeholder consultations in the early stages of the construction process, and particularly in terms of planning and permit processes.

If there are any negative impacts on shared biological resources and ecosystems in the future, SRV will assess how they can be influenced through raw material production and procurement processes at different locations. If communities are affected, SRV will work with the authorities and other stakeholders to assess the significance of the impacts and what action can be taken. Involving and engaging in dialogue with communities will be an important aspect of SRV's future development work. If

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impacts are unavoidable, SRV will communicate about its plans to minimise the impacts, and will also implement mitigation measures to promote the conservation and functionality of ecosystem services.

As part of the process to determine its nature footprint, SRV has committed to the following:

- A study: to identify the impacts of the value chain and identify any material locations and raw material production and procurement processes.
- A sustainability analysis: primarily to evaluate the impacts of raw material production and procurement on biodiversity, for example, with respect to concrete, steel, raw wood materials or extracted materials.

As there is no comprehensive information available for the entire value chain, affected communities have not yet been consulted. SRV encourages its partners to develop their dialogue with stakeholders, so that consulting stakeholders becomes part of the impact assessment process. During development work, particular attention is paid to communities that are significantly affected by the degradation of ecosystem services.

- SRV recognises that some of its own construction projects may impact ecosystem services that are important to local communities (for example, stormwater management or cultural services offered by green areas). Although it is not yet possible to prevent all impacts, SRV aims:
- To avoid negative effects: by carefully considering the location and planning of construction projects with environmental considerations in mind.
- To mitigate the impacts: through measures such as building green roofs or walls, considering biodiversity in yard design, improving stormwater management systems, and maintaining and restoring local biodiversity.

Although SRV has a few projects located in or near biodiversity-sensitive areas, they do not negatively impact

sensitive areas or habitats. It has not, therefore, been deemed necessary to implement mitigation measures related to biodiversity in these projects.

E4-2 – Policies related to biodiversity and ecosystems

SRV's policies on biodiversity and ecosystems include the company's Code of Conduct, Supplier Code of Conduct, Sustainability Policy and Procurement Policy. SRV's Code of Conduct, Supplier Code of Conduct and Sustainability Policy, including their scope and responsibilities, are described in more detail in Section E1-2 of this report.

Climate change policies

SRV's Code of Conduct and Supplier Code of Conduct state that SRV is committed to mitigating and adapting to climate change. SRV has decided to favour environmentally friendly and low-emission materials whenever it is techno-economically feasible to do so.

SRV's Sustainability Policy states that the company is committed to achieving targets that support biodiversity and promoting a nature-positive transition that will also boost climate resilience. The Sustainability Policy separately mentions supporting biodiversity on a general level – there are no more detailed policies.

SRV's Procurement Policy provides a top-level description of how the company acquires products and services. In its Procurement Policy, SRV is committed to promoting sustainability in all of its operations. Although the Procurement Policy primarily covers Finland, it also covers the whole of the upstream value chain, which means that it may also apply to some international procurement. A small quantity of purchases have also been made from elsewhere in Europe during the reporting year. Environmental criteria play a key role in the selection of suppliers. SRV's Procurement Policy states that procurement decisions will be made on the basis of price,

quality, delivery reliability and environmental criteria. The Procurement Policy is approved by SRV's Corporate Executive Team, and is the responsibility of the Senior Vice President, Counting and Procurement.

Policies related to land-use changes, freshwater-use changes and sea-use changes

In its Sustainability Policy, SRV has committed to achieving targets that support biodiversity and promoting a nature-positive transition that will also boost climate resilience. The main goal is to prevent harm to the environment, and then to reduce, restore or treat any issues in the built environment.

Policies related to direct exploitation

SRV's Code of Conduct and Supplier Code of Conduct state that SRV is actively working to increase biodiversity, and is constantly seeking to improve its operations in order to reduce adverse environmental impacts throughout its supply chain.

In its Sustainability Policy, SRV has committed to achieving targets that support biodiversity and promoting a nature-positive transition that will also boost climate resilience.

Policies related to impacts and dependencies on ecosystem services:

SRV's Procurement Policy provides a top-level description of how the company acquires products and services. Environmental criteria play a key role in the selection of suppliers. The Procurement Policy is approved by SRV's Corporate Executive Team, and is the responsibility of the Senior Vice President, Counting and Procurement.

Operations on SRV's construction sites are governed by the company's management system:

- An HSEQ kick-off meeting at the start of the project reviews pollution prevention and the minimisation of

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adverse impacts in the project's immediate surroundings.

- These issues will be monitored at HSEQ monitoring meetings, and a final report will be drawn up at the end of the project.
- A site-specific Environmental Plan is drawn up for each construction site to address the environmental perspectives and objectives related to that site.
- Each construction site has a project-specific environmental manager who coordinates and monitors onsite environmental activities.

SRV recognises that its construction operations can have significant impacts on biodiversity and ecosystems functionality. For example, construction may lead to the fragmentation of habitats, which is taken into consideration in official environmental impact assessments and restoration plans for SRV's projects. SRV aims to minimise these impacts from the planning stage onwards, and works with local authorities to ensure that adequate measures are taken to preserve biodiversity.

SRV's operations are dependent on stable ecosystems and the availability of natural resources. The use of building materials such as wood and other natural resources requires responsible sourcing and supply chain management. Procurement policies and guidelines set requirements for them. The physical risks posed by climate change, such as a rise in extreme weather phenomena, can affect structures and infrastructure. SRV is therefore investigating a range of innovative, lifecycle-wise solutions for mitigating these risks as part of its planning and project development. There are transition risks associated with increasing regulation aimed at protecting biodiversity, such as stricter terms and conditions for construction permits. Managing these risks also provides opportunities for developing new solutions and concepts.

Methods for tracing raw materials, products and components are currently under development in the construction industry, and SRV is actively involved. Neither the construction industry nor SRV currently has any systematic visibility into, or policies on, the traceability of raw materials, products and components that have, or may have, actual or potential material impacts on biodiversity and ecosystems at all stages of the value chain. With the aid of its ongoing nature footprint study, SRV is seeking a more detailed understanding of the impacts and need to develop traceability practices. It is expected that the results of this study will serve as a key tool for developing policies and traceability practices that will ensure a more sustainable supply chain and minimise negative impacts on biodiversity. The current goal is to ensure the traceability of products, components and raw materials in the value chain, and SRV is working with its suppliers to, for example, analyse the environmental data of materials with the aid of EPDs. Suppliers are required to report information related to materials on a project-by-project basis.

SRV's policies on production, procurement and consumption include the following aspects of maintaining biodiversity and ecosystems:

- SRV favours suppliers who comply with the principles of sustainability in their procurement,
- SRV aims to minimise adverse impacts on local ecosystems during the design and implementation of its construction projects.
- SRV aims to introduce new nature-based solutions and approaches that seek to improve ecosystems and support an increase in biodiversity.

The construction industry does not currently have any commonly used metrics or tools that would enable the regular monitoring and reporting of the impacts that production, procurement or consumption have on

biodiversity. SRV recognises the need to develop its practices in order to promote biodiversity, and the results of its nature footprint study will be a key step in this development work.

During the reporting year, SRV launched a study to determine its nature footprint in the value chain. This report is expected to provide more detailed information about the value chain's impacts on biodiversity and ecosystems, and their associated social consequences. This action is a concrete manifestation of the intentions set out in SRV's Sustainability Policy.

SRV has policies to steer operations in biologically sensitive areas. These policies are usually decided on by cities and municipalities during planning and permit processes, and will include an impact assessment, impact mitigation plans, and cooperation with governmental and expert organisations. For example, projects will take the preservation and protection of nearby nature values into account during construction.

SRV promotes sustainable land use, and particularly in real estate development projects, in which it takes the need for soil conservation and soil remediation into account. These policies do not apply directly to agriculture. Measures related to land-use sustainability support the long-term sustainable management of natural resources.

Although SRV's operations are not directly connected to the exploitation of seas, the company aims to ensure that impacts on bodies of water are minimised in the value chain with, for example, policies on water management and the sustainable procurement of materials.

SRV's procurement policies help to prevent deforestation. SRV primarily uses FSC- and PEFC-certified wood raw materials, and requires origin traceability from its partners.

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During the reporting period, SRV launched a project to determine its own nature footprint. Guidelines for yard design that take biodiversity into account have been drawn up and implemented in projects. A development team is responsible for promoting biodiversity at Group level. For example, it is drawing up a biodiversity roadmap to set goals and actions.

In projects, any biodiversity near construction sites is safeguarded with the aid of measures that have been planned in the project-specific environmental plan. Construction sites have a project-specific environmental manager who coordinates and monitors onsite environmental activities.

The following key actions have been implemented or planned during the reporting period:

- 1. To carry out a nature footprint study:**
 - **Implementation:** A nature footprint study was launched during the reporting period, and aims to identify and mitigate the most significant impacts of SRV operations on biodiversity.
 - **Expected results:** The nature footprint study will serve as background information for creating a biodiversity roadmap and determining action. The roadmap will steer SRV towards planning and prioritising actions that will promote the sustainable use of natural resources and the conservation of biodiversity, and help SRV to understand the impacts that occur in the value chain.
 - **Connection to the Code of Conduct's objectives:** The roadmap supports SRV's commitment to sustainable solutions and conserving biodiversity, and is part of SRV's strategic focus on Lifecycle Wisdom.

2. To create a biodiversity roadmap:

- **Implementation:** SRV has begun creating a biodiversity roadmap to structure its biodiversity work.
- **Expected results:** The goal is to develop a structured way of promoting biodiversity in different areas, and to communicate the target status and annual targets.
- **Connection to the Code of Conduct's objectives:** The roadmap mirrors the intentions set out in SRV's Code of Conduct and Sustainability Policy, and concretises the Procurement Policy's requirements and (potentially) evaluation criteria for suppliers.

3. Creating guidelines for yard design:

- **Implementation:** SRV has developed a manual for yard design that takes biodiversity and local plant species into account in SRV's developer-contracted projects. It provides guidelines for yard design that support the ecological sustainability of nature.
- **Expected results:** The guidelines can be used to make sustainable choices that take local species into account and promote the conservation of ecosystem services after construction.
- **Connection to the Code of Conduct's objectives:** The guidelines support SRV's objectives to create lifecycle-wise and environmentally sustainable solutions for new construction.

Scope of key actions

- **Nature footprint study:** Covers all of SRV's operations and all sections of the value chain, but particularly procurement, design and planning. The study covers the geographic areas of SRV operations and focuses on stakeholders who are relevant to biodiversity, such as local communities and suppliers. The project was launched in 2024 and will run for four years.
- **Biodiversity roadmap:** The roadmap covers SRV's own operations and value chain, for example, suppliers and

contractors. The biodiversity roadmap is promoting the prevention of nature loss by 2030, and is setting annual goals from 2025 onwards.

- **Guidelines for yard design:** The guidelines cover SRV's own construction sites in Finland. Particular attention will be paid to selecting local plant species and taking ecosystems into consideration, which will positively impact both the ecological balance of the areas and residents' living environments. The yard design guidelines were published in the reporting year, and their implementation will be monitored and further developed over the coming years.

Metrics and targets

E4-4 – Targets related to biodiversity and ecosystems

One of the targets in SRV's sustainability programme is to promote biodiversity in the built environment. As the construction industry does not as yet have any targets related to biodiversity and ecosystems, SRV has not yet set measurable performance targets for the related issues. SRV has launched a process for setting future targets. As target setting will require more detailed information and analysis, a more detailed timeline for setting these targets will be specified when the necessary information is available.

Although specific performance targets have not yet been set, SRV continually monitors the impact of its policies and actions on material sustainability impacts, risks and opportunities. SRV's processes include regular assessments and monitoring to ensure that action is moving in the right direction. Impacts on the local environment are monitored as part of regular project monitoring, such as audits and weekly construction site safety tours.

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SRV does not currently have any quantitative or qualitative measures of biodiversity or ecosystems. Additional planning and analyses are required to set more accurate metrics. However, an environmental impact assessment is performed in the upstream value chain when cities and municipalities are planning areas. SRV implements and develops its projects in accordance with zoning and the terms and conditions of building permits. In the implementation phase of a project, there is no generally established method or obligation to measure changes in biodiversity, which is why these measurements have not been carried out during projects.

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SRV's business has a significant impact on resource use and the circular economy, which makes these key themes in SRV's strategy and business. Although construction requires large quantities of natural resources, SRV also has the opportunity to promote resource efficiency, prevent resource depletion and ensure the sustainable use of renewable materials. The choice and use of materials will have long-term impacts throughout a building's lifecycle, and waste will be generated during the construction process. The aim is to minimise waste, and to sort and recycle waste as efficiently as possible. By harnessing circular-economy principles, sustainable procurement practices and innovative solutions, SRV seeks to minimise the negative impacts and maximise the positive impact of construction on the environment and society.

Management of impacts, risks and opportunities

SRV has material impacts, risks and opportunities related to resource use and the circular economy.

Resource inflows, including resource use:

- **Actual negative impact:** Energy consumption and carbon footprint. Procuring, refining and transporting materials consumes energy, and can result in significant carbon dioxide emissions. As SRV's business model is based on the use of materials in construction, SRV's procurement practices, logistics chains and material choices can either increase or decrease these negative impacts. Emissions and energy consumption can increase significantly if material choices do not take environmental impacts into account. Lifecycle-wise

strategic decisions, such as promoting the circular economy, can help to reduce these impacts. In the short term, emissions from the material supply chain can be reduced by using sustainability criteria to select suppliers. SRV plays a direct role in consuming energy and causing emissions through its procurement and use of construction materials, as these are directly related to the company's construction activities. SRV's material suppliers and value chains have a significant impact on emission quantities. SRV's ability to supervise and steer these operators largely determines the scale of these negative impacts.

- **Potential negative impact:** Depletion of natural resources. The consumption of building materials such as sand, concrete and wood can lead to the depletion of natural resources and disrupt ecosystems. SRV's material choices, such as the use of sand, concrete and wood, are directly related to its business model. If material use does not take sustainability into account, these negative impacts will be exacerbated. Basing decisions on a lifecycle-wise strategy, such as the transition to recycled and renewable building materials, can reduce the negative impacts of resource consumption. Impacts may already occur in supply chains in the short term. SRV is directly responsible for the use of construction materials in its development projects, as material choices are an integral part of the company's construction projects. SRV is also responsible for construction site management and how efficiently materials are used and stored on site. SRV's material suppliers play a key role in impacts related to natural resources. For example, the sustainability level of subcontractors who manufacture materials has



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a significant impact on the magnitude of any negative impacts. SRV can influence this by selecting responsible partners and setting clear requirements.

- **Risk:** Supply chain disruptions. International supply chains can be exposed to interruptions and delays, which affect resource availability and project implementation, and thereby lead to additional costs.
- **Opportunity:** Long-lasting and durable buildings. Focusing on high-quality, long-term solutions can reduce the cost of running and maintaining buildings and lower their long-term environmental impact. This also improves customer satisfaction and loyalty, and leads to new collaborative projects and business opportunities.
- **Opportunity:** Circular-economy solutions. Developing circular-economy business models, such as lifecycle services, can increase SRV's value and attractiveness to customers.

Resource outflows related to products and services:

- **Actual negative impact:** A building's lifecycle emissions. A building's energy consumption and material emissions can be high if a low-carbon approach is not taken into account during design and procurement. SRV's business model revolves around developer-contracted construction projects in which low-carbon solutions, material efficiency and energy efficiency play a critical role in design and procurement processes, and in which these solutions are also offered to customer projects. The impacts will significantly increase if these operating methods are not prioritised. Transitioning to low-carbon materials, improving energy efficiency and using renewable energy sources in line with SRV's lifecycle-wise strategy can significantly reduce lifecycle emissions. These impacts mainly have medium- and long-term time horizons as a result of the material emissions and energy consumption associated

with building lifecycles. In projects in which SRV is responsible for design, procurement and construction, SRV will be directly responsible for the lifecycle emissions of a building. The emission intensity of material suppliers and construction-sector partners will have a significant impact on total emissions. For example, if local district heating or district cooling is used, the emissions that a building emits will depend on how the district heating and district cooling is produced.

- **Opportunity:** Long-lasting and durable buildings. Focusing on high-quality, long-term solutions can reduce the cost of running and maintaining buildings and lower their long-term environmental impact. This also improves customer satisfaction and loyalty, and leads to new collaborative projects and business opportunities.

Waste:

- **Actual negative impact:** Recycling challenges. It is technically or economically challenging to recycle some materials, which can lead to larger environmental impacts. SRV's choice of materials and design solutions for construction projects directly impact the recyclability of the materials. Construction sites' guidelines and recycling capabilities will affect the amount of waste generated and how/whether it can be reused. Recycling challenges will be emphasised if business models do not revolve around circular-economy principles, such as designing reusable materials and following the waste hierarchy. In the short term, projects may generate waste that is difficult to recycle with current technologies. SRV is directly involved in recycling challenges, as the company is responsible for selecting the materials used in its projects and organising waste management on its construction sites. Construction material suppliers and subcontractors have a significant impact on material

recyclability. SRV can make a difference by working with partners who are committed to circular-economy principles and requiring its partners to follow sustainable practices.

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

The identification and assessment process is described in ESRS 2 General Disclosures. SRV has identified material impacts, risks and opportunities throughout its value chain. Suppliers and product manufacturers play key roles in the upstream value chain. In its own operations, SRV takes a resource-wise approach that takes the circular economy into account during the planning and implementation phase. In the downstream value chain, choices made during the design phase can enable the reuse of structural components and materials.

The high volumes of materials and suppliers used in the construction industry, combined with the complexity of material supply chains, make it challenging to monitor projects' resource use in detail. Nevertheless, SRV has identified the most significant materials and resource flows that lead to the majority of environmental impacts. These include the use of concrete, steel and wood in large-scale construction projects.

Impact, risk and opportunity assessments have, for example, utilised available data on waste, environmental product declarations, risk analyses and consultations with stakeholders.

SRV has not yet organised any hearings with affected communities.

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SRV's strategy is founded on a desire to build in a lifecycle-wise way with future generations in mind. In general, SRV seeks to optimise material use, prevent wastage and reduce waste. Resource use and the circular economy have, therefore, been highlighted as one of the priority themes in SRV's Sustainability Policy.

Policies that define resource inflows, including resource use

SRV's Code of Conduct and Supplier Code of Conduct state that SRV's construction sites actively seek to reduce emissions and waste, improve energy efficiency, increase biodiversity, and boost both resource and process efficiency. More information about SRV's Code of Conduct is available in Section E1-2 of this Sustainability Statement. This Code addresses the actual negative impacts of SRV's energy consumption and carbon footprint, as well as the potential negative impacts of resource depletion.

In its Sustainability Policy, the company commits to promoting the circular economy and improving both material recycling and material efficiency. The Sustainability Policy is covered in more detail in Section E1-2 of this Sustainability Statement. The section covering the Sustainability Policy tackles potential negative impacts associated with the depletion of natural resources.

The Procurement Policy defines principles of continual improvement for its procurement activities, so that SRV can employ sustainable principles throughout a product's lifecycle. When selecting suppliers, the procurement decision will be made on the basis of price, quality, delivery reliability and environmental criteria. Although SRV's policies including Code of Conduct do not explicitly mention a transition away from virgin materials, the company aims to increase the share of recycled material whenever possible. The Procurement Policy is

covered in more detail in Section E4-2 of this Sustainability Statement. The sections covering the Procurement Policy address actual negative impacts related to SRV's energy consumption and carbon footprint, a potential negative impact related to resource depletion, and the risks associated with international supply chains.

SRV's Contract Programme also serves as a guide and is an integral part of project contracts, as it records environmental impact management matters, such as the criteria for reducing material waste and boosting energy efficiency. This enables the actual negative impacts associated with SRV's energy consumption and carbon footprint to be addressed.

Policies for defining resource outflows related to products and services

SRV's Code of Conduct and Supplier Code of Conduct state that SRV provides solutions for high-quality, sustainable and healthy buildings that can reduce environmental impacts throughout a building's lifecycle. SRV's Codes of Conduct are covered in more detail in Section E1-2 of this Sustainability Statement. The Codes of Conduct address the actual negative impacts of emissions during a building's lifecycle.

Waste policy

SRV's Code of Conduct and Supplier Code of Conduct state that SRV's construction sites actively seek to reduce emissions and waste, improve energy efficiency, increase biodiversity, and boost both resource and process efficiency. SRV's Codes of Conduct are covered in more detail in Section E1-2 of this Sustainability Statement. The Codes of Conduct address the actual negative impacts associated with recycling challenges and the associated environmental loading.

The environmental plan for each construction site contains targets for waste management and preventing

waste during the project. Any environmental classifications or other objectives to be implemented during projects may set additional targets for resources and the circular economy. Construction sites will also draw up a project-specific waste management plan that specifies how waste should be recycled.

The environmental and waste guidelines for SRV's projects take the waste hierarchy into account. The aim is to proactively prevent waste during the design and procurement phase by, for example, optimising material use and reducing wastage. Construction sites should primarily strive to generate as little waste as possible from their operations. Any waste that is generated should be recycled or prepared for reuse. As a last resort, waste will be sent for final treatment or used in the production of energy, for instance.

SRV recognises the potential for using recycled materials from the perspective of resource efficiency and the circular economy. All of SRV's projects use recycled materials such as steel, glass wool and plasterboard. Although structural components have been reused in individual projects, no systematic or large-scale approach has yet been established, as there are still no clear industrial-scale criteria for reuse eligibility. SRV aims to increase the reuse of structural components in the future whenever possible, but this also involves challenges relating to availability, quality requirements and technical constraints.

SRV has noted that the use of non-renewable materials is still commonplace in the construction industry. The company intends to explore ways of increasing the share of renewable and sustainably sourced materials in its projects. However, this work is still in the early stages and no concrete targets or metrics have yet been set.

SRV's Code of Conduct, Sustainability Policy and the Procurement Policy cover the material impacts, risks and

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opportunities related to the company's own operations and upstream value chain. They highlight factors such as:

- design choices,
- procurement practices that ensure suppliers' compliance with sustainable principles; and
- cooperation with suppliers.

The Code of Conduct does not, however, offer comprehensive coverage of the downstream value chain. Downstream impacts are primarily related to the lifecycle of construction projects, such as the environmental impacts arising from a building's use and the management of demolition waste, which are not covered by the aforementioned policies. This is due to the long lifecycle of construction projects and the fact that SRV will not own the buildings.

E5-2 – Actions and resources in relation to resource use and circular economy

SRV creates a circular economy by promoting and developing material recycling and efficiency on its construction sites and enhancing waste management with its partners. All of SRV's construction sites are located in Finland.

In January 2024, SRV signed the voluntary Construction Plastics Green Deal, which supports the circular economy in terms of the plastics used in construction. SRV will organise the separate collection of the clear plastic film waste generated in all of its new construction projects. This will be a continuous process that aims to recycle materials more efficiently.

Construction sites monitor the implementation of their environmental plans using TR measurements and SRV's internal audits. TR measurements assess the safety level of the working environment, and are commonly used in the construction industry in Finland. Environmental issues, including resource efficiency and waste optimisation, are

also reviewed on each site during its HSEQ kick-off meeting, monitoring meetings and the project's final report. HSEQ covers health, safety, environmental and quality matters. Maintaining and monitoring a construction site's environmental plan is a continuous activity.

During the reporting period, SRV's waste management targets concerned reducing waste and handling any waste that was generated. During 2024, project-specific meetings and management reports focused on both the sorting-at-source rate and recycling rates. The sorting-at-source rate has stabilised to just over 80 per cent (by weight), which indicates a good level of consistency across construction sites. This is the result of both regular training and senior management's commitment to target monitoring and leadership. The recycling rate has improved in tandem with the sorting rate.

Onsite recycling has also contributed to waste reduction. SRV has harnessed collaboration that was previously developed to direct leftover wood back onto the market for reuse. In 2025, SRV will continue to improve the quality of its operations and seek new ways to promote material reuse with its waste partners.

In 2024, SRV analysed the development phase of its projects with regard to the intact disassembly and reuse of structural components. Concrete results are expected over the coming years. These operating methods are continuous.

When projects are applying for environmental classifications, SRV requires contractors to provide the necessary documentation on the construction materials used in the contract, such as manufacturers' certificates for the recycled content of materials. This operating method is continuous.

In Group operations, the circular economy is promoted by the environmental manager, sustainability manager, lifecycle wisdom development manager and procurement. In construction site operations, those

involved in procurement and the organisation of waste management are responsible for circular-economy matters.

Metrics and targets

E5-3 – Targets related to resource use and circular economy

SRV has set the following two HSEQ targets for site operations, which relate to the circular economy, resource outflows, preventing waste and optimising waste management in accordance with the waste hierarchy:

1. A sorting and recycling rate of at least 70 per cent in 2024
 - The 2024 sorting rate was 83 per cent and the recycling rate was 66 per cent.
 - The sorting rate indicates the percentage (by weight) of a construction site's total waste that was sorted into different waste fractions.
 - The recycling rate indicates the percentage (by weight) of a construction site's total waste that was recycled.
 - This target supports SRV's sustainability objectives, applies to all of SRV's construction sites in Finland, and includes construction waste. Progress towards achieving this target is reviewed on a monthly basis.
 - The target and base value for the sorting and recycling rate is 70 per cent and the baseline year is 2023, when sorting rate was 85 per cent and recycling rate 73 per cent. Waste data is collected from construction sites in cooperation with waste management services. The weights of all waste fractions are accurate and regularly reported.
 - The target is aligned with national waste legislation and the EU's circular-economy objectives. It is based on best practices, the waste hierarchy and circular-economy principles.

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- The target has been discussed internally as part of the HSEQ team's annual planning and target monitoring.
- 2. A recovery rate of more than 98 per cent in 2024
- The 2024 recovery rate was 99,8 per cent.
- The recovery rate indicates the percentage (by weight) of a construction site's total waste that was recovered for reuse. Recovery means the use of waste as either material or energy, which means that it does not end up as landfill.
- This target is related to SRV's efforts to promote resource efficiency and minimise the percentage of waste ending up as landfill. It covers all of SRV's construction sites in Finland. Progress towards achieving this target is reviewed by the Corporate Executive Team on a monthly basis.
- The baseline value is the 2023 recovery rate, which was 100 per cent.
- Information about recovered waste is obtained from waste management partners.
- This target includes all types of waste that end up either being recycled or utilised as energy.
- The target is aligned with the EU's circular-economy objectives. It is based on expert knowledge in waste management and best practices for the circular economy.
- The target has been discussed internally as part of the HSEQ team's annual planning and target monitoring.

Target setting has been discussed with both clients and waste operators during preparatory work. SRV's discussions with waste operators have increased the company's understanding of how high a target can be set. Discussions with clients have focused on the clients' own objectives and how to support them. Discussions with these parties take place during annual meetings.

In the waste hierarchy, both targets relate to the layers 'recycling', 'other recovery' and 'disposal'.

In Finland, separate collections must usually be arranged for construction and demolition waste so that as much waste as possible can be prepared for reuse or otherwise recycled or recovered. According to EU and Finnish waste legislation, at least 70 per cent of construction and demolition waste should be prepared for reuse, recycled or otherwise recovered as material.

SRV has other more general targets that are closely related to resource inflows (such as targets relating to raw materials and materials), outflows (such as waste, its recovery and materials), and promoting circular-economy principles. These objectives are applied as follows:

- An increasing amount of product design based on the circular economy. SRV's goal is to increase circular operations during the design phase with a focus on sustainability and remediation. Products and buildings are being designed to be durable and easy to maintain. Construction uses materials and components that can be repaired or replaced to extend their service life.
- The use of recycled materials is being increased. SRV aims to increase its use of recycled materials in construction and procurement whenever possible. The use of recycled building materials, such as steel and crushed concrete, is being expanded. The use of recycled raw materials is being increased, and data on alternative materials is being accrued.
- The use of primary raw materials is being minimised. While the use of primary raw materials is often necessary in the construction industry, SRV is aiming to reduce their use whenever possible and optimise their sustainable procurement. This will be achieved by, for example, favouring recycled materials and recycled raw materials in construction projects whenever they meet quality and safety requirements; promoting material efficiency during design and construction by reducing wastage and harnessing accurate resource management; and researching innovative solutions

(such as low-carbon concrete alloys and alternative building materials), which can replace some primary raw materials, taking into account the strength and sustainability requirements set for each type of project.

- Renewable resources are being sustainably sourced and used. SRV is committed to the sustainable use of renewable resources in accordance with the principle of cascading use. This includes promoting the use of sustainably produced timber, such as FSC- or PEFC-certified materials.
- SRV is promoting other targets related to resource use and the circular economy, such as the integration of sustainability assessments into planning. This integrates resource efficiency and circularity criteria into the assessment of material choices and design solutions.

E5-4 – Resource inflows

There are inaccuracies associated with the reporting of SRV's material inflows, as an adequate range of data cannot currently be collected for all materials. This is partly due to the varying ways in which materials are sourced: some materials are acquired as direct volume purchases, while others are included in total-price contracts signed with contractors. In practice, it is also challenging to track and make detailed analyses of all material flows due to the diverse range of materials that are delivered to construction sites and the complexity of their supply chains.

SRV analyses and monitors material resource inflows in the construction industry as follows:

- Products and materials: The main materials used in construction are concrete, steel and wood, of which concrete and steel make up the most significant proportion of the total volume. They also include critical raw materials such as steel alloys. Rare-earth elements are not used in construction, but can be found in, for example, electrical components and machinery.

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- **Packaging:** Packaging is mainly used for the transportation of building materials, and largely consists of wooden pallets, cardboard and plastics.
- **Tangible capital assets:** These include machinery and equipment on infrastructure construction sites that are either leased or purchased primarily for long-term use.
- **No comprehensive data is available for the quantities and weights of materials used in SRV's projects during the reporting period, as the company has not previously monitored materials to this level of accuracy. Some materials, such as components and equipment for construction projects, are covered by contractual agreements, so the quantities and weights of such materials are not directly controlled by or available to SRV. For future reporting periods, SRV is aiming to develop methods and practices that will enable material flows to be more accurately measured, monitored and reported in compliance with ESRS requirements.**

SRV reports the following information about the materials used in the manufacture and provision of products and services:

- **Total weight of materials used.** SRV uses large quantities of materials in its construction projects. The total weight of materials used during the reporting period is reported in tons and divided into technical and biological materials. The data is collected from projects. Construction sites and suppliers are responsible for reporting products, quantities and emissions data either monthly or on the basis of the actual quantities delivered to sites. SRV will report the total weight of materials for the first time in this reporting period. Material inflows from separate contracts for workers in the value chain have been excluded from this calculation in accordance with transition regulations. As materials are received in a variety of units (for example, as pieces or masses and in cubic or square metres), this report focuses only on the largest materials in terms of

weight,. In reporting year the materials with highest impact were concrete, steel and ceramic tiles.. Material inflows totalled 484 961 tons during the reporting period. The weight of the materials is based on average data derived from emission volumes.

- **Sustainably sourced biological materials.** According to evaluation of SRV at least 80 per cent of the wood used by SRV comes from certified sources, such as FSC- or PEFC-certified forests. SRV applies the principle of cascading use, and particularly in the use of wood materials, in order to ensure that material is reused for as long as possible before being utilised as energy. Material inflows from separate contracts for workers in the value chain have been excluded from this calculation in accordance with transition regulations. Biological material inflows totalled 1,450 tons during the reporting period. The weight of the materials is based on average data derived from emission volumes of woodbased materials.
- **The weight and percentage of reused or recycled materials.** The materials used by SRV contain recycled material, and materials may partly consist of recycling material. SRV will report the share of recycled materials for the first time in this reporting period. SRV is currently only planning for the reuse of structural components, so there is no double counting. No structural components were reused during the reporting period. Data collection methods will be developed during future reporting periods. Material inflows from separate contracts for workers in the value chain have been excluded from this calculation in accordance with transition regulations. Recycled material inflows totalled 35 152 tons and formed 7 per cent of total amount of material inflow during the reporting period. The weight of the materials is based on average data derived from emission volumes and average content of recycled raw materials in each material category.

SRV's material resource inflows are mainly reported on the basis of information provided by suppliers and obtained from projects' environmental systems. For example, the weights of construction materials are based on order and delivery documentation. This approach pursues to ensure reliable and up-to-date data collection, and meets the company's sustainability goals. Material inflows from separate contracts for workers in the value chain have been excluded from this calculation in accordance with transition regulations.

E5-5 – Resource outflows

- **SRV's business is based on both the company's own development projects and on external contracts and lifecycle projects that are implemented for clients.** These projects are implemented in accordance with circular-economy principles and the objectives set by the client. In SRV projects, 'the circular economy' means things such as material efficiency, energy efficiency, and adaptability. A project's objectives will generally relate to durability, adaptability, repairability, and material recycling. By steering both procurement and design, SRV is able to influence material choices and technical solutions so as to enable successful procurement. The entire chain affects how much waste is generated: design solutions, working methods and procurement, work planning, the transport and storage of materials, careful installation, environmental conditions, and the protection of finished surfaces.

SRV assesses the sustainability of its projects in relation to the industry's legislative benchmarks with the aid of energy certificates and climate studies. No industry averages have been specified, so they cannot be met. The materials and solutions used in construction projects are chosen with an eye to sustainability and durability, which reduces the need for repair and renewal. Almost all of the buildings built by SRV during the reporting period were

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rated Class A for energy efficiency, that is, the best energy class. SRV aims to reduce overall environmental impacts and improve the long-term value of buildings. Buildings are designed to have a service life of at least 50 years, and foundations 100 years.

Whenever possible, SRV aims to meet its customers' requirements with design and construction solutions that enable the reparability and easy maintenance of buildings and their components. SRV also cooperates with subcontractors and material suppliers to ensure that reparability and maintenance can be taken into account during the planning phase as well. There is no established classification system for product reparability in the construction industry.

SRV's construction projects aim to use recyclable structural components and materials that may contain a proportion of recycled material. The recyclability and share of recycled materials used in building solutions varies by project, as these choices are always made on a project-by-project basis, accounting for customer needs, design solutions and environmental requirements. SRV reported material inflows for the first time during the reporting period. They include material inflows from SRV's own procurement, but not inflows or outflows contained in subcontracted contracts. Packaging is not material for SRV's business as buildings are not packaged. The main outflows have been limited to waste, whose associated metrics are described in the following table.

	Total amount of waste generated		15309.3	tn
	Total amount of hazardous waste generated		33.8	tn
	Waste diverted from disposal		15271.6	tn
	Hazardous waste	Non-hazardous waste		
Preparation for reuse	0	181.4		
Recycling	15.1	9901.6		
Other recovery operations	8.335	5165.1		
Total	23.459	15248.1		
	Waste directed to disposal		37.7	tn
	Hazardous waste	Non-hazardous waste		
Incineration	6.90	0.0		
Landfill	0.00	27.3		
Other disposal operations	3.42	0.0		
Total	10.3	27.3	0.0	
34%	Non-recycled waste		5211.1	tn

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Waste

Unrecycled waste accounted for 34 per cent of waste.

On its construction sites, SRV collects the following waste fractions that are typically generated by construction:

- hazardous waste,
- waste-to-energy,
- asphalt,
- cardboard,
- plastic,
- plaster,
- metal,
- concrete,
- wood,
- mixed construction waste,
- other waste.

SRV has produced 33.8 tons of hazardous waste in its operations. No radioactive waste was generated in SRV's operations during the reporting period.

SRV uses SRV Ympäristö, an environmental system for reporting waste generated on construction sites. Waste data is based on the data entered into this system. This data is obtained either from the systems of SRV's waste management contractual partners or from reports received from other contractual partners. No actual classification of waste or construction materials is carried out in accordance with circular-economy principles.

Waste is sorted on construction sites. The waste operator will organise its further processing and report the data to SRV. Waste quantities are based on either the weight of pallets (in tons) or the assumed capacity of waste containers, which is converted into kilograms using the coefficient for each waste type as specified by the waste operator. The weights have not been verified by a third party.

Quantity of recycled materials

Most significant material inflows	Material amount (tn)	Recycled material (%)	Amount of recycled material (tn)
Precast concrete	66223.8	5 %	3311.2
Ready-mix concrete	165610.9	— %	0.0
Steel	36739.6	86 %	31588.3
Ceramic tiles	20943.7	— %	0.0

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ESRS 2 General Disclosures

Strategy

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

SRV's own workforce and value chain workers on construction sites may be subject to impacts, risks and opportunities.

Most of SRV's employment contracts are permanent in nature. Fixed-term contracts are used in justifiable circumstances, taking the duration and nature of the work into account. The number of part-time employees is low. Non-employees in the company's own workforce include agency workers who are used for specific project tasks, a variety of auxiliary tasks, and to provide extra labour at peak times. Hired labour is contracted through labour hire agencies that have a contractual relationship with SRV, and agency employees are therefore comparable to SRV's own workforce, as opposed to workers in the value chain.

As a rule, SRV's own workforce can be divided into people working in offices and those working on construction sites. On the basis of recorded accidents and occupational safety observations, people working on construction sites have been deemed more susceptible to occupational safety risks. Negative impacts are most often related to individual cases at construction sites. SRV aims to promote positive material impacts throughout its workforce, and particularly by ensuring equality and equal opportunities for all in the treatment, remuneration, training and recruitment of personnel. Through these

actions, SRV will increase its employees' commitment to the company, boost their motivation, enhance their skills and advance their career development.

SRV has not identified any material impacts on the company's own workforce as a result of transition plans to reduce environmental impacts and achieve greener or climate-neutral operations.

SRV has not identified any activities in its own operations that are related to the company's own workforce and would involve a significant risk of forced or child labour.

Material risks and opportunities related to impacts and dependencies on the company's own workforce

Working conditions:

Secure employment:

- **Opportunity:** A good reputation and employer brand. SRV can stand out as a responsible employer by providing its employees with social protection and security. This can improve the company's employer image and help to attract the best talent in an industry in which labour shortages can pose a challenge.

Working hours:

- **Actual positive impact:** Actions that promote good working conditions, such as flexible working hours, have positive impacts on employees' working capacity and well-being at work. Measures to improve health and safety also have a positive impact on the physical and mental well-being of employees. These impacts align with the company's strategy and business model, which emphasise employee well-being and safety as key factors in the company's success.



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Healthy and motivated personnel support the company's objectives with respect to high-quality and efficient construction, which is central to the SRV's business model. Positive impacts on employees' well-being and working capacity will be observed in the short term, for example, as a reduction in sickness absences. SRV is involved in these impacts through its own operations, and particularly by developing and implementing measures that promote well-being and safety.

- **Opportunity:** Good working hours, working conditions and occupational safety have a positive impact on SRV's employer image, which facilitates talent recruitment. A good work environment also has an impact on performance and employee engagement, resulting in increased efficiency and reduced personnel turnover. The company's financial performance will also improve as a result.

Adequate wages:

- **Actual negative impact:** Adequate wages are a fundamental labour right, as they make sure that workers can cover their living costs. Inadequate wages can lead to a reduction in quality of life. However, through SRV's strategy and business model, paying adequate wages is also an opportunity to demonstrate the company's commitment to employee well-being and sustainable business. These negative impacts will be quickly reflected in the financial well-being of employees, and can have a long-term impact on both the company's reputation and employee engagement. SRV is primarily involved in these impacts through its own operations, for example, when determining salary levels and the terms and conditions of employment contracts.
- **Risk:** Reputation damage. A company that doesn't provide its employees with adequate wages may be subject to public criticism. This can damage the

company's brand and make it difficult to attract new talent and maintain customer confidence.

Collective bargaining coverage and social dialogue:

- **Actual negative impact:** Collective agreements have a significant impact on the relationships between employees and employers, and also on the functionality of the labour market. Collective agreements provide minimum terms and conditions for employment contracts, such as adequate wages, working hours, holidays, job security, and other terms and conditions of employment. This reduces exploitation and ensures fair working conditions. These impacts are related to SRV's strategy and business model, as collective agreements are part of the company's HR management and the impacts of collective agreements are strongly reflected in its strategic objectives, such as promoting employee satisfaction and engagement and securing workforce availability. SRV is involved in these impacts through its own operations, as collective agreements govern the company's own workforce and employees' working conditions. These impacts also extend to business relationships, and particularly to subcontractors, as SRV requires compliance with the terms and conditions of collective agreements throughout its value chain.
- **Actual positive impact:** Collective agreements bring predictability and stability to the labour market. They are used to agree on terms and conditions of employment in advance, which immediately reduces the risk of labour disputes, such as strikes and industrial action. In the absence of collective agreements, strikes and disputes can affect the company's business and working conditions. Collective agreements are an integral aspect of SRV's business model, as the company's operations depend on the availability of a skilled workforce and uninterrupted work. SRV is directly involved in the impacts of collective agreements, as they

govern the employment contracts and terms and conditions of employment of the company's employees.

- **Actual positive impact:** Employees' negotiating power. An individual employee may be in a weaker position to negotiate than the employer. Collective agreements enable collective lobbying, which enables employees to negotiate better terms and conditions of employment through trade unions. This balances out employer-employee bargaining positions, and increases job satisfaction and engagement. SRV's strategy is based on sustainable HR management, and revolves around employee well-being and fair working conditions. As collective agreements promote collective bargaining, they support this strategy by ensuring industrial peace and workforce availability. Collective lobbying will improve employment terms and conditions in the short term, and lowers individual employees' exposure to unfair contracts. SRV is directly involved in the impacts of collective agreements, as the company applies collectively negotiated agreements to its own workforce.
- **Actual positive impact:** Equality and non-discrimination. Collective agreements promote fairness with respect to terms and conditions of employment, and especially within the same industry or professional group. They ensure that employees receive similar terms and conditions of employment and salary levels regardless of where they work. This supports SRV's strategic objective to promote equal treatment among employees and create an employer image of SRV as a fair operator. Standardised terms and conditions of employment facilitate the company's HR processes and reduce potential conflicts among employees. The impacts of collective agreements will be immediately visible as standardised terms and conditions of employment, which will enhance employees' perceptions of fairness. SRV complies with collective agreements and uses their principles to promote

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consistency in defining the terms and conditions of employment for its own workforce. SRV is involved in these impacts through its compliance with collective agreements and the company's use of principles that promote consistency in the terms and conditions of employment of the company's own workforce.

Occupational health and safety:

- **Actual negative impact:** Accidents and incidents at work. The construction industry has one of the highest risks of accidents. Falls, moving machinery, the handling of heavy objects and the use of tools all pose risks of physical injury. They can have serious and lasting effects on workers' quality of life, working capacity and livelihoods. A business model that does not adequately address health and safety issues can result in more accidents and undermine employees' trust in the company. Inadequate safety practices can immediately lead to accidents and incidents that may cause short-term working incapacity or project delays. SRV is directly responsible for developing and implementing occupational safety practices in its projects. This includes, for example, construction site risk surveys, safety practices and supervision. If SRV's subcontractors fail to implement adequate safety measures, their employees will be at risk, which may also be reflected in the responsibility and reputation of the main company.
- **Actual negative impact:** Occupational illnesses. For example, prolonged exposure to dust, chemicals, asbestos or other harmful substances can lead to respiratory illness, skin reactions and other health problems. These health problems can have serious and lasting effects on employees' quality of life, working capacity and livelihoods. The construction industry uses materials and chemicals that may contain substances that are harmful to health. If the business model does

not include safe processes and material choices, it will increase health risks for employees. In the early stages of exposure, employees may experience mild symptoms such as skin irritation or respiratory tract irritation, which may lead to sickness absences. Prolonged exposure to harmful substances can cause chronic diseases that develop over the years and can lead to permanent disability or even death. SRV is directly responsible for the safe working conditions of its own workforce, which includes managing workplace air quality, the safe handling of chemicals, and providing protective equipment.

- **Actual negative impact:** Physical strain. Lifting heavy materials, repetitive movements and poor ergonomics can lead to musculoskeletal disorders such as back and joint problems. The manual work involved in the business model coupled with employees' lack of awareness about ergonomics are key causes of problems relating to physical strain. SRV can reduce these negative impacts by investing in work planning and training. In SRV's operations, managing working methods and ergonomics directly impacts the amount of physical strain that employees are subject to.
- **Actual negative impact:** Psychosocial impacts. Tight schedules, uncertain working conditions and mental strain can lead to fatigue, stress and mental health problems. The time constraints and fast-paced work associated with SRV's business model can expose employees to stress and fatigue. The risk of psychosocial problems increases if the model does not include adequate support measures, such as flexibility or support networks. In the short term, stress and mental strain can quickly manifest themselves as fatigue, anxiety or difficulty concentrating, which can lead to short sickness absences and reduced working capacity. SRV's organisational culture, leadership practices and the structure of its work environments

have a direct impact on psychosocial risks. The requirements set by SRV's partners can also put pressure on SRV's own workforce through its business relationships.

- **Actual positive impact:** An improved occupational safety culture. Many companies in the construction industry have invested heavily in occupational safety by, for example, developing safety guidelines and training that reduce risks and increase employee safety. Although direct environmental impacts are not as obvious, improved occupational safety can indirectly impact environmental protection. SRV is committed to safety as part of its strategy, values and operating methods, which is reflected in practice as a focus on occupational safety. SRV's business strategy includes a principle of continuous improvement in which occupational safety plays a key role in both employee well-being and production efficiency. In SRV's business model, improving safety is an important competitive advantage that is valued by customers. An improved safety culture will be reflected as a rapid improvement in the number of accidents and employees' perceptions of safety. SRV is directly involved in improving safety culture, as its own operations and practices have led to favourable developments in safety guidelines and training. For example, SRV provides regular safety training and 15-minute safety briefings, and ensures that workers have the necessary protective equipment.
- **Actual positive impact:** Promoting health and well-being. The construction industry can utilise advanced technologies and ergonomic tools to reduce physical strain and improve working conditions. Using the correct protective equipment and safety procedures also significantly reduces risks. Promoting health, safety and well-being is a key aspect of SRV's strategy. The continual development and introduction of safety practices leads to rapid improvements in employees'

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health and safety. SRV is directly involved in the promotion of health and well-being, as it implements related measures in its own operations. Business relationships can also be involved in these impacts, and particularly if they require higher standards of safety during projects.

- **Actual positive impact:** A sense of community and appreciation. Professional skills and tangible outcomes can increase employee satisfaction and give their work meaning, which positively impacts mental well-being. Although direct environmental impacts may not be obvious, employee satisfaction and mental well-being can also indirectly impact environmental issues. Satisfied and motivated employees can also be more committed to complying with sustainable construction and lifecycle-wise practices. Promoting a sense of community and appreciation for people's work is an integral part of SRV's strategy. A sense of satisfaction and meaning can develop rapidly, especially when professional skills are actively supported and developed, and employees' input is recognised and appreciated. This can lead to fairly rapid improvements in both mental well-being and team spirit. SRV is directly involved in these impacts, as it promotes a sense of community and appreciation through its employees. The company can actively support the well-being and satisfaction of its own workforce by, for example, providing training, opportunities for teamwork, and incentive schemes.
- **Risk:** Unless SRV actively works to promote occupational health and safety, the company will face significant risks to working capacity. Occupational health and safety risks (such as exposures, falls and trips) are analysed on a project-by-project basis to prevent accidents. If occupational health and safety risks are realised, the company's healthcare costs and insurance premiums will increase.

- **Risk:** Serious accidents and incidents can affect project progress, increase costs and cause damage to the company's reputation.
- **Opportunity:** Preventive measures offer SRV the opportunity to promote employees' working capacity and well-being at work, which will in turn reduce associated costs, such as occupational healthcare and insurance costs.

Equal treatment and opportunities for all:

Gender equality and equal pay for work of equal value:

- **Potential negative impact:** Inequality leads to a reduction in employee motivation, performance and engagement. For example, deficiencies in the company's strategy may be reflected as unclear non-discrimination policies, shortcomings in recruitment or remuneration practices, or leadership issues. Failure to achieve equality will quickly be seen as a decrease in employee motivation and possibly a deterioration in the workplace atmosphere. In the short term, cases of discrimination or inequality can also lead to legal action or public criticism, which will damage the company's reputation. SRV is directly responsible for promoting equality in its own operating environments. Failures can be related to recruitment and remuneration practices, the everyday treatment of employees, or the company's leadership culture.
- **Potential negative impact:** Employee well-being and perceptions of fairness. Unequal pay structures can reduce job satisfaction, increase personnel turnover and lower motivation, especially among women. Unequal pay structures have a particular impact on job satisfaction and employee motivation. If employees feel that remuneration is unfair, it can increase frustration and job dissatisfaction, which can lead to higher personnel turnover and less unity within the organisation. The

business model may have inbuilt issues that are not objectively assessed, such as different recruitment criteria for different roles. This can lead to particular groups, such as women or minorities, being treated unfairly during recruitment, which undermines equality. Unequal pay structures can quickly reduce job satisfaction and employee engagement. If pay inequalities are found to be discriminatory, dissatisfaction can also lead to public criticism or legal action. SRV is directly responsible for its own pay structures and remuneration practices. This includes comparing wages and salaries, and ensuring fairness between genders and other groups. The company's leadership culture and strategy are central to these impacts.

- **Risk:** Reputation and stakeholder risks. Gender pay gaps can undermine SRV's reputation as a responsible and fair employer, resulting in a negative impact on the company's brand and customer relationships. Pay gaps can also affect the company's ability to attract new employees, and especially those in younger generations, who value equality and non-discrimination.
- **Opportunity:** Equal pay increases employees' motivation, performance and skills. This creates more opportunities for new innovative ideas. Improved efficiency will have positive financial effects.

Training and skills development:

- **Potential negative impact:** Talent shortages are a common challenge in the construction industry, and inadequate training programmes can result in employees changing employers in search of better personal development opportunities. Inadequate training programmes can limit employees' ability to develop their skills and advance their careers, which can lead to increased dissatisfaction and higher workforce turnover. This can also worsen talent shortages, as

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employees seek other companies or industries with better opportunities for personal development. These impacts may be related to deficiencies in the company's strategy with regard to personnel training and skills development. If the business model does not support long-term investments in talent, the impacts may be reflected in the company being viewed as less attractive in the eyes of potential employees. The impacts of talent shortages are already being felt in the construction industry, and insufficient training opportunities can increase workforce turnover in the short term. SRV is directly responsible for the training programmes and career development opportunities offered to its own workforce. By investing in skills development, the company can reduce personnel turnover and attract new talent.

- **Actual positive impact:** Employee skills and productivity. Investing in training and skills development will improve the workforce's competence level, thereby increasing employees' productivity and performance. This is particularly important in the construction industry, in which new technologies and construction methods are rapidly evolving. Investments in training and skills development will improve employees' professional skills and career opportunities, which will increase their job satisfaction and motivation. This can also reduce errors and accidents at work, which increases employee safety. Continuous skill development will also help employees to adapt to fast-paced technological and methodological changes in the industry. Improved skills and productivity can contribute to resource efficiency and sustainable construction by, for example, reducing material wastage. A business model that includes continuous training and skills development supports not only the company's efficiency but also long-term employee engagement. The provision of training can be quickly reflected in

improved productivity and higher-quality work. SRV has a direct impact on the skills of its employees by providing training and development programmes. These programmes enable the company to increase employee engagement and productivity, and reduce workforce turnover.

- **Actual positive impact:** Occupational safety. Training and skills development improve employees' safety on construction sites. Appropriate safety training helps to reduce the risk of accidents, and promotes a safe working environment. Training will also help employees to identify and avoid hazards. Investments in occupational safety are part of SRV's strategy and play a key role in risk management and sustainable operations. Immediate benefits will be seen as a reduction in accidents, better-managed construction site processes and an improvement in employees' perceptions of safety. SRV directly impacts the safety of its employees by providing comprehensive safety training and guidelines, and monitoring compliance with construction sites' safety policies.
- **Actual positive impact:** Employee engagement and motivation. Training opportunities increase employee engagement and motivation. Employees feel that the company is investing in their professional skills, which improves the company's employer image and increases employee satisfaction. Greater engagement can indirectly lead to more efficient and responsible ways of working, which can reduce the environmental impacts of work processes by, for example, reducing material wastage or improving energy efficiency. The strategic decision to invest in employee training and skills development communicates a long-term commitment to employee well-being and professional growth. It promotes the company's objectives of creating a favourable employer image and maintaining employee motivation. SRV directly impacts the engagement and

motivation of its employees by providing high-quality training and development opportunities. This demonstrates that SRV values their contribution and wants to invest in their personal development.

- **Opportunity:** Improving competitiveness. Investments in training and skills development can help SRV to improve its competitiveness. Skilled and well-trained employees will help to ensure that projects are implemented more efficiently, which will lead to savings, enhance SRV's reputation for quality, and thereby have a positive impact on the company's business. Investments in skills development for employees can increase confidence in the company among customers and other stakeholders.

Measures against violence and harassment in the workplace:

- **Actual negative impact:** Establishing training, processes and reporting channels for the prevention of harassment and violence can incur additional costs, particularly in the early stages of introducing new policies. Preventing harassment and violence is related to the company's strategy of promoting a sustainable working environment and employee well-being. SRV is directly responsible for developing training and processes related to the prevention of harassment and violence within its own organisation.
- **Actual positive impact:** An organisation that actively addresses harassment and violence can gain a reputation as a responsible and caring employer. Creating an employer image of SRV as a responsible operator is a key part of the company's strategy. Actions to prevent harassment and violence support this strategic objective by providing concrete evidence that the employer cares. The impact of sustainability action on a company's employer image can be seen quickly, for example, as an increase in the number of job

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applicants or as positive feedback in personnel surveys. SRV directly impacts its reputation through its actions with respect to workplace safety and harassment prevention. Proactive action and communications to combat harassment are clear demonstrations of corporate responsibility and caring for employees.

- **Actual positive impact:** Preventing violence and harassment creates a safer and fairer workplace, which improves employees' morale and well-being. It can also reduce sickness absences and improve the workplace atmosphere. Workplace safety and fairness are key elements of a strategy aimed at employee well-being and long-term engagement. A healthy and motivated workforce is more efficient and productive, which will support the sustainability of the company's business and reduce turnover costs. SRV directly impacts the well-being of its employees by ensuring zero tolerance for violence and harassment. These actions create a safe workplace in which employees can focus on their work without fear or worry.
- **Actual positive impact:** Actions to prevent violence and harassment will help the company to meet legal requirements and demonstrate its commitment to protecting workers' rights. These measures reduce the potential for employment-related legal disputes and promote fair working conditions. SRV's strategy emphasises compliance with legislation and respect for workers' rights, strengthens employee trust, and reduces the risk of conflicts in the workplace. These actions provide immediate benefits as legal risks decrease and the safety and fairness of the working environment improves. SRV is directly involved by ensuring that its internal policies and practices comply with legislation and support workers' rights.
- **Risk:** Legal risks. Failure to effectively address workplace violence and harassment could result in legal

action, which may lead to financial penalties and damage the company's reputation.

- **Opportunity:** A better working atmosphere and employee engagement. Effectively combating violence and harassment will have a positive impact on the working atmosphere. A safe and positive working atmosphere promotes employee well-being and engagement, reduces absenteeism and increases productivity.
- **Opportunity:** Strengthening risk management and occupational safety. Effectively preventing violence and harassment as part of risk management can reduce occupational safety risks and improve employee safety, which in turn reduces the number of accidents and their associated costs.

Diversity:

- **Actual negative impact:** Misunderstandings and tensions. Promoting diversity can initially lead to misunderstandings, conflicts or opposition, especially if employees are not used to multicultural work environments or affirmative action. A business model that includes policies related to diversity and inclusion will require investments in education and leadership to help reduce any negative impacts. In the early stages, misunderstandings and tensions may increase in the short term as employees adapt to new practices or a multicultural work environment. SRV is directly involved in implementing programmes and practices that support diversity, but which may cause short-term misunderstandings.
- **Actual negative impact:** The need for initial investments and training. Affirmative action and inclusion programmes require resources, such as training, which can increase organisational costs at least in the short term. A strategic investment in employee well-being and equality requires resources, but these

investments are central to the organisation's values and long-term goals. SRV is directly responsible for the design, implementation and organisation of its programmes and training. This responsibility covers investments, resource allocation and training practices.

- **Actual positive impact:** Innovation and creativity. Diverse workplace communities bring together the perspectives of people with different backgrounds, which promotes creativity and innovation within the organisation. Employees with different experiences can find new solutions and operating models. Employee satisfaction increases when people receive recognition and appreciation for their unique skills and insights. A business model that harnesses the diverse perspectives and expertise of employees can be seen as supporting the organisation's competitiveness and its ability to develop new products, services and operating models. Innovations arising from diversity can also open up new market opportunities. Harnessing diversity requires time and resources, such as training to support an inclusive workplace community. Positive impacts can be seen as soon as the dynamics of the workplace community change and new ideas arise. SRV is directly involved in these impacts through its strategy, recruitment processes and workplace culture. Promoting diversity and strengthening inclusion are internal measures. SRV's subcontractors and customers can help to increase the positive impacts of diversity by sharing their own perspectives and innovative ways of working. Collaboration with a variety of actors also supports the organisation's ability to harness diversity and meet customer needs.
- **Potential positive impact:** A better employer image. An organisation that invests in diversity and inclusion is seen as a responsible and progressive employer, which can attract more talented and diverse employees. Employees also feel proud to work for an organisation

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that invests in sustainability and non-discrimination. SRV's business model, which relies on building an attractive and diverse workplace community, strengthens its competitiveness. The ability to recruit more talented and diverse employees brings with it the ability to meet customer needs more effectively. A better employer image can attract more talented candidates as soon as the company invests in diversity and communications with them. SRV can strengthen its reputation as a responsible and forward-thinking employer, which will support the company's long-term ability to attract and engage employees, and also enhance SRV's customer experience as diversity drives organisational performance. SRV is directly involved in these impacts through its strategy and HR policies. SRV's own choices and actions will forge the company's employer image, for example, its recruitment practices, communications and decision to bolster inclusion.

- **Opportunity:** Supporting diversity can open up new markets and business opportunities, as the company will have a broad knowledge base and the ability to adapt to the needs of various customer segments.

Other work-related rights**Forced labour:**

- **Potential negative impact:** Violations of human and labour rights cause inequality, a lack of well-being, and suffering for workers. For example, the cost-saving targets, competitive advantages and fast-paced productivity requirements associated with SRV's business model may lead to inadequate monitoring of labour standards. Suffering and a lack of well-being among employees can quickly manifest themselves as unfair or dangerous working environments. Violations of human and labour rights can have legal consequences and cause rapid damage to the company's reputation.

SRV will be involved in these impacts if there are deficiencies in the company's own labour rights practices, such as equality processes, remuneration systems or measures to prevent discrimination in the workplace.

SRV has comprehensive information about the increased risk of harm to people working on construction sites, as their workplace has a high risk of accidents.

SRV estimates that the impacts, risks and opportunities associated with the company's own workforce are evenly distributed across different groups of people, and no particular groups have been identified as more vulnerable to material risks or opportunities than others.

S1-1 – Policies related to own workforce

SRV's policies related to its own workforce are defined by the company's strategy, Code of Conduct and Sustainability Policy. More detailed information about SRV's Code of Conduct and Sustainability Policy is presented in Section E1-2 (Climate Change) of this Sustainability Statement.

Policies on working conditions**Working hours and adequate wages:**

- SRV's Code of Conduct states that its operations are based on national labour legislation and internationally recognised human rights, the UN Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.
- SRV's Sustainability Policy states that 'decent work' means that both workers' rights and their terms and conditions of employment comply with national legislation and the ILO's key principles, which include

the elimination of child labour, forced labour and discrimination.

Collective bargaining coverage and social dialogue:

- SRV's Code of Conduct states that the company's own employees have the right to form, join and negotiate through trade unions.
- In its Sustainability Policy, SRV commits to compliance with collective agreements and collective bargaining rights on its construction sites.
- As an employer, SRV is a member of the Confederation of Finnish Construction Industries (RT), which negotiates current collective agreements.

Policies related to health and safety:

- SRV's Code of Conduct sets a target of zero accidents and prioritises the health and safety of personnel in all of its operations (including their mental well-being).
- In its Sustainability Policy, SRV has committed to providing safe and healthy work, working environments and workplace communities; preventing health hazards and risks; and promoting, maintaining and monitoring health and working capacity.

Policies related to equal treatment and opportunities for all:

- SRV's Code of Conduct states that SRV does not tolerate any form of discrimination, harassment, bullying or other inappropriate behaviour. SRV promotes fairness, equality, non-discrimination and a sense of belonging within the workplace community.
- SRV's Code of Conduct states that the company supports the professional development and success of all of its employees.

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Policies on other work-related rights:

- SRV's Code of Conduct states that the company's operations are based on national labour legislation and internationally recognised human rights, the UN Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. SRV does not tolerate any form of modern slavery, such as child labour, forced labour or human trafficking, in its own operations or supply chains.
SRV is committed to respecting and promoting internationally recognised freedoms and human rights in accordance with the UN Sustainable Development Goals (SDGs) and the ILO Declaration on Fundamental Principles and Rights at Work. In accordance with these principles, SRV's human rights policy commitments focus on:
 - Respecting the human rights of the workforce: SRV strives to ensure that the human rights of people in the company's own workforce are respected at all times. This includes equal treatment for all employees, fair working conditions, the promotion of a safe working environment and non-discrimination, and the right to an adequate wage and decent terms and conditions of employment.
 - Workforce engagement: SRV engages in continuous dialogue with its workforce, which includes listening to employees, addressing their concerns, and having open discussions about the fundamental principles of working life. SRV's policies emphasise employees' involvement in decision-making processes and fair procedures in human resources management. The company has several internal feedback channels, including personnel surveys, anonymous whistleblowing channels and employee representatives.
 - Actions to remediate human rights impacts: SRV will take prompt remedial action as soon as the company detects any human rights violations or grievances in its

own operations. The company has developed mechanisms to effectively address human rights impacts and provide employees with the opportunity to seek remediation or compensation in situations in which their rights have been violated. SRV's employees can report concerns or grievances to their own supervisors, or have the matter addressed through SRV's Ethics Channel.

SRV's policies related to its own workforce correspond to internationally recognised human rights, such as the UN Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. SRV undertakes to respect these principles in all of its operations, and their realisation is regularly monitored as part of the company's compliance, HR and risk management processes.

SRV's Code of Conduct states that the company does not tolerate any form of modern slavery, such as child labour, forced labour or human trafficking, in its own operations or supply chains.

SRV occupational safety efforts and accident prevention work are based on the ISO 45001 occupational health and safety management system.

SRV is committed to compliance with the Equality and Non-discrimination Act in all its operations and actively promoting non-discrimination and equality in the workplace. SRV's Code of Conduct and Sustainability Policy prohibit any form of discrimination, harassment, bullying or other inappropriate behaviour. This includes discrimination on the grounds of race and ethnic origin, skin colour, gender, sexual orientation, gender identity, disability, age, religion, political opinions, national or social origin, and other forms of discrimination that fall within the scope of the Union's regulation and national legislation. SRV promotes fairness, equality, non-discrimination and a sense of belonging within the workplace community. In line

with the non-discrimination plan, the company has taken the following measures to promote non-discrimination:

- Need for special support for foreign employees without Finnish language skills
- Promoting gender equality in job roles and remuneration
- Reviewing the working conditions of older employees
SRV does not have any specific policy-related commitments regarding inclusion or affirmative action to benefit individuals belonging to particularly vulnerable groups in the company's own workforce.

SRV's Code of Conduct defines procedures for preventing and addressing discrimination. There is a confidential Ethics Channel for reporting discrimination or mistreatment, through which reports are handled independently and promptly in accordance with SRV's guidelines. Remedial action will be taken as necessary. Related issues will be put into practice through the equality and non-discrimination plan.

S1-2 – Processes for engaging with own workers and workers' representatives about impacts

SRV takes the views of its employees into account during decision-making and actions aimed at managing actual and potential impacts on personnel.

Direct contact is made with employees and their elected representatives (occupational health and safety delegates and employee representatives). This dialogue covers a broad range of issues related to working conditions, safety and well-being, which are analysed with the aid of personnel surveys, pulse surveys and collaborative forums. Annual discussions and performance discussions are also held with employees. SRV has two different collaborative forums for improving the company's operations, working conditions and occupational health and safety, and for enhancing employer-employee cooperation:

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1. The Central Committee for Occupational Safety and Health (CCOSH), which promotes occupational health and safety and its associated practices. The CCOSH includes representatives from all of SRV's functions in Finland. The committee meets four times a year.
2. Regular topics at meetings of the Group's cooperation committee include giving financial reviews; providing information about the outlook for the Group's production, payroll, profitability and cost structure; and forecasting changes in the number and type of personnel. This committee includes occupational health and safety delegates and other employee representatives. The employer is represented by the President & CEO and the Senior Vice President, HR. The committee meets four times a year.

Engaging the company's own workforce in decision-making through surveys, workshops and discussions whenever possible.

A person has been appointed to aggregate feedback and results. This person will report to either the Senior Vice President, HR or another person who is responsible for the matter in question, who will then report to the Corporate Executive Team

The Senior Vice President, HR holds ultimate responsibility for ensuring that communication takes place and that any insights are taken into account in decision-making. The SVP, HR reports to the Corporate Executive Team and the Board of Directors, and is responsible for integrating employee views into company policies. Employees regularly hear how their feedback has influenced decisions, for example, in monthly newsletters, at staff meetings and via the intranet. These communications highlight concrete changes that have been made on the basis of feedback, such as new policies or processes.

SRV's operations are based on national labour legislation and internationally recognised human rights, the

UN's Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the collective agreements for salaried and non-salaried employees in the construction industry and employees in the infrastructure sector.

SRV implements several measures to gain an understanding of the views of particularly vulnerable or marginalised groups in its own workforce, such as women or people without Finnish-language skills. These measures include:

- Personnel surveys and feedback channels: SRV regularly conducts anonymous personnel surveys in which particular groups can share insights into their working conditions and equality issues. The company also provides a continuous feedback channel through which all personnel can report concerns or grievances.
- A workplace community development plan, which includes the equality and non-discrimination plan: SRV develops and updates these plans, which take the situations of particularly vulnerable groups into account. The plans help to minimise the risk of discrimination and ensure well-being for all employees.

S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

SRV personnel are encouraged to provide feedback and suggestions through a variety of channels, such as discussions with their supervisor, intranet forums, occupational safety observations, and team meetings. Anonymous channels are also available for recommending improvements or addressing concerns and grievances. Anonymous feedback can be provided through an extensive personnel survey or SRV's own Ethics Channel (whistleblowing channel). SRV has clear procedures and processes for identifying and correcting deficiencies in the event that the company finds itself involved in any material

negative impacts on its own workforce. These processes include investigating the issues, and planning and implementing remedial action. SRV also regularly assesses the effectiveness of its remedial action and, if necessary, updates its processes on the basis of feedback and results. This enables SRV to ensure that concerns and grievances are dealt with promptly, fairly and transparently, and with respect for personnel's rights.

SRV regularly informs its personnel about the company's reporting channels and procedures, and ensures that they are easily accessible to all employees. SRV promotes the visibility and availability of these channels in various ways, such as via the intranet, personnel bulletins and training.

SRV actively monitors any concerns that have been raised and how they are addressed through the aforementioned channels. This is done through regular reporting and assessment to ensure the functionality and effectiveness of these channels. All reports received through whistleblowing channels will be recorded and analysed. Information related to questions and concerns (such as the subject matter, processing time and action taken) is regularly collated and reported to management. This allows SRV to identify any trends, recurring issues and development needs. The intended users of these channels, such as personnel and contractors, are given the opportunity to provide feedback on their functionality. This feedback is used to make any necessary improvements. When necessary, stakeholders are also involved in the design and implementation of new operating methods.

SRV continually assesses how well people in its own workforce are aware of the structures and processes that the company provides to help them raise concerns or needs. This assessment takes place in the following ways:

1. Regular personnel surveys and feedback processes: SRV continuously collects feedback from employees through regular personnel surveys. These surveys will

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be used to determine whether employees are aware of existing channels and processes for raising concerns, and how much they trust these systems.

2. Safety observations: SRV Turva, the company's safety application, provides a handy way of reporting occupational safety observations about construction sites.
3. Communications and training: SRV regularly informs its own workforce of the processes and channels through which they can report their concerns. These communications are carried out via the intranet, HR bulletins and onboarding, so that all employees are aware of the existence and functionality of these mechanisms.
4. Onboarding: Employees are introduced to SRV's policies and the opportunities that the company provides for raising concerns and needs.

SRV also has clear policies on protection for persons using these structures or processes. These principles include:

- Protection against retaliation: SRV is committed to ensuring that employees who use reporting and whistleblowing channels are not subjected to countermeasures, such as discrimination, retaliation or unfair treatment. Employee representatives have the same right to protection.
- Confidentiality: All reports made by employees will be treated confidentially, and the parties involved in the process will be protected from retaliation.
- Clear guidelines: The company has established guidelines to ensure that employees have the right to make complaints and reports safely and without fear of negative consequences.

This policy ensures that employees have safe and reliable channels for raising concerns, and can do so without fear of negative consequences.

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

SRV is committed to preventing and mitigating material negative impacts on its own workforce, implementing remedial action, and promoting positive impacts throughout the company's operations.

SRV has implemented a number of measures to prevent and mitigate negative impacts on the company's own workforce. They cover all SRV personnel in the company's geographical area, which is Finland. These actions are continuous: they were carried out during the reporting year and will be carried out over the next few years. They align with the company's annually updated HSEQ action plan. This action plan is drawn up by the HSEQ Manager, and its implementation is resourced on a site-by-site basis. Its actions do not require significant operating or capital expenditure. They include:

- Occupational health and safety: SRV has strict occupational health and safety policies and operating methods that cover occupational safety training, risk management, and promoting safety measures and plans on all construction sites. Actions taken during the reporting period: Work planning, onboarding and training. These actions are continuous and promote a good safety culture. Their goal is to reduce accidents at work, thereby helping SRV to attain its targets.
- Well-being at work programmes: SRV has invested in well-being programmes, such as stress management and ergonomic improvements, to prevent occupational illnesses and other negative impacts arising from working conditions. During the reporting period, action was taken to improve ergonomics and provide internal training on how to manage working conditions so that

they do not become stressful. The goal of these ongoing actions is to provide safe and healthy work, working environments and workplace communities; prevent health hazards and risks; and promote, maintain and monitor health and working capacity at all stages of an employee's career. This includes both monitoring and a proactive assessment of the quality and effectiveness of the actions. SRV monitors health targets and the impacts of its actions. Exposures, accidents at work, occupational illnesses, and employees' health, working capacity and sickness absences are systematically monitored. Impact monitoring will be carried out during cooperation meetings with occupational healthcare and, if the situation requires, also in separate reports.

- Anti-discrimination measures: SRV is committed to following the principles of equality and non-discrimination. During the reporting period, SRV provided its own workforce with training on how to tackle situations in which harassment, discrimination or offensive behaviour occurs. This action is continuous. It aims to prevent harassment, discrimination and offensive behaviour, and to teach people how to proactively tackle and prevent such situations. These actions support the creation of an equal and non-discriminatory workplace community.
- Early intervention: Early intervention refers to the early detection of a decrease in working capacity and the factors affecting it, raising the issue, and planning and implementing the necessary measures. Working capacity management, monitoring and early intervention are implemented as a shared activity between workplaces and occupational healthcare. During the reporting period, SRV has pursued to identify problems affecting working capacity with the help of early intervention before they have resulted in sickness absences, working incapacity, or the premature end of an employee's career. SRV has also provided

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supervisors with training in early intervention. This operating method is continuous. Early intervention helps SRV to resolve problems openly and constructively.

Early intervention seeks to maintain a good atmosphere and functional workplace community.

If any negative impacts are identified, SRV will take the necessary steps to address them and correct the situation. These measures may include remedial action, improving working conditions or changing operating methods. During the reporting period, SRV has taken the following remedial action: A method has been developed to help prevent slippery surfaces by monitoring weather conditions more closely and using grit. Remedial action with respect to working conditions has included improving the lighting on construction sites with the aid of LED lights. In the event of minor accidents, replacement work that is not as physically stressful has been offered to the affected worker.

SRV continuously strives to improve the well-being of its own workforce and generate positive impacts for employees. The following are available to all SRV personnel:

- Training and development opportunities: SRV provides opportunities for its employees to develop their professional skills and advance in their careers. This includes continuous training, on-the-job learning, and training programmes offered by the company. Training and development is continuous, and its themes are based on both feedback from personnel and identified needs. The goal is to ensure a good level of competence and improve the level of occupational safety; and particularly through continuous training.
- Work-life balance: SRV has implemented flexible working arrangements and other activities that support a good work-life balance, such as remote working opportunities and family-friendly practices. The actions and development of this theme are continuous. Working

capacity management is part of SRV's strategic leadership, and ensures the productivity and well-being of personnel. The necessary measures and their associated targets are assessed on an annual basis. The goal is to increase job satisfaction and reduce sickness absences.

- Remuneration and acknowledgement: SRV has established practices to acknowledge and reward employees for their achievements and long-term commitment to the company. This operating method is continuous. By acknowledging and rewarding employees for their achievements, SRV aims to increase their motivation and enthusiasm for working towards goals. By rewarding long-term commitment, SRV pursues to strengthen employees' desire to remain with the organisation, reduce personnel turnover and retain valuable talent. Clearly defined remuneration practices can steer employees towards strategic goals and improve their performance.

SRV monitors and assesses the effectiveness of its employee-related actions and initiatives in a number of ways to ensure positive outcomes. This includes a systematic approach covering the following elements:

- Regular personnel surveys and feedback channels: SRV continuously collects feedback from employees through, for example, personnel surveys in order to determine employee satisfaction across a range of areas. The results of these surveys will be analysed, and any necessary changes will be made.
- Metrics and key performance indicators: SRV has clear key performance indicators to assess the effectiveness of its actions. They include:
 - The number of accidents at work, and trends in these statistics
 - Monitoring sickness absences as a measure of well-being at work

- Personnel turnover and its analysis
- Feedback from shop stewards and other employee representatives:
- SRV works closely with employee representatives, and their feedback is taken into account when assessing the effectiveness of the company's actions. This enables the direct collection of data on how employees perceive the company's actions and their outcomes.
- Annual discussions and performance discussions: One-to-one annual discussions and performance discussions give an opportunity to assess how well actions and initiatives are supporting the well-being and professional development of individual employees.

SRV has established systematic processes to identify the necessary and appropriate actions for addressing actual or potential negative impacts on the company's own workforce. These processes are based on the following practices:

- Risk and impact assessments: SRV conducts regular risk and impact assessments to identify potential negative impacts on the company's own workforce. These assessments take a variety of factors into account, such as occupational health and safety risks, factors related to well-being at work, potential cases of discrimination, and other factors affecting working conditions.
- Employee involvement: SRV actively harnesses feedback from employees and their representatives, both directly and through surveys and discussions. This helps to identify problems and areas for development from the perspective of employees, and also enables the planning of targeted action.
- Planning and prioritising remedial action: When actual or potential negative effects are detected, SRV will plan and prioritise the necessary remedial action. This includes allocating resources and defining and

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scheduling concrete actions to minimise or eliminate these impacts.

- **Monitoring and assessment:** The effectiveness of the identified actions will be regularly monitored and assessed as part of SRV's model of continuous improvement. Monitoring takes place with the help of Pulse surveys and the effectiveness of actions are assessed based on the results of these surveys, which are carried out 4 times a year. This ensures that any action that is taken is appropriate and meets the genuine needs of the workforce.

In its risk analyses, SRV identifies risks and opportunities related to the company's own workforce, and draws up an action plan and strategy to monitor their realisation. SRV is committed to ensuring that company policies do not have negative impacts on its own workforce. This is accomplished through a combination of risk assessments, ethical practices, consultations with stakeholders and regular assessments that promote a safe and positive working environment.

In late 2024, SRV prepared a report on equal pay and the equal treatment of personnel. This report focused on remuneration, pay gaps and the classification of tasks with respect to men and women. The remuneration analysis sought to demonstrate that there are no unjustified differences in remuneration between women and men doing the same or equally valuable work for the same employer. This study covered all SRV personnel, and its analysis will continue in 2025, when the data will be expanded with respect to task classification.

Fifteen-minute safety briefings have been organised to improve occupational safety. They deal with current issues, such as occupational safety in tasks involving fibre-optic cables or efforts to combat the grey economy. Their goal is to prevent accidents at work and to raise awareness of a variety of themes among SRV's own workforce.

SRV aims to ensure that its own practices do not create material negative impacts on the company's own workforce, and that there are no tensions between negative impacts and business pressures. Such tensions could, for example, arise between tight project schedules and employees' ability to cope at work. During the reporting period, SRV has addressed these situations through proactive work planning and substitutes, for example, in the event of sickness absences.

These actions are assessed by SRV personnel who are responsible for HR, risk management and occupational safety.

Metrics and targets:

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

SRV has set time-based and result-oriented goals for occupational safety, in order to promote job satisfaction and a culture of intervention and care.

Although SRV has not set time-based or result-oriented targets for the following identified impacts, risks and opportunities, the company monitors the impact of its policies and actions in relation to these areas:

- The effectiveness of actions related to working hours, working capacity and well-being at work is monitored indirectly by analysing trends in employees' well-being and working capacity.
- Compliance with collective agreements seeks to ensure adequate wages.
- Compliance with collective agreements is monitored as part of the company's HR policy, which aims to ensure that employees' minimum rights are realised with respect to, for example, adequate wages, working hours and safe working conditions.

- Progress with gender equality and other non-discrimination practices is monitored through regular personnel surveys that measure employees' perceptions of fairness, job satisfaction and engagement.
- The effectiveness of training and skills development programmes is monitored through feedback, assessment results and personnel surveys that measure employees' satisfaction with their opportunities for personal development.
- SRV monitors all cases of harassment and violence with the aid of personnel surveys that analyse employees' perceptions of workplace safety, fairness and well-being. SRV also monitors the number of reports of harassment and violence, their processing time, and the effectiveness of any action that was taken.
- The effectiveness of action related to promoting diversity and inclusion is monitored by collecting regular feedback from employees through, for example, work motivation surveys. Changes in employee satisfaction and the organisation's atmosphere are also monitored. Although no time-based or result-oriented targets have been set for the promotion of diversity, the company has set guidelines on, for example, increasing the proportion of women on its payroll.
- SRV is committed to following strict ethical principles in which the use of forced labour is strictly prohibited. SRV continuously monitors the effectiveness of its measures to prevent forced labour. SRV regularly monitors the effectiveness of its own action in Finland to ensure that Finnish labour rights, including a ban on forced labour, are implemented. Monitoring is carried out with the aid of, for example, workplace surveys and internal audits.

Although no time-based or result-oriented targets have been set for the aforementioned impacts, risks and opportunities, they are monitored annually and progress is

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compared to both the previous year and trends in previous years. As monitoring is a continuous activity, no baseline period has been set.

Time-based and result-oriented targets for occupational safety, employee satisfaction, and fostering a culture of intervention and care. These targets apply to all of SRV's geographic operating areas. All of these targets are continuously measured, and outcomes are compared to the previous year's outcomes. Although these targets are set internally within SRV, stakeholders' views have been listened to during discussions concerning SRV's sustainability as a whole and the company's overall objectives.

1. Success with respect to SRV's corporate culture is measured using an employee net promoter score (eNPS) in conjunction with anonymous quarterly Pulse surveys. Measuring the success of SRV's corporate culture with these metrics supports the company's goal of creating and maintaining a positive working environment that attracts and engages employees, and which leads employees to recommend the company. This is in line with the company's Code of Conduct, which emphasises employee well-being and inclusion. This metric covers all of SRV's employees in all business areas. The eNPS target is defined on a scale of -100 to +100. A positive eNPS (of more than zero) is considered a success, and SRV had set a target of 22 for the 2024 eNPS. SRV's eNPS was 29 for the reporting period, which means that the target and the outcome of the previous year was clearly exceeded. The score for 2023 was 20.
2. In line with its vision of Zero Accidents, SRV has set a target for reducing the company's lost-time injury frequency rate. The lost-time injury frequency rate (LTIF) for the reporting period was 10.

- SRV has set a long-term occupational safety target of zero accidents for construction site operations, which covers SRV's own workforce, hired labour and value chain workers employed on construction sites. SRV's vision of Zero Accidents supports the company's sustainability strategy, which prioritises the safety and well-being of employees and stakeholders. This target reflects SRV's commitment to safe and sustainable operations as part of the company's value base and its long-term goal of reducing all negative impacts on communities. It is aligned with SRV's Code of Conduct, in which good and safe working conditions play a key role. The goal is to have a safe working environment.
- The long-term target level is absolute – zero accidents – which means a Lost Workday Injury Frequency (LWIF) of zero. This metric is used to measure the number of lost-time accidents per million hours worked. Progress is monitored annually and compared to the previous year's result.
- In the reporting year, the target for the accident frequency rate was 10. This target includes accidents and hours worked by the company's own workforce, SRV's hired labour, and value chain workers employed on construction sites. SRV achieved an overall accident frequency rate of 10.97 for the reporting year. The accident frequency rate was 4.35 for SRV's own workforce and 12.80 for value chain workers. The overall accident frequency rate for 2023 was 10, with 1.45 for SRV's own workforce and 13.9 for value chain workers. This means that the accident frequency has slightly increased, which is not a desirable development. Prior to the reporting year, SRV's accident frequency rate had been declining. Target setting is based on international safety management standards (ISO 45001), safety measurement methodology in the industry, historical data, and the analysis of accidents and near misses. The targets are based on scientifically proven methods

(such as root cause analyses of accidents), promoting a proactive safety culture, and research into the impacts of safe working environments on productivity.

3. Promoting a culture of intervention and caring
The goal of promoting a culture of intervention and caring is to create a safe and good workplace community. The objective is to promote observation and everyone's involvement at both employee and management level. It is measured with two different metrics: 1) the observation frequency, and 2) the number of safety inspections by management. This objective is part of SRV's sustainability goals and strategy, and is aligned with SRV's Code of Conduct, in which good and safe working conditions play a key role. One important aspect of promoting a culture of intervention is the standardised use of contractual means and interventions on construction sites in situations in which gaps in compliance with occupational safety practices have been identified. The first step in an intervention is to assess the situation. Depending on the outcome, individuals or groups are then given the opportunity to learn, or contractual penalties are implemented on a progressive scale of "nice guy – tough guy – bye bye".

The extensive making, handling and sharing of safety observations, and the lessons learned from them, helps to create a culture of intervention and caring at SRV. In order to promote such a culture, SRV set a target for the reporting period of 14,000 safety observations with an observation frequency rate of 2,200. The target level was calculated in relation to the number of hours worked, and the observation frequency rate is the number of safety observations per million hours worked. Progress is monitored on an annual basis and compared to the previous year's result. The result for 2024 was 25,041 observations, of which 3,600 were positive. The

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observation frequency rate rose to 3,992, which clearly exceeded the target. The observation frequency rate has also increased (2,620 in 2023). During the reporting period, SRV set goals not only for the company's construction site operations but also for the number of safety inspections conducted by management. A target of 12 inspections was set for construction site operations, business areas and unit directors; 10 inspections for the President & CEO; and 4 inspections for other directors. The number of inspections entered into SRV's Gurufield system was used as the unit of measurement. The target level is absolute – the number of safety inspections conducted by management. Progress is tracked on an annual basis and compared to the previous year's result. The overall target set for 2024 covered 46 SRV directors and a total of 304 inspections. Although no intermediate targets were set, progress was assessed quarterly. The target was set with a view to inspections in previous years, and the intention was to demonstrate management's commitment to safety and fostering a culture of intervention and care. This target supports SRV's Zero Accident vision, which is based on industry practices and evidence that inspections and observations can improve occupational safety. The target was set in collaboration with SRV's HSEQ team, who provided feedback on its feasibility and impact. A total of 299 inspections were conducted in 2024, which was very close to the overall target. 180 safety inspections were conducted by management in 2023.

SRV is committed to a model of continuous dialogue in all of its operations.

Employees are regularly informed about the company's business and any issues affecting employees' work. SRV adheres to its customer promise – “by listening, we build wisely” – in all of its HR work as well. SRV listens to employees' requests, suggestions and thoughts, and makes any required changes.

The SRV Group's cooperation committee meets four times a year after the company's quarterly results are announced. The employer is represented by the President & CEO and Senior Vice President, HR. Employees are represented by occupational health and safety delegates and other employee representatives.

The Group's cooperation committee aims to ensure open dialogue between the employer and employees. The employer's representatives keep employee representatives informed about topical matters, and employee representatives can suggest matters for discussion.

S1-6 – Characteristics of the undertaking's employees

At the end of the reporting period, SRV had a total of 817 employees working in Finland and Estonia. The following table summarises the employment contracts of SRV's employees in 2024 by gender. The data has been compiled from official employment contracts and associated information in the HR system, which includes contract types (full-time, part-time, fixed-term) and gender distribution. The data has not been verified by a third-party service provider.

Gender	Number of people
Men	648
Women	169
Others	
Not reported	
Total employees	817

Contract employees by contract type and gender distribution (number of employees).

	Women	Men	Total
Number of contract employees	169	648	817
Number of employees with permanent contracts	153	606	759
Number of employees with fixed-term contracts	16	42	58
Number of employees with variable working hours	12	29	41

During the reporting period, 90 employees left SRV and the company's personnel turnover was 11 per cent. Personnel turnover is calculated by dividing outgoing employees by the average number of employees. The figures are based on the official total number of employees at the end of the reporting period on 31 December 2024.

Employment-related information is based on monitoring and data in the HR system.

In Section S1-6, SRV has reported a number of employees that corresponds to the number reported on Note 7 of the consolidated financial statements.

S1-7 – Characteristics of non-employee workers in the undertaking's own workforce

SRV employed 15 people through labour hire agencies in 2024. The number of agency-hired employees was collected from the company's own system, which include information on external users as the total number of employees at the end of the reporting period on 31 December 2024. This information is obtained to the company's own system from service providers.

S1-8 – Collective bargaining coverage and social dialogue

In 2024, 75.8 per cent of SRV's employees were covered by collective agreements (TES). The collective agreements that SRV follows include the collective agreements for

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salaried and non-salaried employees in the construction industry and employees in the infrastructure sector. Senior salaried employees in the construction industry are not covered by a collective agreement. With them, SRV uses the basic agreement between the Confederation of Finnish Industry and Employers (TT, now the Confederation of Finnish Industries EK) and the Federation of Professional and Managerial Staff (YTN). The figures presented below are based on data from the HR system.

Collective agreement (TES)	Covered by collective agreement
Collective agreement for salaried or non-salaried employees in the construction industry	70.20 %
Collective agreement for non-salaried employees in the infrastructure section	5.60 %
Not covered by a collective agreement	24.20 %

Collective bargaining coverage and social dialogue

Coverage rate	Collective Bargaining Coverage		Social dialogue
	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
0-19%			
20-39%			
40-59%			
60-79%		Finland	
80-100%			

S1-9 – Diversity metrics

Gender distribution of senior management

	Number of women	Women %	Number of men	Men %
Board of Directors	1	20 %	4	80 %
Corporate Executive Team	3	30 %	7	70 %

Age distribution of all employees

	Number	%-share
Under 30 years old	112	13,7
30-50 years old	488	59,7
over 50 years old	217	26,6

SRV has defined the company's Board of Directors and Corporate Executive Team as senior management. The figures are based on data from the HR system at the end of the reporting period on 31 December 2024, with the exception of the gender distribution of senior management (the members of the Board of Directors are not in the system and the figures are calculated as an average for the year).

S1-10 – Adequate wages

All SRV employees are paid adequate wages in accordance with applicable benchmark values. The minimum level for adequate wages is specified in collective agreements. The wages of employees who live in Estonia are calculated in the same way as those of all employees.

S1-11 – Social protection

All SRV employees are covered by social protection through public programmes or company benefits. This also applies to employees who live in Estonia.

S1-13 – Training and skills development metrics

SRV provides employees with regular opportunities for training and skills development. The training offering includes online courses (for which detailed information is available from the learning system) and in-person training (for which attendees are recorded on paper attendance lists). No data is collected from attendance lists for statistical purposes.

SRV's training seeks to promote employees' professional development and improve their future and continued employability in a changing working environment. This includes training in technical skills and courses that develop leadership, occupational safety and sustainability skills.

SRV does not currently maintain separate statistics on employees who have participated in regular performance and career development discussions. However, in accordance with the company's operating methods, discussions are held annually with all employees, so it is assumed that all employees will have attended them. When it comes to gender distribution, it is assumed that the attendance rate is consistent for all employees regardless of gender, as these discussions are part of the company's equality policies and processes.

SRV provided its employees with training and development opportunities as per the following table:

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	Number of women	Women %	Number of men	Men %	Total number	Total %
Employees who participated in regular performance and career development reviews	137.0	81.0 %	556.0	86.0 %	693.0	85.0 %
Average training hours per employee	5,5 h/person/year	19,6 %	5,9 h/person/year	80,4 %	5,8 h/person/year	

Information on regular performance and career development discussions are from SRV's HR system.

Information about online courses was collected directly from the learning system, and is comprehensive. Training hours based on paper attendance lists have not been included in these calculations.

S1-14 – Health and safety metrics

SRV has an ISO45001 occupational health and safety management system that covers the entire Group and therefore 100 per cent of the company's own workforce.

During the reporting period, there were no fatalities attributable to work-related accidents or work-related health problems with respect to SRV's own workforce or hired labour used by SRV.

The metric for occupational safety is the number of lost-time accidents at work per million hours worked. During the reporting period, a total of 6 lost-time accidents involved SRV's own employees, while the lost-time accident frequency rate was 4.35. During the reporting period, a total of 64 lost-time accidents involved employees in the value chain, and the lost-time accident frequency rate for workers in the value chain was 12.80. SRV monitors the overall accident frequency rate, which was 10.97 for the reporting year.

0 days were lost due to work-related health problems during the reporting period, 172 days due to accidents at work and 2 days due commuting accidents.

The figures cover SRV's own workforce and subcontractors' workforc. The data is based on figures in SRV's reporting system.

S1-16 – Compensation metrics (pay gap and total compensation)

The raw gender pay gap between SRV employees was 4.7 per cent during the reporting period. The raw pay gap is defined as the unstandardised difference in male and female pay, that is, the figure does not account for any factors impacting on pay such as education or job complexity. SRV employees in this context do not include trainees and those working under a managerial contract, with variable hours or for a commission. The pay gap was calculated from the total pay of salaried employees in Finland, including benefits without supplements, converted to hourly pay. The raw pay gap is calculated from the ratio of the difference between average male and female pay to the average male pay. The pay of part-time employees has been standardised to full working hours. SRV has commissioned a more detailed report of pay differences from a consultant. This analysis was still in progress during the reporting period. The pay gap may increase in detailed analyses.

SRV's annual total remuneration ratio is 9.68. The 'annual total remuneration ratio' means the ratio of the highest paid person in the company to the median annual total remuneration for all employees (excluding the highest-paid individual). Annual remuneration does not take person-year conversion into account. The data is based on information in the HR system.

S1-17 – Incidents, complaints and severe human rights impacts

A number of cases of discrimination were detected in SRV's operations as per the table below, and a total of 17 reports were made through the company's whistleblowing channels. The figures are based on data reported by SRV's third-party service provider on the basis of cases reported via the whistleblowing system. The service provider handles the whistleblowing reports confidentially, and makes its own reports on them on the basis of information stored in the system.

Total number of discrimination cases		
Number of reports made through SRV's ethics channel	17	pcs
Number of reports made through national reporting channels	0	pcs
Total amount of fines, penalties and damages paid based on reported cases and complaints	0	€

No serious human rights cases have been detected during the reporting period, and SRV has not paid any penalties or compensation for damages resulting from such cases during the reporting period.

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Workers in the value chain are subject to the following actual or potential impacts:

Working Conditions**Working hours:**

- **Potential negative impact:** Excessive working hours and overtime abuse. Long working hours and forced overtime may occur in the subcontracting chain. This leads to employee fatigue and an increased risk of accidents, and may violate legislation on working hours. It can also increase workforce turnover and cause staff shortages in critical areas. Violating legislation on working hours can also harm a company's reputation and have legal consequences. SRV is involved in these impacts through its business model, which involves the use of subcontracting chains and outsourced labour. Processes for selecting and monitoring suppliers play a key role in impact management. In the medium-term, continual work-time abuses can weaken the sustainability of the subcontracting chain, increase workforce turnover and reduce the quality and quantity of available labour. SRV is responsible for overseeing its subcontractor chain and ensuring that ethical working standards are followed. Poor supervision or the absence of contractual terms and conditions can lead to chronic shortcomings. SRV is involved in these potential

impacts through its subcontracting chain. Long working hours and overtime abuse may arise from a subcontractor's resource pressures or a lack of supervision on the part of the company.

- **Potential negative impact:** Inadequate work-time supervision. If an employer in the subcontracting chain does not adequately supervise working hours, this may lead to non-compliance with national regulations or industry recommendations. Excessive working hours without adequate rest can reduce both the physical and mental health of employees and their working capacity. In the long term, this can lead to fatigue and accident risks – and particularly in the construction industry, in which safety is critical. These impacts are related to SRV's business model, which is based on the effective management of subcontractor chains. Construction projects involve several partners who may have their own operators, which makes it challenging to monitor working hours and conditions. Inadequate supervision can have negative impacts on employees and the company's reputation for sustainability. However, SRV's strategy aims to enhance sustainability and the monitoring of working conditions with the support of transparent policies and audit practices. Negative impacts can occur in the short term, for example, in the form of employee dissatisfaction or occupational safety issues. SRV is involved in these potential impacts, and in particular through its business relationships, as operators in subcontracting chains are responsible for managing daily working hours. SRV's role is to set clear expectations, develop supervisory practices and conduct regular audits to ensure compliance with



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legislation and industry recommendations on working hours.

Adequate wages:

- **Potential negative impact:** The challenges of supervising wage abuse. Wage transparency can be poor on the lower rungs of the subcontracting chain, which makes it difficult to supervise and could lead to abuse with regard to the terms and conditions of employment. These impacts relate to SRV's business model, which is based on the use of subcontracting chains in construction projects. The lower rungs of subcontractor chains are particularly challenging to supervise, and the risk of wage abuse increases when there is insufficient transparency and supervision. SRV's strategy highlights sustainability, and aims to promote fair working conditions and enhance supervision mechanisms in subcontracting chains. Without adequate control systems, the risks of wage abuse can be quickly realised. SRV is involved in these potential negative impacts primarily through its business relationships.
- **Risk:** Risk of labour exploitation. If wages are unpaid or underpaid by subcontractors, this may result in a breach of law or collective agreements. This can lead to legal consequences and financial penalties for SRV, as well as damage to the company's reputation, which will affect the company's ability to win new projects and consequently its revenue.

Social dialogue

- **Actual positive impact:** Open dialogue. Open and clear communication with contractors helps to prevent labour disputes and ensures that workers' rights are taken into account at all levels. This creates a fairer and safer working environment at all layers of the value chain. This

positive impact is directly linked to SRV's sustainability strategy, which emphasises a transparent and fair way of working. A business model that uses subcontracting chains requires effective communication with subcontractors. Open dialogue can help projects to run more smoothly and reduce labour disputes in ongoing construction projects. SRV is involved in this positive impact through its own operations, as the company engages in open dialogue with its subcontractors.

Occupational health and safety:

- **Actual negative impact:** Accidents and incidents at work. The construction industry has one of the highest risks of accidents. Falls, moving machinery, the handling of heavy objects and the use of tools all pose risks of physical injury. This negative impact relates to SRV's business model, which includes a significant number of labour-intensive construction projects. The impact is not a direct result of the company's strategy, but it can be linked to industry-related risks. However, SRV aims to minimise the risk of accidents by investing in occupational safety and training, in accordance with its strategy. If safety practices are not followed, accidents may occur in existing projects in the short term. SRV is involved in this negative impact through its own operations, as the company is responsible for construction sites and their safety practices. This impact may also be related to business relationships with subcontractors if there is a lack of safety training and supervision with respect to their employees.
- **Actual negative impact:** Occupational illnesses. For example, prolonged exposure to dust, chemicals, asbestos or other harmful substances can lead to respiratory illness, skin reactions and other health problems. These health problems can have serious and lasting effects on workers' quality of life, working

capacity and livelihoods. The construction industry uses materials and chemicals that may contain substances that are harmful to health. If the business model does not include safe processes and material choices, it will increase health risks for workers. In the early stages of exposure, workers may experience mild symptoms such as skin irritation or respiratory tract irritation, which may lead to sickness absences. Prolonged exposure to harmful substances can cause chronic diseases that develop over the years and can lead to permanent disability or even death. SRV is responsible for providing workers in the value chain with safe working conditions, which includes managing workplace air quality, the safe handling of chemicals and providing protective equipment.

- **Actual negative impact:** Physical strain. Lifting heavy materials, repetitive movements and poor ergonomics can lead to musculoskeletal disorders such as back and joint problems.
- **Actual negative impact:** Social impacts. Tight schedules, uncertain working conditions and mental strain can lead to fatigue, stress and mental health problems.
- **Actual negative impact:** Inadequate safety competence. There may be gaps in safety training in the subcontractor chain, and especially if workers are not provided with common standards and proper safety orientation, or do not have adequate language skills.
- **Actual positive impact:** An improved occupational safety culture. Many companies in the construction industry have invested heavily in occupational safety by, for example, developing safety guidelines and training that reduce risks and increase employee safety.
- **Actual positive impact:** The standardisation of training and guidelines. Standardisation and training can improve safety culture and reduce risks throughout the value chain.

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- **Actual positive impact:** Ensuring sustainable operations. Responsible occupational safety practices in the subcontracting chain can strengthen the company's reputation as a responsible operator and generate a competitive advantage.
- **Risk:** Legal consequences. Inadequate safety practices on the part of subcontractors can expose SRV to legal consequences and damage the company's reputation. They may also cause delays in schedules and, thereby, financial costs.
- **Opportunity:** Reducing accidents and absenteeism. Investing in safety training and standards for subcontractors can reduce accidents and sickness absences, which will improve both the efficiency and cost-effectiveness of projects.

Equal treatment and equal opportunity for all

Actions to prevent violence and harassment in the workplace:

- **Actual positive impact:** An organisation that actively addresses harassment and violence can gain a reputation as a responsible and caring employer.
- **Actual positive impact:** Combating violence and harassment creates a safer and fairer workplace, which improves workers' morale and well-being.
- **Actual positive impact:** These measures will help the company to meet legal requirements and demonstrate its commitment to protecting workers' rights.
- **Risk:** Legal risks. Failure to effectively address workplace violence and harassment could result in legal action, which could result in financial penalties and damage the company's reputation.
- **Opportunity:** A better working atmosphere and greater employee engagement. Effectively combating violence and harassment can create a safe and positive working environment that will promote employee engagement

and well-being, reduce absenteeism and increase productivity.

- **Opportunity:** Strengthening risk management and occupational safety. Effectively preventing violence and harassment as part of risk management can reduce occupational safety risks and improve employee safety, which in turn reduces the number of accidents and their associated costs.

Diversity:

- **Actual negative impact:** Language barriers and cultural differences. Diversity can pose challenges in communications, and especially when employees have different native languages or cultures. This can result in misunderstandings that hinder collaboration, which may lead to errors or challenges in occupational safety.
- **Actual negative impact:** Challenges in the standardisation of processes. The skill levels and experience of workers with different backgrounds may vary considerably, which can make it difficult to maintain shared standards and quality levels.
- **Risk:** Occupational safety risks: If subcontractors have a diverse workforce, language and cultural differences can lead to misunderstandings with respect to safety guidelines and practices. This can lead to accidents or incidents at work that may result in financial penalties.
- **Opportunity:** Broader market opportunities. Valuing diversity can open up new markets and business opportunities if SRV can demonstrate its ability to operate in diverse and global projects or consortiums.

Other labour rights

Forced labour:

- **Potential negative impact:** Violations of human and labour rights cause inequality, a lack of well-being, and suffering for workers.

- **Potential negative impact:** Forced labour often involves violations of workers' fundamental rights and freedoms in connection with, for example, agreeing on terms and conditions of employment, wages, or changing jobs. This increases social injustice.
- **Actual positive impact:** A company's commitment to preventing forced labour can build long-term, confidential relationships with customers and partners who value sustainable and fair business practices.
- **Risk:** If forced labour occurs in the subcontracting chain, it can cause significant damage to the reputations of both SRV and its partners. This can reduce customers' and investors' trust and confidence in SRV, which will impact the company's ability to obtain new projects and business opportunities.

Workers in SRV's value chain may be subject to a variety of impacts related to the company's operations, services or business relationships. These workers include: **Employees of SRV's subcontractors (that is, external construction site workers who do not belong to SRV's own workforce)** who are part of SRV's operating environment and who work through, for example, subcontractors.

Workers in the upstream value chain who work for organisations related to SRV's raw material and material procurement, such as in metal and mineral production, the procurement of construction materials, and refining. These workers may work in different geographic areas, and their working conditions can vary significantly depending on local conditions and industry practices. Currently, SRV only has visibility into the value chains of its direct contractual partners, and these value changes are managed through contracts. This report does not, therefore, cover value chain operators beyond Tier 1.

Employees working for joint ventures or separate companies in which SRV has a holding. These may include

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workers involved in specific projects or projects within a joint venture. Their circumstances may vary according to the company's governance model.

Workers generally identified as vulnerable within the industry, which may include non-union workers, foreign workers, women or young workers. These groups may be particularly vulnerable to negative impacts due to their position or intrinsic characteristics. For example, foreign workers may face challenges related to their rights, while women or young workers may be particularly vulnerable to inequality in the labour market.

SRV recognises that the risk of child labour and forced labour may be higher in supply chains in certain geographic areas, and particularly in countries in which labour regulation and supervision may be weaker. SRV does not currently have full visibility into the value chains of all of its procurement, and no geographic areas or goods have been comprehensively identified as having a significant risk of child labour or forced labour. SRV's value chain management aims to identify and mitigate risks associated with the use of child labour and forced labour. These risks are managed through SRV's Supplier Code of Conduct, in which SRV states that it does not tolerate modern forms of slavery in its operations or supply chain.

SRV currently has limited visibility into its procurement value chains. The company has not yet carried out a detailed analysis of whether any negative impacts (such as the use of child or forced labour) are systemic or related to individual cases. Lack of visibility is a particular issue in the upstream value chain and geographical areas from which value chain operators make purchases. In the future, SRV will require its subcontractors to provide more detailed information about the sources of their purchases, and to comply with sustainable principles. A shift towards low-emission working methods may have implications for

subcontractors' employees, and particularly in industries that require significant innovations or restructuring. SRV monitors industry developments and seeks to evaluate potential impacts with respect to, for example, material use and resource acquisition.

SRV continuously strives to promote positive impacts in its value chain by developing its operating models and engaging its partners in sustainability efforts. While current measures are still under development, SRV has already achieved the following:

- **Skills development for workers in the value chain:** SRV has launched training programmes on sustainable practices for subcontractors, and especially on safety and environmental practices.
- **Updated procurement policies:** The company has improved its procurement processes, and now requires its suppliers to comply with both SRV's Supplier Code of Conduct and its guidelines on human rights, fair working conditions and environmental responsibility. This has enabled better collaboration with responsible suppliers, and has reduced risks in the value chain.
- **Regional impact:** The majority of these positive effects have so far been seen in Europe. SRV aims to expand its sustainability action to supply chains in other geographical areas

Material risks and opportunities related to workers in the value chain

Risks:

1. **The supervision of working conditions and human rights:** There may be risks in SRV's value chain, such as the inadequate supervision of working conditions, and particularly in countries or industries with lower levels of regulation and supervision. This can lead to business and reputation risks if suppliers fail to comply with international human rights standards, such as the ILO

Declaration on Fundamental Principles and Rights at Work.

2. **Employee safety and well-being:** Employees in construction industry supply chains may encounter occupational health or safety risks, such as accidents or long-term health risks. Inadequate risk management may result in business costs and delays.
3. **Risk of forced labour and child labour:** Although there is limited transparency in SRV's supply chain, the global risk of child labour and forced labour in certain geographical areas or product manufacture can negatively impact the company's reputation and sustainability goals.

Opportunities

1. **Skills development and creating sustainable workplaces:** SRV has the opportunity to influence the well-being and productivity of workers in the value chain by supporting skills development. This can improve the efficiency of the entire value chain and promote sustainability.
2. **Strengthening supplier relationships:** By enhancing its collaboration with responsible suppliers, SRV can create a competitive advantage and reduce risks associated with the value chain. Engaging suppliers in sustainable working methods can also reduce long-term costs and improve project quality.
3. **Inclusion in a fair transition:** The transition to a green and climate-neutral economy provides opportunities to help workers in the value chain learn new skills and adopt new technologies. This will promote the long-term success of both the company and its stakeholders in the value chain.

There is currently insufficient visibility into SRV's value chain, which means that the company cannot identify individual impacts, risks and opportunities that target particular groups of workers in the value chain (such as

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particular age groups or genders, or people working in particular geographical areas). This is primarily due to the extent and complexity of the value chain. In the future, SRV intends to collect and report information that will enable the more effective identification and management of impacts and risks on particular groups of workers in the value chain.

Management of impacts, risks and opportunities

S2-1 – Policies related to value chain workers

SRV sees sustainability as an opportunity to improve the conditions of workers in the value chain and create positive impacts. SRV has adopted policies to manage the material impacts, risks and opportunities on workers in the value chain. These policies cover key labour risks and ensure compliance with sustainable and ethical standards throughout the value chain. More detailed information about SRV's Sustainability Policy, Code of Conduct and Supplier Code of Conduct is available in Section E1-2 of this Sustainability Statement.

SRV's Code of Conduct states that the company works only with reliable and reputable partners in Finland and abroad. SRV's Know Your Partner (KYC) policy ensures that all personnel follow the same approved procedures, and adequately establish the backgrounds of SRV's potential customers and partners before the company enters into a contractual relationship with them. All SRV personnel must be familiar with and follow the KYC. This policy is approved by the Corporate Executive Team, and is the responsibility of SRV's General Counsel.

SRV's Contract Programme serves as a guide and is an integral part of project contracts, in which matters relating to workers in the value chain are recorded, such as

policies relating to compliance with collective agreements, the payment of wages and the use of foreign labour.

Key policies related to material impacts, risks and opportunities include:

Policies on working conditions:

Working hours and adequate wages:

- In its Code of Conduct and Supplier Code of Conduct, SRV states that its operations are based on national labour legislation and internationally recognised human rights, the UN Universal Declaration of Human Rights, and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. The KYC policy supplements SRV's Supplier Code of Conduct.
- SRV's Supplier Code of Conduct requires that the working conditions, working hours and wages of its partners' workers comply with national legislation, and that their employment is voluntary.
- SRV's Sustainability Policy states that 'decent work' means that both workers' rights and their terms and conditions of employment comply with national legislation and the ILO's key principles, which include the elimination of child labour, forced labour and discrimination.
- As part of the Contract Programme, contractors agree that, upon request, they must present a reliable account of the wages their employees have earned on the construction site and their payment in their entirety.

Social dialogue:

- In its Sustainability Policy, SRV commits to compliance with collective agreements and workers' rights on all of its construction sites. This also applies to subcontractors.
- The Contract Programme further specifies this, by stating that the contractual partner must apply the collective agreement for its sector with respect to its own employees, along with any applicable bonuses, and

must follow the regulations laid down in labour and social legislation. If the sector does not have a collective agreement, the contractor must comply with the collective agreement for the construction industry.

Occupational health and safety:

- In its Code of Conduct and Supplier Code of Conduct, SRV sets a zero-accident target and prioritises the health and safety of personnel in all of its operations, including workers in the value chain.
- In its Sustainability Policy, SRV has committed to providing safe and healthy work; preventing health hazards and risks in working environments and workplace communities; and promoting, maintaining and monitoring health and working capacity.

Policies related to equal treatment and opportunities for all:

Policies to prevent workplace violence and harassment and promote diversity:

- SRV's Code of Conduct and Supplier Code of Conduct state that SRV does not tolerate any form of discrimination, harassment, bullying or other inappropriate behaviour. SRV promotes fairness, equality, non-discrimination and a sense of belonging within the workplace community.

Policies related to other labour rights:

Forced labour:

- SRV's Code of Conduct and Supplier Code of Conduct state that the company's operations are based on national labour legislation and internationally recognised human rights, the UN Universal Declaration of Human Rights, and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. SRV does not tolerate any form of modern

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slavery, such as child labour, forced labour or human trafficking, in its own operations or supply chains. The KYC policy supplements SRV's Supplier Code of Conduct.

- SRV continuously strives to improve and develop its operations in order to reduce any adverse impacts on human rights throughout its supply chain. SRV's Code of Conduct is based on national labour legislation and internationally recognised human rights, the UN Universal Declaration of Human Rights, and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work.

SRV maintains open dialogue with a variety of workers' organisations in the value chain to ensure that workers' rights and conditions are appropriately addressed. This engagement usually occurs through subcontractors or construction sites' occupational safety representatives. SRV also ensures that workers themselves are aware of their rights and can raise any potential issues related to human rights. SRV seeks to enhance cooperation with local social partners in its operating regions, and actively participates in organisations' activities and initiatives to promote human rights in its sector. SRV sets clear human rights requirements for its partners, and monitors its supply chain so that any potential human rights violations can be identified and addressed in a timely manner. If workers in the value chain experience negative human rights impacts, SRV will act quickly to correct the situation. This may include immediate dialogue with the parties involved, policy changes or remedial action.

SRV's Supplier Code of Conduct covers respect for human rights with regard to workers in the value chain. This code requires SRV's partners to commit to respecting human rights, and prohibits the use of human trafficking, child labour and forced labour. Partners must also take

responsibility for ensuring that the working conditions, working hours and wages of workers in the value chain comply with national legislation and that their employment is voluntary. The same is also required of the partner's own subcontractors. Although SRV's Supplier Code of Conduct does not explicitly mention human trafficking, SRV does not tolerate any form of exploitation or violation of the rights of workers in its value chain.

SRV requires its partners to act in accordance with these international standards, and monitors their realisation through contractual means and (as necessary) audits. The company's policies regarding workers in the value chain align with international guidelines such as the UN Guiding Principles on Business and Human Rights.

During the reporting period, SRV has provided its subcontractors with guidance on occupational safety, work permits, adequate wages and working conditions. These activities have been carried out on construction sites during the reporting period, and especially during construction site onboarding and safety briefings. These actions have been taken in collaboration with SRV's value chain and all of the company's construction sites. These actions are continuous. Deviations in working conditions are monitored annually, and the frequency is compared to the previous year's value. No numerical target has been set for this metric. This action is continuous.

During the reporting period, SRV monitored ambiguities in the working conditions of workers in the value chain.

In 2024, a total of **74 cases** were reported in SRV's upstream and downstream value chain. These cases were primarily related to payroll ambiguities such as delayed payments or ambiguities related to work permits.

The list below shows how these cases were managed and the remedial actions that SRV has implemented during the reporting period. These actions are continuous, and are monitored by SRV. No targets have been set for these

actions, and no significant operating or capital expenditures are required to implement them.

Incident management and remedial action:

- **Delayed payment of wages:** The cases were resolved by clarifying payment schedules in collaboration with subcontractors, and SRV supervised the payment of any delayed sums.
- **Ambiguities related to work permits:** SRV ensured that subcontractors corrected the problems, and strengthened its future control processes for work permit practices.

Follow-up measures

- SRV is seeking to improve its monitoring and auditing practices, and to ensure that the rights of workers in the value chain are realised in all of its contractual relationships. This action is part of SRV's principle of continual improvement.

S2-2 – Processes for engaging with value chain workers about impacts

SRV takes the views of value chain workers into account in any decision-making and activities that aim to manage actual or potential impacts on workers. SRV has established policies to engage with workers and take employees' views into account. Communication with workers in the value chain is mostly direct, and its frequency will vary according to the situation. For example, communication may occur during meetings, construction site visits or audits. As workers in the value chain are usually employed on construction sites, their main contact point will be the chief shop steward or occupational safety manager, who will then report their observations to SRV's Senior Vice President, HR and Senior Vice President, Development, and if necessary also to the General Counsel. Together, they are responsible for intervening in

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any observed issues and incorporating them into SRV's policies and decision-making as required. The Board of Directors and Corporate Executive Team are also committed to regularly monitoring the outcome of communications and their impact on the company's operations.

SRV does not currently have a direct framework agreement or other formal agreement with trade unions that covers respecting the human rights of workers in the value chain or the right to collective bargaining. However, SRV requires its value chain operators to comply with internationally recognised human rights, such as the UN Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, which safeguard the right to collective bargaining.

SRV's direct contact with workers in the value chain is currently limited, as the main focus has been on direct cooperation with subcontractors. The impact assessment is based on audits and the current requirements set for suppliers, which will enable SRV to monitor how well its subcontractors perform in ensuring that their workers' rights are realised.

SRV recognises that its visibility into workers in the value chain is currently limited, and the company is actively working to improve its understanding of workers' views, and especially those of vulnerable workers and those who face discrimination. This is part of SRV's ongoing sustainability work, and the company's goal is to adopt a more systematic approach to value chain management and its impacts. SRV will continue to develop its processes and collect data throughout the value chain in order to ensure that workers' views and rights can be better addressed.

S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

SRV has clear processes and procedures for taking remedial action if the company has caused or contributed to significant negative impacts on workers in the value chain. These processes include identifying the issues, and then planning and implementing remedial action. SRV is committed to complying with international human rights standards and acting responsibly at all stages of its value chain.

If any negative impacts are observed, SRV will take prompt action to remediate them. This includes immediate corrective actions, the effectiveness of which is regularly evaluated. Remedial action is also continuously monitored to ensure its long-term effectiveness. Progress with remedial action will be monitored according to a predefined schedule (that is, monthly or quarterly) with the aid of either inspections or discussions depending on the severity of the situation.

Workers in the value chain have several channels for raising concerns or needs with SRV. These reporting channels are SRV's own Ethics Channel, construction site managers, or the chief shop steward. These channels enable workers to safely and confidentially report any injustices or concerns about working conditions, and they can be confident that their report will be handled appropriately and promptly by SRV.

SRV enables value chain workers to use these reporting channels with the aid of relevant training and communications. SRV requires that workers at all layers of the value chain must be aware of their right to raise concerns without fear of retaliation.

SRV monitors any issues reported through its channels and how they are handled. SRV's Ethics Channel and other systems enable reported cases to be documented and monitored all the way up to their

resolution. SRV ensures the effectiveness of its reporting channels by discussing them with workers in the value chain, and ensuring that workers are aware of them. Feedback on these channels' functionality is also collected from workers. The reporting channels will be developed as necessary on the basis of this feedback, so that they can be made as useful and effective as possible. More detailed information about the protection given to whistleblowers in SRV's Ethics Channel can be found in Section G1 of this Sustainability Statement.

S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

SRV is committed to preventing and mitigating material negative impacts on its workforce, implementing remedial actions and promoting positive impacts. This applies to SRV's entire value chain. SRV's actions are continuous and based on the principle of continuous improvement. During the reporting period, SRV has taken the following action to prevent and mitigate negative impacts on workers in the value chain:

- **The supervision of subcontractors:** SRV has a limited view of its subcontractors' operations, and particularly on construction sites. During the reporting period, SRV sought to actively supervise its subcontractors' working conditions and safety practices. Similarly, SRV also sought to continuously improve its audit practices. These actions were carried out on all of SRV's construction sites during the reporting period. They are continuous and based on the principle of continuous improvement.
- **Supply chain challenges:** In its supply chain, such as with respect to material suppliers, SRV has a more limited view of workers in the value chain. During the

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reporting period, SRV has developed its processes and worked with suppliers to increase transparency and identify any potential negative impacts. These actions are being taken in collaboration with all operators in the supply chain. They are continuous and based on the principle of continuous improvement.

- SRV invests in the aforementioned actions by conducting sustainability surveys of subcontractors. If any actual negative impacts are observed in the value chain, SRV is committed to providing or enabling the following remedial action:
 - **Reporting channels:** Workers and other stakeholders can report issues through existing reporting channels (such as SRV's Ethical Channel). These channels are most often used for any subcontracting that SRV can directly influence.
 - **Remedial action:** If any negative impacts are detected on construction sites, SRV will work with the subcontractor and take prompt action to improve working conditions and address any grievances. However, SRV is only in the process of developing tools and mechanisms to investigate and remediate negative impacts in the supply chain.

During the reporting period, SRV informed its subcontractors about the company's reporting channels and operating model.

SRV actively seeks to promote positive impacts, and especially for its subcontractors' employees:

- **Skills development for workers:** SRV provides safety training on its construction sites and support for workers' skills development.
- **Supporting livelihoods:** SRV favours subcontractors who provide their employees with appropriate working conditions and offer fair terms and conditions of employment. Although a lack of transparency in the supply chain limits SRV's ability to exert a direct

influence, the company's goal is to promote sustainability by increasing transparency through collaboration.

SRV monitors and assesses the effectiveness of its actions and initiatives in the following ways:

- **Supervision:** Regular inspections and discussions on construction sites are used to monitor working conditions and occupational safety. Any contact with subcontractors' employees will be recorded and processed, and the implementation of any agreed actions will be monitored.
- **Supply chain assessment mechanisms:** SRV is currently developing methods to assess the sustainability of its supply chains and to investigate the impacts on workers.
- **Stakeholder feedback:** The views of subcontractors and their employees are collected through, for example, discussions.
- **Continuous improvement:** SRV uses assessment results to update its operations, and the company is seeking to improve transparency in its supply chain.

During the reporting period, SRV organised occupational safety training and work guidance on construction sites. SRV also monitored the working conditions of its subcontractors' employees as far as this was possible. During the reporting year, SRV conducted regular construction site audits to inspect and monitor working conditions and occupational safety. SRV audited 111 supply chain operators during the reporting period. These audits covered all of SRV's geographical areas, and their implementation did not require significant operating or capital expenditure.

The expected results of these key actions are:

- Maintaining and improving working conditions and occupational safety
- A greater understanding of supply chain sustainability and improved sustainability
- Maintaining and improving working conditions and sustainability over the long term on the basis of feedback from subcontractors and stakeholders
- Improving supply chain transparency over the long term

SRV utilises the following processes to identify the action required by actual or potential negative impacts on workers in the value chain:

- **Supervision and audits:** SRV monitors its subcontractors' operations on construction sites and carries out regular inspections to assess working conditions, occupational safety and the realisation of workers' rights.
- **Supply chain risk assessments:** SRV is creating new policies and processes to identify human rights and safety risks in the supply chain.
- **Reporting channels:** SRV has anonymous channels through which workers and other stakeholders can report their concerns and grievances. The necessary action will be identified and initiated on the basis of reports received through these channels.

SRV's procedures for handling negative impacts include:

- **Developing procurement practices:** SRV will be introducing sustainability requirements into procurement contracts. Alongside compliance with SRV's Code of Conduct, these may include compliance with terms and conditions of employment, human rights, and transparency in subcontractor chains.
- **Collaborative work:** SRV works with NGOs, labour rights experts and other industry operators as necessary to increase the understanding and resources

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that are required to prevent and mitigate negative impacts.

- **Supply chain interaction:** SRV actively seeks to increase engagement with suppliers in its supply chain, but recognises that transparency is currently limited, and particularly at the endpoints of the value chain.

SRV uses the following means to ensure that effective processes are available for remedial action:

- **Remedial action on construction sites:** If any negative impacts on subcontractors' employees are detected, SRV will take immediate remedial action, such as improving working conditions, enhancing safety processes or reviewing contracts.
- **Monitoring and assessing processes:** SRV monitors and assesses the effectiveness of remedial action with the aid of regular reporting and audits to ensure that issues do not recur.
- **Enabling legal protection:** SRV provides its employees and other stakeholders with mechanisms (such as reporting channels) to help them report issues and obtain legal protection when necessary.
- **The continuous assessment of developments:** SRV is committed to improving its processes and mechanisms on the basis of analyses of realised negative impacts and feedback from stakeholders.

SRV has identified material risks arising from impacts and dependencies on workers in its value chain, such as:

- **Risks related to working conditions:** Examples include labour exploitation, inadequate occupational safety or uncertain working conditions, as well as harassment and violence in the workplace.
- **Human rights violations:** Examples include forced labour at the endpoints of the value chain where transparency is limited.

SRV takes the following actions to mitigate these risks:

- **Audits and inspections:** Regular audits are conducted on construction sites to assess working conditions, terms and conditions of employment, and diversity issues such as language skills.
- **Increasing transparency in the supply chain:** SRV aims to analyse high-risk suppliers and deepen engagement at key levels of the value chain.

SRV uses the following to monitor impacts:

- **Regular monitoring:** The outcomes of audits and inspections will be analysed, and action will be taken on the basis of the results.
- **Reporting channels:** Employees and other stakeholders have access to channels for reporting any issues they observe.
- **Metrics:** The effectiveness of remedial action is assessed on the basis of, for example, the number of accidents at work, the outcomes of audit reports and feedback from stakeholders.

SRV sees significant opportunities to enhance sustainability in its value chain and harness it as a competitive advantage. Related actions include:

- **Improving workplace safety,** which will result in fewer accidents and lower absenteeism. Practices that promote employee safety and well-being improve quality and productivity, which will benefit both SRV and its subcontractors.
- **Combating violence and harassment** creates a better working atmosphere, which promotes employee engagement and well-being, and reduces occupational safety risks.
- **Valuing and harnessing diversity** can open up new business opportunities if SRV demonstrates its ability to operate in diverse and global projects.

SRV uses the following practices to prevent and mitigate negative impacts on workers in its value chain:

- **Responsible procurement practices:** SRV incorporates clear sustainability requirements into its procurement contracts, such as respecting human rights and compliance with terms and conditions of employment.
- **Internal policies and guidelines:** Procurement, sales and project teams are provided with training and guidance on their sustainability-related obligations.
- **Reporting mechanisms:** Workers and other parties in the value chain are provided with channels for reporting sustainability issues.

Action to manage tensions:

If tension arises between business pressures and sustainability requirements, SRV will apply the following:

- **Risk prioritisation:** High risks, such as serious violations of human rights, will be given priority.
- **Consultations with stakeholders:** Decision-making takes into account both stakeholders' views and expert recommendations.
- **Balancing solutions:** SRV seeks solutions that will minimise negative impacts without compromising business continuity.

SRV has not received any reports of serious human rights issues or cases of human rights violations in its upstream or downstream value chain. Although no cases have been reported, SRV regularly assesses human rights risks in its value chain to ensure that the company is taking sufficient action to prevent potential problems in the future.

SRV has reserved the resources required for managing the material impacts of a company of its size and scale, including potential impacts on its value chain.

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Support and commitment from senior management are two key elements of SRV's impact management. SRV has appointed persons from its HSEQ team and procurement department to take responsibility for assessing, managing and reporting on the impacts, risks and opportunities on workers in the value chain. SRV has developed practices and processes to support effective impact management. They include, for example, regular audits, discussions and reporting. The effectiveness of these procedures is monitored on a continuous basis. SRV's designated persons will assess the effectiveness of these actions and make the necessary changes and improvements to any identified issues.

Next steps in development

- **To further improve visibility into the value chain:** SRV is investigating ways to increase its knowledge of workers' conditions in the value chain and the impacts they are subject to. These may include third-party audits and supplier collaboration. Development will focus on subcontractors with whom SRV has a direct contractual relationship. It is also assumed that determining the company's nature footprint will generate additional information about the risks associated with material supply chains.
- **Target setting:** SRV is using collected data to evaluate opportunities for defining and setting new result-driven and time-based targets that would support both the reduction of negative impacts and the promotion of positive impacts in the value chain.
- **Developing metrics:** SRV is using collected data to assess opportunities for developing a set of metrics for monitoring targets and assessing the resources required to achieve these targets.

Metrics and targets

S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

SRV's vision of zero accidents is linked to occupational health and safety, and also covers workers in the value chain who are employed on construction sites. It supports the company's sustainability strategy, which prioritises the safety and well-being of workers and stakeholders. SRV has set a long-term goal for occupational safety of zero accidents. This applies to construction site operations, and covers not only SRV's own workforce but also hired labour and construction site workers in the value chain. This objective is reflected in SRV's commitment to sustainable and safe operations as part of the company's value base, and also in its long-term goal of reducing all negative impacts on communities. This objective is aligned with SRV's Code of Conduct, in which good and safe working conditions play a key role. The goal is to have a safe working environment.

The long-term target level is absolute – zero accidents – which means achieving a Lost Time Injury Frequency (LTIF) of zero. This metric is used to measure the number of lost-time accidents per million hours worked. Progress will be monitored annually against the previous year's result. SRV has not set a separate accident frequency target for workers in the value chain.

The intermediate target for the zero-accidents vision is to reduce the Lost Time Injury Frequency by ten per cent annually. Target setting is based on international safety management standards (ISO 45001), occupational safety measurement methodology in the industry, historical data, and analyses of accidents and near misses. The targets are based on scientifically proven methods (such as root cause analyses of incidents), promoting a proactive safety

culture, and research into the impacts of safe working environments on productivity.

There were a total of 64 lost-time accidents involving workers in the value chain during the reporting period, and the Lost Time Injury Frequency was 12.80. There were six lost-time accidents involving SRV's own employees and hired labour, and the Lost Time Injury Frequency was 4.35. SRV monitors the accident frequency rate and sets an annual target that includes its own employees, SRV's hired labour, and workers in the value chain. The accident frequency rate for the reporting year was 10.97. The data is based on figures in SRV's reporting system.

As previously stated, SRV does not set a separate occupational safety target for workers in the value chain: the occupational safety metric target for workers in the value chain – the accident frequency rate – is the same as the target for SRV's own workforce. This target is monitored in the same way that SRV monitors the target for its own workforce.

In addition to occupational safety, SRV recognises the need to develop the company's operating models and target setting for workers in the value chain. SRV aims to clarify its overview of the upstream and downstream value chain to better understand the impacts on workers and to assess the need for future target setting.

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- **Actual negative impact:** Accidents on construction sites can cause serious physical injuries to employees and third parties. Falling from a height, falling over, or falling construction materials can result in serious injuries. Noise, dust and increased traffic can reduce the quality of life and sense of safety of surrounding communities. Repeated accidents can undermine the community's confidence in SRV's responsibility. A business model that fails to emphasise the safety of communities and does not invest in communications with local residents can exacerbate these risks. Impacts on surrounding communities may occur immediately if, for example, construction materials fall over or heavy vehicles in the construction area cause dangerous situations. SRV is directly involved if safety measures at construction sites (such as clear boundaries and warning signs) are insufficient to protect third parties from dangerous situations. Inadequate noise and dust abatement can also lead to impacts on communities as a direct result of the company's operations. SRV may be indirectly involved in these impacts through the operations of its subcontractors. For example, if

partners do not comply with safety standards and do not provide appropriate protection for third parties in the vicinity of the construction site.

- **Risk:** Accidents or pollution associated with SRV's projects may cause dangerous situations for the surrounding area and its residents, and have a negative impact on the company's reputation. This can lead to a loss of trust among customers, stakeholders and communities, and thereby negatively impact SRV's business.

SRV's business model and strategy revolve around construction, urban development and the provision of sustainable solutions. Through these activities, the company has a significant impact on local communities, and particularly in the immediate vicinity of construction sites. Physical operations on construction sites may result in temporary risks and negative impacts, such as noise, dust, increased traffic and potentially dangerous situations. These factors can impact the quality of life and sense of safety of communities. SRV's choices (including working methods, partners and operating conditions) play a key role in identifying, managing and minimising impacts on communities, and also support the company's commitment to sustainability and safety in all of its operations.

Impacts on communities are directly connected to SRV's strategy and business model, which focuses on construction, urban development and the provision of sustainable solutions. The temporary potential risks and negative impacts associated with construction projects



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(such as increased noise, dust, increased traffic and potentially dangerous situations) are a result of physical operations on construction sites, which are a key part of SRV's business model. These impacts can be reflected in the quality of life and safety of communities, and particularly in the vicinity of SRV's construction sites. Strategic decisions, such as working methods, partners and conditions, can also impact how SRV manages risks to communities.

SRV takes impacts on communities into account in its strategy and business model by integrating sustainable principles into its operations. This means, for example:

1. **Ensuring the safety and well-being of communities:** SRV implements a variety of measures to minimise negative impacts and ensure the safety of communities, such as enclosing construction sites, installing warning signs and organising noise and dust abatement.
2. **Strengthening stakeholder engagement:** Policies include regular communications and listening to local residents in order to address the community's concerns during both project planning and implementation.
3. **Integrating sustainability into the subcontracting chain:** SRV sets safety and sustainability requirements for its subcontractors, and monitors compliance as part of its value chain management.
4. **Adaptation measures:** SRV continuously assesses impacts on communities, and adapts its working methods on the basis of feedback and assessment results.

SRV's business model is adapted to align with the impact/risk ratio, and to integrate the safety and quality of life of communities into strategic decision-making. This occurs in the following ways:

1. **Preemptive measures:** Construction sites employ safety protocols to protect third parties, such as warning signs and clear boundaries around construction site areas.

2. **Impact management:** Advanced technologies and operating models are used to reduce noise and dust, and sites comply with set working hours and permit practices.
3. **Inclusive communications:** SRV actively listens to communities, and openly communicates on the progress of its projects, any possible disruptions and how they will be managed.

SRV identifies the impacts and dependencies of its operations on affected communities, as well as the material risks and opportunities arising from them. The communities affected by SRV's operations and value chain are:

- i. Communities around SRV's physical operations
 - Communities that live or work near SRV's construction sites and other locations may be subject to adverse effects such as noise, dust and increased traffic. They may also be exposed to safety risks, such as the impacts of falling construction materials or potentially dangerous situations in the vicinity of the construction site.
- ii. Communities along the value chain
 - Communities affected by the operations of subcontractors, suppliers, or logistics and distribution providers. For example, the safety of communities near construction sites may be impacted if subcontractors fail to comply with safety standards. SRV manages these impacts through contractual means.
- iii. Communities at both endpoints of the value chain
 - Communities located where construction materials or commodities are sourced, such as at points of extraction or raw material production. For example, the mining of minerals can cause impacts on communities that are related to the transition towards more sustainable construction. SRV manages these impacts through contractual means.

- iv. Communities of indigenous peoples
 - SRV's own operations currently have no direct connection to indigenous peoples, but this is continually assessed as part of risk and impact management. Based on the results of the double materiality analysis, disclosure requirements related to indigenous peoples are not material to SRV and will not be reported on by SRV.

This Sustainability Statement focuses on the impacts around SRV's physical operations.

- i. Large-scale and systemic effects
 - The inconvenience caused by construction sites, such as noise, dust and increased traffic, can impact the quality of life of surrounding communities, and particularly in urban areas with a high population density.
- ii. Individual cases
 - The impacts of emissions of toxic substances or accidents, such as a passerby ending up on a construction site, are examples of individual cases. SRV responds to such cases with the aid of preemptive safety measures.

Material risks and opportunities arising from impacts and dependencies

- Risks:
 - A community's loss of trust due to negative impacts, such as noise, can affect SRV's reputation and business continuity.
 - Safety risks and environmental damage can lead to legal consequences and financial penalties.
- Opportunities:
 - Investments in a community's well-being, such as noise abatement and safety, can strengthen SRV's reputation as a responsible operator and facilitate the approval of new projects.

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- Innovative, low-emission solutions can support the sustainable development of communities and create new business opportunities.

SRV's business model takes these risks and opportunities into account during strategy development and the company's operational decision-making.

SRV has formed an understanding of how affected communities with particular characteristics can be at greater risk of harm. This understanding is based on:

1. **Industry-specific information:** Impact assessments for construction projects have identified particularly vulnerable communities, such as passers-by near construction sites, who are exposed to potential safety risks.
2. **Consultations with stakeholders:** Communities have been consulted during the project planning phase, which has helped to identify particular risks. For example, schoolchildren's routes in the vicinity of construction sites have been mapped out with the aim of ensuring safe passage for them.
3. **Site-specific assessments:** In each of its projects, SRV conducts an assessment of how the special features of that project may impact communities in the surrounding area. For example, construction sites located in densely populated areas increase exposures to risks.

SRV has recognised that the material risks and opportunities associated with affected communities vary depending on the particular characteristics of those communities.

At-risk communities

These include communities near SRV's physical operations, such as:

- Communities living or working in the immediate vicinity of construction sites: These groups are directly exposed to noise, dust, increased traffic and safety risks.

- Communities along traffic routes: Heavy vehicles can pose safety risks and cause a deterioration in air quality, and especially for those who live on highly trafficked routes.

Considering the impacts on these communities is important not only in managing risks, but also in promoting the well-being of communities. This is ensured through systematic assessments and actions throughout a project's lifecycle.

Impact, risk and opportunity management

S3-1 – Policies related to affected communities

SRV has identified the safety of communities in the vicinity of construction sites as a material impact related to affected communities. SRV has also identified the risk of a loss of trust among affected communities in the event of accidents or pollution in SRV's projects. The following policies apply to the above:

- SRV's Code of Conduct, which governs the company's own operations and places the health and safety of SRV's personnel and subcontractors at the forefront of everything the company does. SRV's Code of Conduct is covered in more detail in Section E1-2 (Climate Change) of this Sustainability Statement.
- SRV's Supplier Code of Conduct defines the requirements imposed on partners' operations, and ensures that the partner's own suppliers of goods and services also comply with them. In the Supplier Code of Conduct, partners undertake to make safety a priority. SRV's Supplier Code of Conduct is covered in more detail in section E1-2 (Climate Change) of this Sustainability Statement.

- A Sustainability Policy that governs all of SRV's operations. SRV develops its occupational safety culture using the principle of continuous improvement, and no work may commence until safe starting conditions have been verified. The Sustainability Policy is covered in more detail in Section E1-2 (Climate Change) of this Sustainability Statement.

Projects also employ additional processes and procedures that define operating methods on the basis of current legislation and its compliance, such as the Government Decree on the Safety of Construction Work.

SRV regularly conducts risk assessments, such as TR measurements, which analyse the impact of construction sites on local communities. These assessments focus on safety, traffic arrangements, noise and dust, as these issues can impact the quality of life and safety of communities. These measurements are used to take remedial action.

SRV has construction site guidelines and operating methods that focus on areas such as:

- **Security arrangements:** Secure boundaries around construction site areas prevent persons and local communities from ending up on the site. For example, fences and warning signs are used systematically, and access to construction sites is managed with the aid of access control.
- **Traffic arrangements and access routes:** Particular attention is paid to traffic arrangements and pedestrian safety when construction sites are located near busy routes or residential areas.
- **Noise and dust abatement:** Limited working hours and dust abatement, such as using water to bind dust, reduce the inconvenience experienced by communities.

SRV monitors the effectiveness of its policies with regular inspections and supervisory visits to construction

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sites. Feedback from communities is also collected and utilised to assess risks and develop operating methods. These policies apply to all communities in the vicinity of construction sites, and cover all areas in which site operations may affect safety or living environments.

SRV is committed to compliance with the UN Guiding Principles on Business and Human Rights and the ILO's Declaration on Fundamental Principles and Rights in Working Life. SRV's policies for workplace communities are aligned with internationally recognised standards, including:

- 1 The UN Guiding Principles on Business and Human Rights (UNGP):
 - In accordance with the UNGP, SRV recognises its due diligence to identify, prevent and mitigate any adverse impacts that its operations may have on communities.
- 2 The OECD Guidelines for Multinational Enterprises:
 - SRV acts in accordance with the OECD guidelines, and undertakes to ensure that its operations do not have any negative impacts on communities, and that any harm caused by the company is handled fairly and transparently.

SRV incorporates the aforementioned policies into its operating principles, and undertakes to assess and reduce human rights risks to communities. SRV's Sustainability Policy outlines the human rights policy commitments that are relevant to affected communities. SRV engages in proactive dialogue with communities in the vicinity of construction sites. This ensures that the views and concerns of communities are addressed at all stages of a project. This dialogue includes regular communications and channels for communities to provide feedback and

raise concerns. In the event that human rights impacts cause any harm to communities, SRV is committed to taking action to remediate and mitigate them. These actions may include changes to construction site arrangements or processes to reduce noise and other negative impacts.

SRV regularly monitors the implementation of its policies and assesses their impact on communities in the vicinity of construction sites. SRV has not detected any instances in its own operations that would involve violations of the UNGP or ILO Declaration. SRV carries out risk-based monitoring in the upstream and downstream value chain to ensure that suppliers and partners follow the same principles. SRV seeks to identify any potential nonconformities in a timely manner, and is prepared to work with its various partners in the supply chain to ensure the realisation of international human rights throughout the value chain. SRV will continue to develop reporting related to the monitoring of human rights impacts, and will also promote its suppliers' and contractors' compliance with international standards.

S3-2 – Processes for engaging with affected communities about impacts

SRV aims to ensure that the views of communities around construction sites are taken into account in measures aimed at managing impacts on communities, and particularly with regard to safety aspects. SRV's policies emphasise proactive engagement with communities, and the company is committed to open and continuous dialogue. SRV maintains direct contact with affected communities or their legal representatives. Much of the communication with communities occurs at the beginning of a project, and also at regular intervals throughout its lifecycle. This communication includes sharing information and providing a feedback channel to listen to the community's views on safety and well-being. This ensures

that communities have the opportunity to continuously raise their concerns throughout the project.

SRV's has appointed persons at project management level to take responsibility for ensuring that communications are carried out as planned, and that feedback from communities is taken into account in practice. Senior management have overall responsibility for integrating communities' views into the company's policies. SRV regularly assesses the effectiveness of its communications with communities by collecting feedback from both communities and its own project staff. The objective is to gain a shared understanding of the safety and environmental impacts on communities, and to implement measures that will ensure the safety of these communities.

S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns

SRV's operating methods include clear processes to remediate and prevent negative impacts on communities. If SRV identifies any material negative impacts on communities, its primary objective is to rectify the situation quickly. Remedial action may include the suspension of work, removing the cause of the adverse effect, closer cooperation with the community, or boosting the effectiveness of safety measures. SRV assesses the effectiveness of its actions by determining whether they have eliminated the impact or significantly reduce negative impacts, and then makes any required improvements.

SRV has established specific feedback channels that enable communities around construction sites to directly raise their concerns or needs. These channels include both mechanisms that are administered by SRV and those created in collaboration with third parties. They both enable communications and ensure reliable and secure communications. Communities can turn to SRV easily and

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in confidence. For example, information about SRV's Ethics Channel and contact details for the construction site's contact person are displayed at the site gates. SRV seeks to ensure that projects carried out within business relationships contain clear guidance on how to use feedback channels. SRV also encourages its subcontractors to provide communities with the opportunity to raise concerns, which supports the rights of local communities and increases transparency around construction sites. SRV regularly monitors the questions raised by its stakeholders through feedback channels, including how they are handled, and seeks to ensure that communities' needs are appropriately met. This enables SRV to make the necessary improvements to its channels, and to adapt them on the basis of feedback from communities. SRV uses the data it collects on the effectiveness of these channels to identify development targets and improve its processes. SRV has established operating methods that protect communities and individuals from retaliation when they use these structures or processes to raise concerns. SRV has not assessed how aware affected communities are of the aforementioned practices, or how much they rely on them as a means of raising concerns or needs.

S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

SRV addresses the material impacts on communities living in the vicinity of construction sites through a number of preemptive and mitigation measures. For example, safety management and noise abatement are carried out in accordance with site-specific plans that take the safety and comfort of residents into account. SRV aims to ensure

that construction sites are designed and implemented in a way that minimises impacts on the daily lives of local communities.

SRV's controls include a comprehensive risk management system that focuses on assessing and minimising the risks that construction sites pose to the environment and communities. This system includes:

- Regular internal audits ensure compliance with the management system and compliant operations, and seek to identify improvements and development that will promote safety.
- External audits and inspections
- Daily occupational safety observations

SRV seeks to ensure that personnel have been trained to identify and address the risks and impacts on communities. This includes training on the assessment and management of occupational safety and environmental risks.

SRV has taken action to prevent and mitigate negative impacts on communities around construction sites, such as risk management plans and the environmental measures taken by construction sites. For example, noise, dust and other inconveniences are monitored regularly, including their realisation. This action is taken continuously on a site-by-site basis. SRV will take remedial action in the event of negative impacts such as compromised safety, environmental damage or a deterioration in the living conditions of communities. This includes restoring the environment to its original state or developing preemptive measures. SRV evaluates the effectiveness of its actions through regular assessments, discussions with stakeholders, and the project's metrics.

A dangerous situation involving affected communities occurred during the reporting period. SRV has been involved in a project whose insurance paid compensation for material damages to the affected parties.

SRV uses risk analyses and discussions with stakeholders to identify material impacts and determine the required action. This may include consulting communities and alleviating any potential adverse effects. SRV follows ethical practices in terms of land acquisition, design and construction processes. This includes ensuring that stakeholders, and especially local communities, are consulted and involved at all stages of a project to at least the extent required by law. When applicable, SRV will cooperate with other parties such as government agencies and NGOs. SRV seeks to ensure that remedial action is taken effectively as part of monitoring and assessment processes that can be used to measure the effectiveness of these actions and ensure that they produce the desired results. These monitoring and assessment processes consist of, for example, weekly occupational safety tours and onsite meetings.

SRV recognises that onsite accidents or pollution from construction sites can pose significant risks to local communities, and may have a negative impact on the company's reputation and business. SRV continuously assesses the risks to communities and implements measures to mitigate them. Action will be taken on a project-by-project basis, taking into account the various stages of projects and their associated risks with regard to impacts on their surroundings. These actions are construction activities and form part of the planning and implementation of work stages. This action is continuously being taken to mitigate and minimise impacts on local communities. SRV has implemented the following measures to mitigate these risks:

- Continuous improvements in occupational safety, such as boundaries around construction sites, the safe handling of materials, and clear traffic arrangements.
- The management of environmental risks, such as proactive noise and dust abatement, and the proper

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handling and storage of waste and hazardous substances.

- Communications with local communities, such as regular communications that include information about upcoming work stages that will affect local communities and the feedback channels that are available to them.

Key measures include ensuring the safety of employees and communities, minimising environmental risks and listening to local communities. SRV monitors the effectiveness of its actions with the aid of metrics and regular assessments.

SRV seeks to identify and seize opportunities, such as involving communities and paying attention to – and ensuring – the safety of its projects.

SRV recognises that accidents on construction sites and their potential impacts on employees and third parties are a serious risk. Noise, dust and increased traffic may also have a negative impact on the quality of life of local communities. SRV has implemented several measures to prevent and manage these impacts during the reporting period, and will continue to implement them. These actions include:

1. Ensuring the safety of construction sites
 - Planning and implementing safety measures:
 - All construction sites are clearly surrounded by security fences, and warning signs are visibly placed in critical locations.
 - Internal traffic arrangements on construction sites are designed to prevent third parties from accessing at-risk areas.
2. Environmental incident management
 - Minimising noise and dust:
 - Particularly noisy work stages are carried out during the day to reduce noise disturbances.
 - Dust is prevented from spreading with the aid of, for example, irrigation systems and dust filters.

3. Monitoring the effectiveness of impacts and action

- The analysis of near-misses, accidents and incident statistics:
 - The causes of all accidents on construction sites are investigated, and the lessons learned from the results are used to develop preventive measures.
 - Regular audits:
 - The effectiveness of safety management and environmental controls is regularly assessed with the aid of both internal and external audits.
4. Managing tensions between business pressures and sustainability
- SRV stresses that safety and community confidence are critical to the sustainability of its business.
 - A short-term increase in costs, such as implementing safety and environmental measures, is considered a legitimate investment in safety, the well-being of local communities, the company's reputation and stakeholder relations.

SRV's operating area is Finland, and this is where the aforementioned actions are implemented. The actions are taken with subcontractors, and are continuous. The main expected results are improvements in the prevention and management of environmental and occupational safety risks. These actions will enable SRV to avoid significant environmental damage, reduce its accident frequency rate, and achieve its long-term target of Zero Accidents.

No significant operating expenditure (OpEx) or capital expenditure (CapEx) is required to implement this action plan.

SRV will report any potential serious human rights violations and closely monitor all cases. No serious human rights issues or violations were identified during the reporting period.

SRV has allocated resources to ensure that the material impacts on affected communities are effectively managed. These resources include the following persons and responsibilities:

- The Safety Manager is responsible for the development and implementation of safety policies and measures to combat the grey economy throughout the Group. The Safety Manager and Senior Vice President, HR are responsible for developing and updating occupational health and safety management activities in accordance with their responsibilities.
- The Environmental Manager is responsible for organising maintenance, development, coordination, support, steering and reporting for the environmental system and environmental action throughout the Group. This responsibility also includes monitoring environmental legislation and other official regulations, and proactively assessing their impact on operations.
- HSEQ experts are responsible for health and safety, the environment and quality, and also provide support in these areas.
- HSEQ engineers are responsible for measuring operational quality with the aid of internal audits and internal audit reports.
- Construction sites always appoint an occupational safety organisation and a site-specific occupational safety manager, and all persons working and visiting the site are obliged to report any deviations they observe. Observations are reported via the SRV Turva safety system.
- Construction sites are managed by Site Managers, who are responsible for the construction site as a whole, and also for planning and steering onsite work in terms of finances, schedules, quality, and environmental and safety issues.

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Metrics and targets:

S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

SRV has not set any performance-oriented or time-based targets for affected communities, as SRV's occupational safety work focuses on its own employees and subcontractors in construction site areas controlled by SRV. The monitoring of these metrics and targets is presented in Section S1.

SRV monitors the effectiveness of its policies and actions in relation to sustainability-related material impacts, risks and opportunities. SRV monitors environmental impacts in accordance with its safety and environmental processes. Target levels are defined for SRV's construction sites only, not affected communities. The targets set for construction sites are presented in Sections S1 and E4.

SRV continuously receives site-specific feedback from affected local communities. This feedback is an important part of assessing SRV's operations, correcting any deficiencies and further developing its operating models.

SRV aims to ensure that feedback channels for communities are clear and accessible, and that the views of communities are taken into account in the continuous improvement of the company's operations.

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- **Potential negative impact:** Chemical exposure. Harmful chemicals in construction materials, such as adhesives and paints, can negatively affect indoor air quality. This can expose a building's users to health risks, such as respiratory irritation, allergic reactions, or even more serious health problems in the case of prolonged exposure. Chemicals that are harmful to the environment may also enter bodies of water through waste treatment or run-off waters, and can thereby damage ecosystems. These impacts are directly connected to SRV's procurement and material choices, which are a key part of the company's business model and strategy. The choice of construction materials is a critical factor in managing the negative impacts of chemical exposure. Sustainability is an integral aspect of SRV's strategy, and the company takes the principles of sustainable development into consideration in all of its operations. However, continuous improvement is still necessary to effectively manage supply chains and ensure that the use of harmful chemicals is minimised. The health impacts of chemicals can occur in the short term. For example, users may notice a deterioration in indoor air quality immediately after a building has been commissioned. SRV is primarily involved in these impacts through its own operations, as the company is responsible for both the materials used in its

construction projects and their selection. SRV's business relationships also have a significant impact, and particularly in the supply chain. Supply chain monitoring, the assessment of suppliers' environmental responsibility, and cooperation on reducing the use of harmful chemicals are some of the key ways in which SRV can manage these impacts and ensure that sustainable choices are made.

- **Potential negative impact:** Pollution. Construction projects can cause soil and water pollution, which can have a negative impact on local ecosystems and residents' health. SRV reduces the risk of pollution by developing its construction-phase processes and closely monitoring environmental compliance. These actions protect local ecosystems and keep the environment unpolluted. These impacts are directly related to SRV's business model, in which construction projects form the core of the company's operations. Although processes such as construction work, material handling and waste management can pose pollution risks, they can be influenced by strategic choices. The negative impacts of pollution may be seen quickly, for example, as the immediate pollution of soil and water during construction. In the long term, these impacts may occur in the form of impaired ecosystem functionality or accumulated environmental impacts. SRV is primarily involved through its operations, as the implementation of construction projects, material handling and stormwater management are the company's responsibility. SRV's business relationships, such as the operations of subcontractors and material suppliers, can also have an impact on pollution risks.



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Working with responsible suppliers and partners is therefore a key aspect of managing these risks.

- **Actual positive impact:** Design that supports biodiversity. Green spaces, parks and communal spaces can promote residents' physical and mental well-being by providing opportunities for outdoor recreation. These impacts are directly related to the lifecycle-wise construction objective that is one of the focus areas in SRV's strategy. Design that promotes biodiversity is part of SRV's business model, which emphasises sustainable and resident-centric solutions. Positive impacts can be seen as soon as construction has been completed, when residents have access to green spaces. However, the long-term impacts span many decades, as biodiversity-boosting solutions can maintain and improve ecosystem services and create sustainable habitats in urban environments. SRV is primarily involved in these positive impacts through its own operations, in which the company is responsible for planning and building green spaces and communal areas. These impacts can also be enhanced through collaboration with architects, planners and landscape designers. SRV can also promote biodiversity by recommending solutions to project clients.
- **Risk:** A poor customer and end-user experience can lead to negative media attention, which would harm SRV's brand and in turn impact the company's business.
- **Risk:** Changes in health and safety rules and regulations may affect SRV's operations, and adapting to the amendments may result in additional costs.
- **Opportunity:** By developing and using innovative and sustainable building materials and methods, SRV can improve the quality and safety of buildings, which can lead to cost savings, greater efficiency and improved customer satisfaction.

- **Opportunity:** Harnessing feedback from customers and end-users can help SRV to improve its products and services, resulting in increased customer satisfaction.

SRV's business model and strategy revolve around construction, urban development and the production of sustainable solutions. Through these activities, the company will have a significant impact on consumers and end-users who use buildings built by SRV. Construction materials may cause a reduction in indoor air quality through, for example, chemicals. A construction project may also cause pollution. These factors can affect consumers' quality of life. SRV's choices (including working methods, contractors and operating conditions) play a key role in identifying, managing and minimising impacts on consumers; and they also support the company's commitment to sustainability, safety, and health in all of its operations.

Impacts on consumers are directly related to SRV's strategy and business model, which focus on construction, urban development and the provision of sustainable solutions. Although construction may result in potential adverse effects (such as exposure to chemicals), it can also lead to actual positive impacts, which are a key part of SRV's business model. If consumers live in a building built by SRV, these impacts can be reflected in their quality of life. Strategic decisions – such as material choices, working methods, subcontractors and conditions – can influence how risks relating to consumers are managed.

SRV takes impacts on consumers into account in its strategy and business model by firmly integrating sustainability principles into its operations. This means, for example:

1. Consumer safety and well-being: SRV implements a variety of measures to minimise potential negative impacts and ensure the safety and well-being of consumers. These include the use of low-emission

materials (M1), adequate ventilation in buildings, and compliance with the company's environmental system during construction.

2. Strengthening interactions with consumer customers: Policies include regular communication with customers to address their concerns, including during the warranty period.
3. Integrating sustainability into the subcontracting chain: As part of its value chain management, SRV sets safety and sustainability requirements for its subcontractors and monitors compliance.
4. Adaptation measures: SRV continuously assesses impacts on consumers, and adapts its operating methods on the basis of feedback and assessment results.

SRV's business model is adapted to ensure alignment with the impact/risk ratio, and to integrate consumers' safety and quality of life into the company's strategic decision-making. This is done in, for example, the following ways:

- Preemptive measures: Construction sites have procedures for the procurement and installation of healthy materials and an environmental system that is followed during construction.
- Negative impact management: Advanced technologies and operating models are used to reduce noise, dust and moisture, and SRV complies with the practices specified in its permits.
- Inclusive communications: SRV listens to its consumer customers and openly communicates on progress in its projects, any potential disruptions and how they will be managed.

SRV identifies the impacts and dependencies of its operations on consumers and end-users, as well as the resulting material risks and opportunities. The consumers

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and end-users impacted by SRV's operations and value chain are:

i. Consumers and end-users as users of SRV's buildings

- The potential for chemical exposure may exist in buildings built by SRV due to either the construction materials themselves or damage sustained by them. SRV manages these impacts by using low-emission materials (such as M1-rated materials) and designing and building adequate ventilation for buildings.

ii. Consumers and end-users of the services that may have an impact on privacy, personal data protection, freedom of expression or non-discrimination

- SRV has no services that would affect consumers or end-users in terms of privacy, the protection of personal data, freedom of expression or non-discrimination.

iii. Consumers and end-users who rely on accurate and readily available product or service information

- Everyone who purchases a developer-contracted home from SRV will receive a resident's folder containing instructions on the operation and maintenance of their home appliances and other devices. They are easily accessible for all homeowners. SRV provides guidance for end-users through the building's owner.

iv. Particularly vulnerable consumers, such as children

- SRV does not target its marketing on children or financially vulnerable persons.

The potential material negative impacts are not extensive or systematic, and may instead be related to individual cases, such as a defect in a particular building material or a localised case of environmental contamination.

An actual positive impact is design that supports biodiversity and green habitats, such as green spaces, parks and communal spaces that can contribute to the physical and mental well-being of residents by providing opportunities for outdoor recreation. The actions taken by

SRV that result in positive impacts include lifecycle-wise yard design, which is taken into account in both design and implementation. These positive impacts relate to projects built by SRV, that is, to people who live in Finland and consumers who live in apartment blocks.

The material risks and opportunities in SRV's business that arise from impacts and dependencies on consumers and end-users are:

- Potential risks: A poor customer and end-user experience can lead to negative media attention, which could harm SRV's brand and in turn impact the company's business.
- Changes in health and safety rules and regulations may affect SRV's operations if they are not prepared for in good time.

Opportunities:

- Feedback from consumers and end-users helps SRV to develop new buildings and concepts that can improve the company's competitiveness in the market.

In SRV's business model, these risks and opportunities are taken into account during the company's strategy development and operational decision-making.

In SRV's opinion, there is no greater risk of harm to consumers or end-users who have specific characteristics or who use particular SRV buildings. SRV constructs its buildings to be healthy and safe for all consumers and end-users, and is no longer involved once a building is in use. SRV has also noted that the material risks and opportunities related to its consumers and end-users are not associated with any specific groups of consumers or end-users rather than all consumers.

Impact, risk and opportunity management

S4-1 – Policies related to consumers and end-users

SRV's policy for managing impacts on consumers and end-users is based on both legislative and regulatory compliance and voluntary quality and sustainability practices. Construction complies with strict regulations that govern areas such as health, safety and energy efficiency requirements.

SRV's customer work is defined by its customer promise – “by listening, we build wisely” – and the following policies relating to the personal health and safety of consumers and end-users:

- SRV's Sustainability Policy, in that SRV pays attention to the health and safety of buildings and aims to build living environments that promote well-being. In accordance with its Sustainability Policy, SRV also promotes biodiversity-centric green building that can contribute to the physical and mental well-being of residents. The Sustainability Policy also states that SRV's primary aim is to always avoid harm to the environment. SRV's lifecycle-wise strategy and quality work are also connected to its Sustainability Policy: SRV aims to construct high-quality buildings for customers, so that no harmful chemical exposure occurs. In line with its lifecycle-wise strategy, SRV continuously investigates innovative new sustainable materials and methods. The scope and responsibilities of SRV's Sustainability Policy are covered in more detail in Section E1-2 (Climate Change) of this Sustainability Statement.

In development projects, SRV has described customer paths and determined ways to reinforce its customer promise and enhance its customer experience. Keeping the customer promise is also an important way of

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continually developing benefits for consumers and end-users. Examples include the development of better indoor conditions, flexible concepts for premises, and lifecycle-wise concepts that are cost-efficient in terms of energy consumption and management costs.

In its Sustainability Policy, SRV has committed to respecting human rights in all of its operations, including with regard to consumers and end-users. The company has clear policies and operating models based on the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights in Working Life. These commitments steer SRV's operations in both product and service development and the company's interactions with customers and end-users.

Respecting the human rights of consumers and end-users: SRV identifies significant human rights risks associated with the construction industry, such as providing a safe and healthy environment for end-users. SRV will ensure that design and construction are carried out in accordance with regulations, standards and specifications that ensure the safety and well-being of end-users.

Interaction with consumers and end-users: SRV takes a customer-oriented approach that emphasises open dialogue with consumers and end-users. SRV collects feedback to ensure that its buildings, premises and services meet users' needs and expectations. These interactions help to identify any potential issues with human rights or safety, so that fast and appropriate action can be taken.

Remediating, and enabling the remediation of, human rights impacts: SRV is committed to remediating and preventing any human rights impacts that the company observes. SRV has mechanisms to help end-users and

other stakeholders raise concerns and obtain assistance in implementing the necessary remedial action. These mechanisms allow SRV to respond directly to any questions that are raised and implement the required remedial action, which also promotes sustainable and transparent operations from the viewpoint of consumers and end-users.

SRV's Code of Conduct and Sustainability Policy align with internationally recognised human rights standards for consumers and end-users, including the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights in Working Life. More detailed information about SRV's Code of Conduct and Sustainability Policy is presented in Sections E1-2 and G1-1 of this Sustainability Statement. This means that SRV takes internationally recognised human rights into account when designing and implementing its construction and development projects, and in ensuring the safety, well-being and rights of consumers and end-users. The aforementioned policies help to ensure that SRV constructs accessible premises with safe and healthy indoor conditions.

SRV has not identified any cases in which the aforementioned principles were not followed with regard to consumers and end-users. SRV regularly monitors and supervises compliance with its policies, and remedial action is promptly taken if deficiencies are identified.

S4-2 – Processes for engaging with

SRV has a number of processes and practices to maintain contact with consumers and end-users and their representatives, and particularly in matters related to the health and safety of building users.

SRV uses the following means to gain and enhance its understanding of customers and stakeholders, and to engage with them:

- Customer surveys: On the basis of feedback from customer surveys, SRV will identify potential health and safety concerns and take prompt action to improve the situation as necessary.
- Trailblazers panel and youth panel: SRV organises stakeholder events and consultations at which potential end-users and other interested parties can share their views and concerns. These events enable early dialogue on stakeholder views and needs, and provide SRV with valuable information for project planning.
- By providing information and guidance on projects: SRV seeks to ensure that information relating to the health and safety of buildings reaches all relevant parties. SRV shares safety instructions and bulletins with end-users and their representatives; for example, regarding health and safety or operating instructions relating to the building. Information about construction work will also be shared with residents in surrounding areas.

SRV's new lifecycle-wise concepts are being developed on the basis of customer survey feedback. An example of these concepts are SRV's guidelines for yard design, which have been partially developed on the basis of customer feedback. The concept of lifecycle-wise construction is steering the development of low-carbon structural alternatives, such as the use of sustainable wood or low-carbon concrete.

Most of SRV's communications with consumers and end-users is direct. SRV collects direct feedback from its end-users through both digital and other communication channels. A person has been appointed to take charge of customer interactions centrally, and project-specific contact persons are also appointed.

Contact is made at different stages of a construction project. For corporate customers, feedback is collected as follows:

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- During the rental phase: with tenants after signing the lease agreement.
- During the sales phase: with the buyer after the contract has been signed.
- At the end of the planning phase: with those who are involved in project planning.
- During construction, feedback will be collected:
 - With the first survey of the construction phase, when approximately $\frac{1}{3}$ of the construction period has passed.
 - With the second survey of the construction phase (for projects lasting more than a year), when about $\frac{2}{3}$ of the construction period has passed. In long-term projects, a construction phase survey may be sent several times.
- After the handover of the project, once the handover has been completed.
- After commissioning, at the end of the second (and in longer projects also the fifth) year of the warranty.
- In infrastructure projects, feedback is collected only after handover.
- Feedback from consumer customers is collected as follows:
 - A survey is sent to homebuyers after the purchase experience. Homebuyers' details are fetched from the PDX system on a monthly basis and sent to SRV's partner, who will collect feedback.
 - A moving-in survey is sent to homebuyers after they have moved in. The moving-in survey process is initiated when notification is received from the project that the building is ready for residents to move in.
 - A warranty phase survey is sent to shareholders on the basis of the share register provided by the property manager. The warranty phase survey is sent when notification is received from the project that annual warranty repairs have been completed.

Designated persons in business areas and projects ensure that communications with customers take place. The person in charge of SRV's customer experience regularly reports to operational management and is responsible for stakeholder engagement. The SVP, Communications and Marketing is the member of SRV's senior management who makes sure that feedback is used in the company's decision-making and operating practices, so as to ensure that the views of consumers and end-users are taken into account.

SRV regularly assesses the effectiveness of its communications by analysing feedback and measuring how well customers' expectations and needs have been taken into account in SRV's actions and operations. The results of this assessment will be reported to management and, if necessary, measures will be developed on the basis of the feedback.

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

SRV has a number of processes and operating models to ensure that any negative impacts related to residential safety are corrected, and that end-users receive support. SRV aims to anticipate and prevent negative impacts at a building's design and implementation stage in accordance with safety and quality requirements. However, if any issues do arise, SRV has a rapid response process that will be launched as soon as a residential safety issue is identified during the building's warranty period. This process is defined by the process description for warranty repairs. When a consumer or end-user raises a concern or reports a safety issue, SRV will process their feedback as soon as possible after being made aware of it. The process begins with receipt of the report, after which SRV will conduct the necessary assessments and send experts to investigate the situation in person. SRV will let residents

know how the process is progressing, and will inform them of any remedial action in a clear and timely manner. SRV evaluates the effectiveness of its remedial action with the aid of feedback, and ensures that the company's actions improve the safety and well-being of residents.

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Channels to raise concerns

Residents have several channels available to them for raising and addressing concerns. These channels include:

- **SRV's Kotikanava service** enables residents to contact and report concerns about safety or other issues relating to quality of living
- **Contact persons for housing companies and real estate companies** act as liaisons between residents and SRV. SRV provides these contact persons with guidance and support to ensure that they are able to help residents in the event of a problem.
- **Customer surveys and feedback channels** collect information about residential safety, comfort and the need for improvements.

SRV works with housing companies and property maintenance service providers to ensure that residents have easy access to feedback channels, and that SRV receives their feedback.

SRV will monitor any concerns that have been raised and the action taken. This enables the functionality of these feedback channels to be continually analysed to determine the extent to which they meet consumers' and end-users' expectations. SRV regularly assesses the effectiveness of its feedback channels by, for example, analysing responses to resident surveys.

These processes and channels enable SRV to ensure that residents' safety concerns are effectively addressed, and that any negative impacts on residential safety are corrected promptly in collaboration with all of the parties involved. If anyone wishes to provide anonymous feedback to ensure protection from countermeasures, this feedback can also be provided through SRV's Ethics Channel. More detailed information about the Ethics Channel is presented in Section G1-1 of this Sustainability Statement. SRV has not assessed consumers' and end-users' awareness of these processes and channels, nor their trust in them as a

means of raising concerns or needs. However, the use of these channels demonstrates that at least some consumers and end-users are aware of these opportunities for raising their concerns or needs so that they may be addressed.

S4-4 – Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions and approaches

SRV considers residential safety and the safe use of premises to be critical aspects of its operations. During the construction phase, SRV pursues to ensure that all health and safety regulations and standards are met, and that buildings are designed and implemented with the safety and well-being of their users in mind. SRV has managed and mitigated material safety-related risks with a variety of continuous means and actions, including the following:

- **Good design and the selection of safe products and working methods:** Projects comply with construction standards and, for example, any cleanliness classifications that have been set for them. During the design phase, material emission requirements are set for indoor building materials (material class M1, for example) to prevent exposure to hazardous chemicals. During the planning and implementation phase, adequate ventilation will also be ensured for the building as per the relevant decree or target for the building's indoor air classification. Good ventilation removes contaminants, such as chemicals, from indoor air. To prevent environmental damage and pollution, SRV's operating system contains instructions for water use, dust control, and the use and storage of chemicals. Construction sites are designed in accordance with

these guidelines, and their operations are continuously monitored with the aid of, for example, internal audits.

- **Quality and safety audits:** The quality and safety of buildings are monitored with the aid of inspections and audits to ensure that premises meet both their objectives and regulatory requirements. During the design phase, SRV's design planning steering ensures that the design solution meets the objectives set for the building. These objectives will include good indoor air quality, which is assessed in accordance with material choices and ventilation, and functional structures, which are assessed with the aid of the building physics plan and its implementation. During the reporting period in particular, SRV has also introduced Environmental Product Declarations (EPDs) or similar certificates as a requirement for materials, as they help to identify the material's environmental impacts.
- **Guidelines for consumers and end-users:** SRV provides consumers and end-users with guidance on the safe and healthy use of their homes and premises.

The aforementioned actions are continuous. They are applicable to all of SRV's construction projects, and their geographical scope is therefore Finland. The actions cover procurement and subcontracting in the value chain, and design and planning. They also cover SRV's own operations and any consumers and end-users who are subject to the company's impacts. SRV is not planning any new development projects in this area, and is instead focusing on implementing its current operating model. If SRV detects any health and safety impacts, it will promptly implement remedial action:

- **A rapid response and communications:** Any potential safety and health risks are immediately communicated to users, and the necessary remedial action is taken quickly.
- **Customer feedback channels:** SRV maintains effective feedback channels that allow users to report their

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concerns. These channels help to identify repair needs and ensure that any issues are effectively addressed. SRV also takes the feedback received through its channels into account in the development of the company's products and services.

SRV invests in health and safety measures that exceed minimum requirements, and aims to provide end-users with the best possible safety experience:

- Sustainable and low-emission building materials: SRV uses high-quality, sustainably produced building materials that promote a safe and healthy indoor environment.
- Working with experts: When necessary, SRV will work with external specialists to develop and implement the best possible health and safety practices in its projects.

SRV continuously evaluates the effectiveness of its safety actions and initiatives in the following ways:

- Monitoring and analysis: SRV analyses user feedback and any reports related to health and safety in order to identify areas for development.
- Impact assessments: The effectiveness of SRV's processes is measured by, for example, reviewing the type and number of reports and analysing the success of remedial action.
- Regular reporting: Safety and quality audits are reviewed regularly, and changes in procedures are made on the basis of these assessments.

The success of remedial action will be analysed by, for example, checking whether the same user feedback or reports are still being received even though action has been taken. SRV also monitors changes in the amount of user feedback, and whether user feedback requiring remedial action decreases once action has been taken. Growth in positive user feedback is also monitored.

SRV is committed to preventing and mitigating potential negative impacts on consumers and end-users in all of its business practices, and particularly in sales, marketing and data utilisation. SRV implements a number of actions and practices to achieve this goal:

- SRV's marketing and sales processes follow ethical rules and regulations that prevent consumers and end-users from being misled. SRV ensures that its marketing materials, promotions and salespersons are truthful, clear and understandable, so that consumers and end-users can make informed choices. For example, the criteria for material choices aimed at consumers and end-users include a Finnish M Classification for building materials emissions, which is verified by a third party. The M Classification focuses on emissions from construction materials and furniture into indoor air, and sets acceptable limits for Volatile Organic Compounds (VOCs), formaldehyde and ammonia emissions, and odours. The ventilation level that will maintain good indoor air quality is likewise determined by the S Classification for indoor air. The S classification considers factors such as indoor air quality, odours, temperature conditions and temperature control. This approach guarantees clear criteria for consumers and end-users to avoid chemical exposure and ensure good indoor conditions. These classifications are easily verifiable.

SRV follows data protection policies and pursues to ensure that customers' and users' data is handled responsibly and securely. SRV will only use customer data for legal and ethical purposes, such as to improve customer service and enhance the safety and quality of buildings. The company ensures that data is not used harmfully or against consumers and end-users. SRV's privacy policy is based on the EU General Data Protection Regulation (GDPR) and other applicable regulations, and

customers are guaranteed the right to control their own data.

SRV recognises that tensions may arise between business pressures and ethical principles. In such cases, the company underlines compliance with SRV's Code of Conduct even in the face of challenging situations in its business. SRV has clear decision-making processes to help manage any potential tensions. The company's policies take the rights, safety and well-being of consumers and end-users into account, and SRV aims to consistently favour policies that create long-term value for all parties involved.

SRV has defined a target for good indoor air quality in its lifecycle-wise building concept. In practice, this means that SRV is committed to using materials that do not disperse harmful quantities of chemicals into its buildings. Ventilation is also dimensioned so as to successfully remove contaminants from indoor air in all rooms of a building. Ventilation can be temporarily enhanced in newly completed buildings, so that emissions from residents' new furniture do not lower indoor air quality, and buildings remain healthy for their users. During construction, pollution is prevented by following SRV's environmental guidelines and chemical storage guidelines. Compliance with these guidelines is continuously monitored and audited.

During the reporting period, SRV was not made aware of any serious human rights issues or violations related to consumers or end-users.

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Metrics and targets:

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As SRV will not be involved in a building's operations during its use, the company does not currently have specific measurement-based, performance-oriented and time-based targets related to the health and safety of consumers and end-users. The necessity for such targets (in addition to regulatory requirements) will be assessed as part of SRV's business development, and any required metrics and time limits for monitoring progress would then be established.

Although SRV has not yet set any measurable performance-oriented targets, it continuously monitors the effectiveness of its policies and actions in relation to material sustainability impacts, risks and opportunities as part of the planning and implementation of its construction projects. Monitoring is continuous, and no baseline year has been set.

Efficacy monitoring will be carried out through the following processes:

- Risk management processes that assess and monitor environmental and safety risks associated with consumers and end-users.
- Collecting and analysing customer feedback and end-user experiences, and listening to stakeholders.

The following qualitative and quantitative indicators will be used to assess effectiveness:

- Quality indicators: Trends in customer satisfaction, which is monitored annually, and the number of complaints related to the health and safety of building users. The number of complaints will be compared to that in previous years.

- Quantitative indicators: The number of safety and quality deviations for construction projects compared to the previous year. Indoor air quality indicators for buildings, which must meet the specified classification, such as S2.

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G1 Business conduct

ESRS 2 General Disclosures

Impacts, risks and opportunities:

Corporate culture:

Potential negative impact: In the construction industry, a lack of risk awareness or the underestimation of risks can lead to dangerous situations, as strict safety guidelines must be followed on construction sites. Taking risks can lead to accidents at work and/or environmental damage. There may be a short-term negative impact with respect to SRV's business model, industry and business relationships. These impacts may arise from not providing the company's own workforce or a partner's workforce with adequate training or support in understanding and complying with safety guidelines. This can lead to an increase in accidents, incidents or dangerous situations.

Actual positive impact: Through its corporate culture, SRV can directly and indirectly influence practices in both its value chain and the construction industry as a whole, which can lead to positive impacts. Thanks to its good corporate culture, SRV can be considered reliable and responsible as both a partner and an employer. This is connected to SRV's strategy, which focuses on corporate culture, people and competence. These are short-term impacts that SRV promotes in its own operations and value chain by, for example, setting sustainability targets for procurement and projects.

Risk: Any potential unethical behaviour in supply chains of which SRV is unaware may pose significant risks. This can undermine the company's reputation, and jeopardise both business opportunities and relationships with partners.

Opportunity: SRV can enhance its reputation as a responsible operator and trusted partner through a broad range of action and supervision. The financial impacts will relate to competitiveness (both a risk and an opportunity) and whether or not SRV is an attractive partner.

Opportunity: An open and inclusive culture can improve employees' active participation, commitment to the company, and well-being at work. This can in turn improve productivity and create new business opportunities.

Protecting whistleblowers

Actual negative impact: If whistleblowers are not properly protected, they may be subjected to retaliation, which will reduce people's willingness to report grievances or misconduct. This can undermine corporate culture within the construction industry, and prevent the creation of an operating environment that is based on transparency and trust. Negative impacts may affect both people and the environment. SRV's strategic objectives (openness, trust and sustainability) also require appropriate protection. This negative impact may occur in SRV's own operations or value chain.



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Actual positive impact: Protecting whistleblowers is essential, as it enables them to confidently and safely report any grievances or misconduct. This helps SRV to achieve its strategic objectives, that is, to improve transparency, trust and sustainability in the construction industry and related business operations. SRV's strategic focus is on being a responsible and reliable partner in all of its business relationships. Protecting whistleblowers is an essential aspect of ensuring ethical behaviour and a confidential working environment. These impacts may occur in SRV's own operations and value chain.

Risk: If the anonymity of whistleblowers is not protected, they may be exposed to inappropriate actions, which in extreme cases may include threats. This will prevent employees from reporting their concerns and grievances, which means that problems will go unnoticed. Unlawful conduct will result in financial sanctions. The company's reputation will deteriorate, and its organisational culture will be warped.

Relations with goods suppliers and service providers, including payment practices

Actual negative impact: A lack of action and supervision increases the risk of unethical behaviour. Such activities include the inappropriate treatment of subcontractors, delayed payments, or failure to comply with the terms and conditions of employment contracts. Relationships with suppliers of goods and services are a key part of SRV's business model and strategy, and particularly from the perspective of responsibility and sustainable development. If current sustainability requirements are not met or supervised, the impacts may damage people's well-being and safety, and also indirectly affect the environment. These would probably be short-term upstream impacts, as SRV has an extensive value chain with many partners.

Actual negative impact: Payment practices, terms and conditions have an impact on companies' profitability, and the length of payment terms affects their liquidity and amount of tied capital. Payment policies, terms and conditions have a direct connection to SRV's strategy and business model, and particularly from a profitability and supply chain management perspective. Excessively long payment terms can undermine suppliers' solvency and increase the risk of business disruptions, which can jeopardise project schedules and quality. Payment practices, terms and conditions have short-term impacts that are connected to SRV's business relationships and their management.

Actual positive impact: Cooperation can help to increase sustainability within the construction industry. Good collaboration also increases stakeholder confidence. These impacts are directly connected to SRV's strategy and business model. Working with a diverse network of partners that support the principles of sustainability provides SRV with the opportunity to develop the construction industry's practices in a more sustainable direction and promote the industry's shared sustainability goals. This kind of cooperation increases confidence in the industry, strengthens SRV's reputation as a responsible operator, and supports strategic goals such as supply chain transparency and efficiency. This network can also be used to share best practices, drive innovation and improve overall project quality, which will bring long-term benefits to both business and the industry as a whole. These impacts may affect people and the environment, and may be short, medium or long term. Through its Code of Conduct, SRV can influence its partners and thereby also the upstream value chain.

Actual positive impact: Payment practices, terms and conditions have an impact on companies' profitability, and

the length of payment terms affects their liquidity and amount of tied capital. SRV's fair and timely payment practices support the financial stability of its partners and suppliers, thereby strengthening SRV's business model and strategy, as well as the operating culture within the construction industry as whole. They can also improve suppliers' liquidity, build trust, and promote long-term partnerships. This will in turn improve supply chain efficiency, reduce the risk of business disruptions, and help projects stay on schedule. Well-managed payment practices can also optimise a company's cash flow and reduce its tied capital, thereby improving financial sustainability. These would be short-term impacts related to SRV's business relationships and own operations.

Risk: Any potential unethical behaviour in the supply chain of which SRV is unaware poses significant risks. It could jeopardise the company's reputation and partnerships, and may also cause financial losses.

Opportunity: SRV's actions have a positive impact on supply chain sustainability and collaboration with partners. These measures and controls are opportunities to enhance SRV's reputation as a responsible and trusted partner. The financial impacts will relate to competitiveness (both a risk and an opportunity) and whether or not SRV is an attractive partner.

Incidents of corruption or bribery

Potential negative impact: Corruption undermines competition and competitive neutrality. For example, breaches of the law may result in the company being excluded from public procurement. This has a direct connection to SRV's strategy and business model. The special characteristics of the construction industry, such as managing major financial interests and a close

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connection with public procurement and decision-making, make fighting corruption a critical aspect of sustainable operations. Corruption undermines trust and confidence in companies, government officials and the political system, which can lead to general dissatisfaction and social tensions. For example, the misuse of resources and abandoning low-carbon solutions for financial gain may increase the construction industry's carbon footprint and accelerate the depletion of natural resources. The impacts may occur in the short, medium and long term in SRV's value chain.

Risk: Failure to take anti-corruption and bribery measures will undermine SRV's reputation as a reliable and responsible operator. These measures are increasingly a prerequisite for participation in public competitive tendering, so failure to take such action would weaken the company's future competitiveness. Corruption may also incur penal sanctions. In the future, careless behaviour will result in financial sanctions (CS3D) for companies.

Opportunity: A good reputation will improve the company's competitiveness and thereby its financial opportunities.

Prevention and detection of corruption and bribery, including training

Potential negative impact: Without training, employees may not know how to recognise or respond to corruption. This can lead to more frequent misconduct that is more difficult to detect. This impact is connected to SRV's strategy and business model, and particularly from the perspectives of a risk management, sustainability and ethical business practices. A lack of awareness can also increase stress and negatively affect well-being at work. When projects are carried out without adequate

supervision or ethical reviews, corruption-related practices may aggravate environmental damage and the unsustainable use of natural resources. Impacts may occur in the short, medium and long term in SRV's own operations or upstream value chain.

Actual positive impact: Taking bold remediative action and providing personnel with training will improve sustainability within the construction industry and support SRV's strategic objectives and business model. Clear principles and training will enable employees to do the right thing when issues arise. This will improve well-being at work and give people trust and confidence in the organisation's ethics.

Shared sustainability principles facilitate collaboration in the supply chain and create a foundation for long-term partnerships. Principles that support sustainability and remediative action promote compliance with environmental regulations and the use of sustainable solutions. This supports SRV's lifecycle-wise strategy. These impacts will be felt in the short, medium and long term in SRV's own operations and, through them, also in the upstream value chain.

Risk: Without training in the Code of Conduct, employees are at risk of being unfamiliar with its principles, being unable to recognise non-compliant behaviour, or being unsure how to act when faced with ethically challenging situations. This also increases the risk of sanctions.

Opportunity: Competence development is a significant opportunity to enhance SRV's employer image and reputation as a responsible operator. It can also increase employees' trust and confidence in the company. Increasing partners' awareness also benefits the entire construction industry. The financial impacts will relate to the company's competitiveness (a risk and an opportunity),

and negligence with regard to due diligence will later lead to financial sanctions (CS3D).

G1-1 – Corporate culture and business conduct policies

Identifying the impacts, risks and opportunities associated with SRV's corporate culture, ethics and anti-corruption and anti-bribery policies is an integral part of the company's risk management and responsible business operations. This process is based on the company's Code of Conduct and complies with national regulations and best practices.

SRV's corporate culture and business conduct are guided by the following policies and supplementary guidelines:

General principles for SRV and its partners

SRV's Code of Conduct collates the company's key ethical commitments. The Code of Conduct is presented in more detail elsewhere in this Sustainability Statement: see section E1 Climate Change. All SRV employees agree to comply with the Code of Conduct.

The code includes descriptions of SRV's corporate culture in the following areas: lifecycle-wise construction, a safe and inspiring workplace, a responsible community actor, a responsible and reliable partner network, and how to report concerns.

The Supplier Code of Conduct defines SRV's operating method and what the company requires from its partners. This code applies to all companies (including their employees) that have a contractual relationship with SRV. Operators must ensure that their own subcontractors and suppliers comply with the Supplier Code of Conduct.

The code covers workplace safety, the environment, diversity, equality and non-discrimination, human rights, corruption, money laundering, fighting the grey economy, sanctions, confidentiality, data security, personal data

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protection, fair competition, conflicts of interest, and how to report concerns. SRV's Corporate Executive Team approves the code, and it is the responsibility of the General Counsel. SRV's Supplier Code of Conduct is publicly available on the company's website and is attached to all agreements made between SRV and its partners.

SRV's Sustainability Policy is presented in more detail in Section E1-2 of this Sustainability Statement. The Sustainability Policy outlines the company's reporting practices and its policies on good governance, transparency, anti-corruption and combatting the grey economy.

Policies related to the protection of whistleblowers

SRV's Whistleblowing Policy governs the protection of whistleblowers. This policy is presented in section S1-1 of this Sustainability Statement. In accordance with the policy, SRV ensures that no one who reports their suspicions in good faith and on the basis of their own knowledge will be subjected to any retaliation or discrimination from SRV.

Policies relating to relations with good suppliers and service providers, including payment practices

Relationships with goods suppliers and service providers are specified in SRV's Procurement Policy. It also describes the general principles that apply to SRV's procurement. The policy aims to improve the quality and efficiency of SRV's procurement, make it more systematic, and promote sustainability in all operations. It also seeks to provide guidance for procurement personnel and ensure that all contractors and suppliers are treated fairly. The Procurement Policy is approved by SRV's Corporate Executive Team, and is the responsibility of the Senior Vice President, Counting and Procurement. The Procurement Policy is an internal guideline that is shared with SRV

employees via the company's intranet. Procurement personnel go through the policy as part of their onboarding.

SRV's Know Your Customer (KYC) Policy describes the company's requirements for its partners. In accordance with this policy, SRV works only with reliable and reputable partners in Finland and abroad. The policy specifies how background checks of a partner and their business are carried out, and in particular to prevent money laundering and the financing of terrorism. For example, a company seeking access to SRV's Supplier Register must provide the required information about things such as the company's owners, sustainable operations, and possible inclusion on sanctions lists. The policy is approved by SRV's Corporate Executive Team, and is the responsibility of the General Counsel. This policy is an internal guideline that can be found on SRV's intranet. Procurement personnel go through the policy as part of their onboarding.

Policies related to the prevention and detection of corruption and bribery, including training

The Whistleblowing Policy mentioned earlier in this section defines how SRV handles cases of corruption and bribery. SRV's Code of Conduct also describes how cases are detected and prevented. The Code of Conduct complies with the United Nations Convention against Corruption. SRV also has more detailed guidelines, and provides its employees with training on how to detect and prevent corruption.

SRV's internal guidance on business gifts describes what is considered to be reasonable and customary in terms of hospitality and the giving and receiving of business gifts. The guidelines also cover anti-corruption practices with regard to gifts in SRV's operations. SRV's Corporate Executive Team approves the guidelines, and they are the responsibility of the General Counsel.

SRV's internal guidance on participation in events organised by partners describes the conditions under

which SRV employees may participate in a partner's events. SRV's Corporate Executive Team approves these guidelines, and they are the responsibility of the General Counsel.

SRV's internal guidelines on secondary occupations and conflicts of interest outline the conditions under which SRV employees may engage in secondary occupations and how to handle any potential conflicts of Interest. SRV's Corporate Executive Team approves these guidelines, and they are the responsibility of the General Counsel.

Corporate culture is one of the focus areas in SRV's strategy. SRV's culture is built on its shared values, strategy, customer promise and operating method. SRV's values – sustainability, enthusiasm, bold in development, profitability and open in cooperation – guide the company's operations. The HR and Nomination Committee assesses successor planning and the activities of senior management, plans competence development for management and personnel, and monitors corporate culture and working capacity.

SRV's employees and stakeholders are encouraged to report any instances in SRV's operations that involve non-compliance with legislation, regulations or SRV's Code of Conduct, or which go against SRV values. The Ethical Channel links to a whistleblowing service that is managed by an external service provider on SRV's behalf. Reports will be processed within seven (7) days of receipt. An independent third party will pre-process the reports and send information to the persons appointed by SRV. The persons at SRV who are responsible for investigating these reports are the Chair of the Board of Directors' Audit Committee, the Group CEO, and the General Counsel. The Senior Vice President, HR also participates in the investigation of HR-related reports. The appointed persons will decide if any further action is required. SRV will let the informant know what action has been taken within three (3) months of acknowledgement of the report's receipt. The

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Ethics Channel will be the primary means of communication.

The law prohibits retaliation against informants and preventing people from making reports. SRV will ensure that no one who reports their suspicions in good faith and on the basis of their own knowledge will be subjected to any retaliation or discrimination from SRV. Any informant who has experienced retaliation should promptly report it via the Ethics Channel.

All SRV personnel must complete an e-learning course on SRV's Code of Conduct on an annual basis. Activities that are more vulnerable to corruption and bribery include procurement, land acquisition, property development, and competitive tendering.

G1-2 – Management of relationships with suppliers

SRV's Procurement Policy sets out the company's policies with respect to suppliers and subcontractors. The policy focuses on long-term collaboration, transparency and sustainable practices at all stages of the supply chain. Compliance with the Procurement Policy supports the reliability and sustainability of the supply chain. SRV's procurement process adheres to its Supplier Code of Conduct and Procurement Policy. There are clear requirements for suppliers, who must be treated equally. This ensures mutual trust and ethical behaviour within the supply chain.

SRV has payment terms that aim to ensure timely payment for all suppliers, including SMEs. SRV has standard payment terms, meaning that all payments are made within an average of 30 days of receipt of the invoice. The payment terms are 30 days for individual contracts and 45 days for annual contracts. For certain contract items, the terms are 14 days from the customer's request. The basis of payment is always agreed on separately for each contract in the contractor agreement.

The following measures in particular are used to prevent delays in payments to SMEs:

1. The use of payment instalment tables and unit price lists allows payments to be made in accordance with work phase progress.
2. Payment terms are agreed upon on a contract-by-contract basis so as to take SMEs' cash flow needs into account. In some cases, SRV uses shorter payment times (such as 14 days).
3. An internal control system ensures the smooth and timely processing of invoices in order to prevent any delays.

SRV's Supplier Code of Conduct contains key procedures that must be followed throughout the supply chain. The Code aims to describe SRV's approach and clarify what the company requires from its partners in practice during collaboration.

SRV's suppliers must comply with this Code of Conduct (or equivalent practices), and ensure that their own suppliers and subcontractors do the same. This is to ensure that everyone in the supply chain has a shared and consistent understanding of SRV's values and ethical practices.

SRV's Procurement Policy states that SRV works only with reliable and reputable partners in Finland and abroad. SRV only approves companies that have completed SRV's sustainability survey (KYC) and received a sustainability rating. The selection process for suppliers also highlights environmental criteria. SRV will investigate the carbon dioxide emission impacts of products and materials from contractors and suppliers, as well as the cost impacts of alternative green products. When emissions can be confirmed, they will be included as one of the criteria for tender comparisons. Procurement decisions will be made on the basis of price, quality, delivery reliability and environmental criteria.

SRV's Know Your Customer (KYC) Policy specifies that the company must be able to reliably establish the background of subcontractors and other partners, including the exact nature of their business, both before and during any cooperation. This aims to prevent money laundering and the financing of terrorism. Knowing exactly who the company is partnering with is also important in ensuring that SRV's decision-making does not lead to conflicts of interest.

SRV uses a procurement system for contract-related purchases. Any company seeking access to SRV's Supplier Register must provide the required information about things such as the company's owners, sustainable operations, and possible inclusion on sanctions lists. If it becomes apparent that a partner is not meeting SRV's requirements, SRV will end the partnership.

G1-3 – Prevention and detection of corruption or bribery

All of SRV's management and personnel receive annual training on how to detect and prevent bribery and corruption. This training covers SRV's Code of Conduct plus any additional training that may be required. The training takes into account all groups who may be subject to bribery and corruption. The course is completed via an online platform from which it is possible to check who has completed the training. SRV monitors training coverage in order to achieve the objectives of its Code of Conduct. The target is for all SRV personnel to complete training in SRV's Code of Conduct on an annual basis. This supports SRV's objectives to reinforce shared values and ethical behaviour within the organisation. It is a continuous objective with a 100% annual target. The unit of measurement is the percentage of personnel who have completed the training per calendar year. The performance rate of the financial period was 97 per cent. This percentage is calculated using source data from the training platform. The results are

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monitored annually on the basis of employee training data, and progress is reported to management.

SRV has a set of policies, guidelines and rules that are designed to prevent bribery and corruption. They include:

- SRV's Code of Conduct and Supplier Code of Conduct, which underline the company's zero tolerance for bribery and corruption.
- A Whistleblowing Policy. SRV has an anonymous reporting channel (whistleblowing system) that enables employees and other stakeholders to report suspected misconduct without fear of consequences.
- SRV's Guidelines for Business Gifts provide instructions on the giving and receiving of business gifts.

Reports made via the whistleblowing channel will be treated confidentially. The people who process these reports are subject to a statutory non-disclosure agreement. Anyone who is the subject of a report, or who is judged to be otherwise disqualified, may not participate in the investigation of the said report. If the report concerns a member of the whistleblowing team, they will not be allowed to investigate that report. SRV employees who are in any way involved in a suspected misdemeanour or suspected misconduct do not have the right to influence any of the policies or decisions that may be made as a result of that report.

If the content of the report concerns an internal processor other than the Chair of the Board of Directors' Audit Committee, then the external processor of the report will handle it with the Chair of the Audit Committee and another internal processor. If all of the internal processors are involved, the external processor will discuss the processing of the report with the Chair of SRV Group Plc's Board of Directors.

Reports of completed investigations will be sent to SRV's Group Corporate Executive Team as required. The Corporate Executive Team is responsible for, and decides on, any action that may be required on the basis of the

results. If the subject of the report is the CEO or a member of the Corporate Executive Team, the results will be forwarded to the Chair of the Board of Directors. In this case, the Board of Directors will be responsible for, and decides on, any corrective action that may need to be taken on the basis of the results. The internal processor (General Counsel) regularly reports (at least annually and as required) to both the Corporate Executive Team and Board of Directors. These reports may include statistics from the previous reporting period, as well as upper-level descriptions of the themes and investigation results. Only closed cases are reported on. Ongoing investigations will not be reported on outside of the investigation team unless there is a specific reason to do so.

New recruits go through the Code of Conduct during their onboarding process, and personnel agree to comply with it. Suppliers will likewise go through the Supplier Code of Conduct when signing contracts, and must agree to comply with the Supplier Code of Conduct when entering into a contract with SRV.

During the reporting period, SRV provided training on how to prevent bribery and corruption as per the table below.

SRV's Code of Conduct training, which includes information on preventing corruption and bribery	Administration, management and supervisory bodies	Risk functions	Other personnel
Training coverage			
Total number of people	15	46	761
Total number of trained people	15	44	735
Training method and duration			
Online learning	20 min	20 min	20 min
Recurrence			
How often do you need to train	Annually	Annually	Annually
Topics covered			
Identifying corruption	x	x	x
Policies related to partners	x	x	x
Reporting concerns	x	x	x

The figures are based on data concerning completion of SRV's e-learning course and information collected from administrative and supervisory bodies. Procurement is considered to be an at-risk activity.

Metrics and targets

G1-4 – Confirmed incidents of corruption or bribery

During the reporting period, SRV did not receive any sentences or fines for non-compliance with anti-bribery or anti-corruption legislation.

G1-6 – Payment practices

SRV's average payment time for invoices is 30 days. This has been calculated by reviewing the invoices in the invoice system and calculating the average time between the invoice date and payment date. This calculation has not been verified by an external body. SRV's payment terms are 30 days for individual contracts and 45 days for annual contracts. For certain contract items, the terms are 14 days from the customer's request.

SRV has paid 100% of invoices in accordance with these practices.

SRV has no pending legal proceedings resulting from delayed payments.

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FINANCIAL INDICATORS OF THE GROUP

		2024	2023	2022	2021	2020
Revenue	EUR million	745.8	610.0	770.1	932.6	975.5
Operative operating profit ¹⁾	EUR million	10.3	1.1	18.9	5.3	5.8
Operative operating profit, % revenue	%	1.4	0.2	2.5	0.6	0.6
Operation profit	EUR million	12.0	-6.8	-76.4	-1.7	1.5
Operation profit, % revenue	%	1.6	-1.1	-9.9	-0.2	0.2
Operation profit, excl. IFRS16 ¹⁾	EUR million	7.7	-10.8	-79.6	-6.9	-2.7
Operation profit, % revenue excl. IFRS16 ¹⁾	%	1.0	-1.8	-0.7	-0.7	-0.3
Profit before taxes	EUR million	5.7	-15.7	-79.1	-20.3	-28.0
Profit before taxes, % of revenue	%	0.8	-2.6	-10.3	-2.2	-2.9
Net profit attributable to equity holders of the parent company	EUR million	5.3	-15.1	-85.7	-19.9	-22.8
Return on equity, %	%	3.7	-10.6	-55.0	-11.5	-14.1
Return on investment, %	%	5.5	-2.6	-10.1	-0.6	-0.8
Return on investment % excl. IFRS16 ¹⁾	%	6.1	-6.2	-14.9	-2.1	-2.0
Capital employed	EUR million	283.6	277.7	271.9	403.0	566.8
Capital employed excl. IFRS16 ¹⁾	EUR million	189.5	179.6	186.4	319.4	436.0
Equity ratio %	%	35.1	34.4	36.3	27.4	22.6
Equity ratio excl. IFRS16, % ¹⁾	%	48.2	48.0	48.2	32.8	27.8
Net interest-bearing debt	EUR million	96.2	99.4	80.5	170.0	289.1
Net interest-bearing debt excl. IFRS16 ¹⁾	EUR million	-9.2	-6.3	-11.5	81.0	152.9
Net gearing ratio, %	%	65.5	71.7	55.1	103.0	159.7
Net gearing ratio excl. IFRS16, % ¹⁾	%	-6.0	-4.3	-7.5	47.5	82.1
Order backlog ²⁾	EUR million	1,052.8	1,048.6	838.8	872.3	1,153.4
New agreements	EUR million	691.2	781.4	624.6	588.6	707.1
Personnel on average		799	778	948	959	991

1) Alternative performance measures used in reporting
The company discloses certain other widely used performance measures that can for the most part be derived from the income statement and balance sheet. The formulas for these performance measures are provided in the next page. In the company's view, these measures clarify the result of operations and financial position based on the income statement and balance sheet. SRV presents key figures for operative operating profit and operating profit margin in the interim report. The key figure for operative operating profit is considered to provide a better picture of the Group's operations when comparing the reported period to earlier periods. In accordance with IFRS, the currency exchange rate gains and losses of associated companies as well as income and expenses from hedging are eliminated from operating profit. The currency exchange rate gains and losses of associated companies

are included above operating profit on the line "share of results of associated companies". Income and expenses from currency hedging are included above operating profit on the line "other operating expenses". SRV presents key figures excluding effect of IFRS 16 standard. The company publishes alternative key figures, that is, IFRS 16 key figures that have been adjusted to exclude the impact of the IFRS 16 Leases standard on the balance sheet and result.

2) At the end of the period

3) On 4 July 2022, SRV Group Plc executed a reverse share split. The reverse share split and related redemption of shares were executed so that each 40 shares of SRV was merged into one share. The key figures for the comparison periods have been adjusted. The right issue factor used was 1.4339. Share price development has not been adjusted.

		2024	2023	2022	2021	2020
Earnings per share ³⁾⁴⁾	EUR	0.18	-1.02	-6.62	-2.30	-4.26
Earnings per share (diluted) ³⁾³⁾	EUR	0.16	-1.02	-6.62	-2.30	-4.26
Equity per share ³⁾	EUR	8.7	8.2	8.6	17.6	19.7
Equity per share (excluding hybrid bond) ³⁾	EUR	6.7	6.2	6.7	15.9	18.0
Dividend per share ³⁾	EUR	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio, % ³⁾	%	neg.	neg.	neg.	neg.	neg.
Dividend yield, % ³⁾	%	0.0	0.0	0.0	0.0	0.0
Price per earnings ratio (P/E-ratio)		neg.	neg.	neg.	neg.	neg.
Share price development						
Share price at the end of the period	EUR	4.66	4.08	3.80	0.53	0.59
Average share price	EUR	5.11	3.90	9.17	0.61	0.60
Lowest share price	EUR	3.59	3.15	3.19	0.45	0.45
Highest share price	EUR	6.80	4.69	16.12	0.81	1.10
Market capitalisation at the end of the period	EUR million	78.9	69.1	64.4	138.9	154.7
Trading volume ³⁾	1,000	1,837	1,893	25,033	45,701	45,524
Trading volume, % ³⁾	%	11.2	11.2	189.2	17.4	26.2
Weighted average number of shares outstanding ³⁾	1,000	16,938	16,938	13,231	9,398	6,234
Weighted average number of shares outstanding (diluted) ⁵⁾	1,000	32,058	16,938	13,231	9,398	6,235
Number of shares outstanding at the end of the period ³⁾	1,000	16,938	16,938	16,938	9,398	9,398
Effect of currency exchange fluctuations	EUR million	0.0	-2.6	7.3	1.5	-4.4

4) When calculating earnings per share, the interest on the hybrid bond is deducted from the profit for the financial year, tax adjusted.
When calculating diluted earnings per share, the result for the review period is divided by the diluted number of shares. The diluted number of shares takes into account the maximum number of shares in accordance with the conversion rights under the terms and conditions of SRV's hybrid bond as well as the numbers of shares corresponding to the gross rewards from the earnings periods of SRV's incentive plans. Earnings per share for the previous financial years have not been diluted, as the results were a loss.
5) The diluted number of shares takes into account the maximum number of shares in accordance with the conversion rights under the terms and conditions of SRV's hybrid bond as well as the numbers of shares corresponding to the gross rewards from the earnings periods of SRV's incentive plans.

CALCULATION OF KEY FIGURES

Return on equity, %	=	100 x	$\frac{\text{Total comprehensive income for the period}}{\text{Total equity, average}}$
Capital employed			Total assets – non-interest bearing debt – deferred tax liabilities – provisions
Capital employed, excl. IFRS16			Total assets – non-interest bearing debt – deferred tax liabilities – provisions – property, plant and equipment, right -of-use asset – inventories, right -of-use asset
Return on investment, %		100 x	$\frac{\text{Operating profit + interest and other financial income (incl. exchange rate gains and losses) + Financial receivables write-down and sales loss}}{\text{Invested capital, average}}$
Return on investment, % excl. IFRS16		100 x	$\frac{\text{Operating profit + interest and other financial income (incl. exchange rate gains and losses)}}{\text{Capital employed excl. IFRS16, average}}$
Equity ratio, %		100 x	$\frac{\text{Total equity}}{\text{Total assets – advances received}}$
Equity ratio,% excl. IFRS16		100 x	$\frac{\text{Total equity – IFRS16 depreciations, leases and interest and financial expenses recognised in income statement - IFRS16 Retained earnings}}{\text{Total assets – advances received – IFRS16 depreciations, leases and interest and financial expenses recognised in income statement}}$
Net interest-bearing debt			Interest-bearing debt – cash and cash equivalents
Net interest-bearing debt excl. IFRS16			Interest-bearing debt - interest-bearing lease liabilities – cash and cash equivalents
Net gearing ratio, %		100 x	$\frac{\text{Net interest-bearing debt}}{\text{Total equity}}$
Net gearing ratio,% excl. IFRS16		100 x	$\frac{\text{Interest-bearing debt - interest-bearing lease liabilities – cash and cash equivalents}}{\text{Total equity – IFRS16 depreciations, leases, interest and financial expenses recognized in income statement}}$

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Earnings per share attributable to equity holders of the parent company		$\frac{\text{Result for the period – non-controlling interest – hybrid bond interest, tax adjusted}}{\text{Average number of shares}}$
Earnings per share attributable to equity holders of the parent company (diluted)		$\frac{\text{Result for the period – non-controlling interest – hybrid bond interest, tax adjusted}}{\text{Average number of shares (diluted)}}$
Equity per share		$\frac{\text{Shareholders' equity attributable to equity holders of the parent company}}{\text{Average number of shares at end of period}}$
Equity per share (without hybrid bond)		$\frac{\text{Shareholders' equity attributable to equity holders of the parent company – hybrid bond}}{\text{Average number of shares at end of period}}$
Price per earnings ratio (P/E-ratio)		$\frac{\text{Share price at end of period}}{\text{Earnings per share}}$
Dividend payout ratio, %	100 x	$\frac{\text{Dividend per share}}{\text{Earnings per share}}$
Dividend yield, %	100 x	$\frac{\text{Dividend per share}}{\text{Share price at end of period}}$
Average share price		$\frac{\text{Number of shares traded in euros during the period}}{\text{Number of shares traded during the period}}$
Market capitalisation at the end of the period	=	Number of shares outstanding at the end of the period x share price at the end of the period
Trading volume	=	Number of shares traded during the period and their percentage of the weighted average number of shares outstanding
Operative operating profit	=	Operating profit +/- currency exchange rate gains and losses +/- income and expenses from hedging +/- items affecting comparability

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Consolidated Income Statement

EUR 1,000	Note	2024	2023
Revenue	3	745,813	610,030
Other operating income	4	1,135	288
Change in inventories of finished goods and work in progress		5,083	2,338
Use of materials and services		-652,524	-527,967
Employee benefit expenses	7	-71,482	-66,214
Share of profits of associated and joint venture companies	16	3,116	1,197
Depreciation and appreciation	6	-8,647	-5,742
Appreciations of investments	6	1,817	-8,879
Other operating expenses	5	-12,334	-11,843
Operating profit		11,976	-6,793
Financial income	9	3,374	2,290
Financial expenses	9	-9,686	-11,231
Financial income and expenses, total		-6,312	-8,941
Profit before taxes		5,665	-15,734
Income taxes	10	-404	620
Net profit for the financial year		5,260	-15,114
Attributable to			
Equity holders of the parent company		5,260	-15,114
Non-Controlling interests		0	0
Earnings per share attributable to equity holders of the parent company, euros	11	0.18	-1.02
Earnings per share attributable to equity holders of the parent company, euros	11	0.16	-1.02

Statement of Comprehensive Income

EUR 1,000	Note	2024	2023
Net profit for the financial year		5,260	-15,114
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Gains and losses arising from translating the financial statements of a foreign operation		0	10,094
Share of other comprehensive income of associated and joint ventures companies	16	4,947	-93
Other comprehensive income for the year, net of tax		4,947	10,001
The share of comprehensive income attributable to equity holders of the parent company		4,947	10,001
Non-controlling interests in comprehensive income		0	0
Total comprehensive income for the year		10,207	-5,113
Total comprehensive income attributable to:			
Equity holders of the parent company		10,207	-5,113
Non-Controlling interests		0	0

Consolidated Balance Sheet

EUR 1,000	Note	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	13	6,778	5,453
Property, plant and equipment, right -of-use asset	13	3,015	7,640
Goodwill	14	1,734	1,734
Other intangible assets	14	498	672
Shares in associated companies and joint ventures	16	3,056	3,780
Other financial assets	15, 17	7,111	7,802
Receivables	15, 18	1,485	7,050
Deferred tax assets	19	36,880	36,751
Non-current assets, total		60,557	70,883
Current assets			
Inventories	20	167,124	157,370
Inventories, right -of-use assets	20	88,265	88,488
Trade and other receivables	15, 22	94,278	81,984
Loan receivables from associated companies and joint ventures	15, 21	0	274
Current tax receivables		1	0
Cash and cash equivalents	23	40,543	39,595
Current assets, total		390,211	367,711
ASSETS, TOTAL		450,767	438,594

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EUR 1,000	Note	2024	2023
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	25	3,063	3,063
Invested free equity fund	25	303,559	303,559
Translation differences	25	0	-4,947
Retained earnings		-193,323	-196,529
Equity attributable to equity holders of the parent company, total		113,298	105,146
Hybrid bond	25	33,529	33,529
Non-controlling interests		0	0
Total equity		146,827	138,675
Non-current liabilities			
Deferred tax liabilities	19	227	236
Provisions	26.0	10,005	10,352
Interest-bearing liabilities excl. lease liabilities	15, 27	31,170	31,386
Interest-bearing lease liabilities	27	102,758	103,118
Other liabilities	15, 28	3,098	3,098
Non-current liabilities, total		147,257	148,191
Current liabilities			
Trade and other payables	15, 28	146,335	138,415
Current tax payables (based on profit for the financial year)		9	9
Provisions	26	7,540	8,800
Interest-bearing liabilities excl. lease liabilities	15, 27	138	1,902
Interest-bearing lease liabilities	27	2,661	2,604
Current liabilities, total		156,683	151,729
Liabilities, total		303,940	299,919
EQUITY AND LIABILITIES, total		450,767	438,594

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Consolidated Statement of Changes in Equity

Equity attributable to equity holders of the parent company								
EUR 1,000	Share capital	Invested free equity fund	Translation differences	Retained earnings	Total	Hybrid bond	Non-controlling interests	Equity, total
Equity, total, 1 Jan 2023	3,063	303,559	-14,948	-179,019	112,655	33,529	0	146,184
Net profit for the financial year	0	0	0	-15,114	-15,114	0	0	-15,114
Other comprehensive income items (with the tax effect)								
Foreign currency translation differences for foreign operations	0	0	10,094	0	10,094	0	0	10,094
Share of other comprehensive income of associated companies and joint ventures	0	0	-93	0	-93	0	0	-93
Other financial assets	0	0	0	0	0	0	0	0
Other comprehensive income total	0	0	10,001	0	10,001	0	0	10,001
Comprehensive income for the financial year	0	0	10,001	-15,114	-5,113	0	0	-5,113
Transactions with the owners								
Purchase of own shares	0	0	0	-96	-96	0	0	-96
Share based incentive plan	0	0	0	-73	-73	0	0	-73
Hybrid bond interest with tax effect	0	0	0	-2,227	-2,227	0	0	-2,227
Transactions with the owners, total	0	0	0	-2,396	-2,396	0	0	-2,396
Equity, total, 31 Dec. 2023	3,063	303,559	-4,947	-196,529	105,146	33,529	0	138,675

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Equity attributable to equity holders of the parent company								
EUR 1,000	Share capital	Invested free equity fund	Translation differences	Retained earnings	Total	Hybrid bond	Non-controlling interests	Equity, total
Equity, total, 1 Jan 2024	3,063	303,559	-4,947	-196,529	105,146	33,529	0	138,675
Net profit for the financial year	0	0	0	5,260	5,260	0	0	5,260
Other comprehensive income items (with the tax effect)								
Foreign currency translation differences for foreign operations	0	0	0	0	0	0	0	0
Share of other comprehensive income of associated companies and joint ventures	0	0	4,947	0	4,947	0	0	4,947
Other financial assets	0	0	0	0	0	0	0	0
Other comprehensive income total	0	0	4,947	0	4,947	0	0	4,947
Comprehensive income for the financial year								
	0	0	4,947	5,260	10,207	0	0	10,207
Transactions with the owners								
Purchase of own shares	0	0	0	-91	-91	0	0	-91
Share based incentive plan	0	0	0	266	266	0	0	266
Hybrid bond interest with tax effect	0	0	0	-2,227	-2,227	0	0	-2,227
Transactions with the owners, total	0	0	0	-2,054	-2,054	0	0	-2,054
Equity, total, 31 Dec. 2024	3,063	303,559	0	-193,323	113,298	33,529	0	146,827

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1 000 euroa	2024	2023
Cash flows from operating activities		
Cash receipts from customers	731,905	615,812
Cash receipts from other operating income	1,135	288
Cash paid to suppliers and employees	-728,407	-606,557
Net cash before interests and taxes	4,634	9,543
Interests received and other financial income	3,478	992
Interests paid and other expenses from financial costs	-7,747	-8,740
Income taxes paid or received	0	-146
Cash flows from operating activities	365	1,649
Cash flow from investing activities		
Purchase of tangible and intangible assets	-2,586	-2,923
Sale of tangible and intangible assets	427	253
Purchase of investments	-2,072	-1,831
Proceeds from sale of investments	2,281	1,108
Subsidiary shares sold	10,126	1,819
Investments in associated companies and joint ventures	0	-80
Loans granted	0	-274
Proceeds from repayments of loans	0	242
Net cash used in investing activities	8,176	-1,686
Cash flows from operating and investing activities in total	8,541	-37

EUR 1,000	2024	2023
Cash flow from financing activities		
Proceeds from loans	586	0
Repayment of loans	-1,845	-10,000
Hybrid bond interests	-2,784	-2,784
Change in housing corporation loans	-720	9,784
Purchase of own shares	-91	-96
Repayment of lease liabilities	-2,737	-2,581
Net cash flow from financing activities	-7,593	-5,677
Net change in cash and cash equivalents	948	-5,714
Cash and cash equivalents at the beginning of period	39,595	45,309
Effect of exchange rate changes in cash and cash equivalents	0	0
Cash and cash equivalents at the end of period	40,543	39,595

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Description of operations

SRV Group Plc and its subsidiaries (SRV Group) comprise one of Finland's leading project management contractors that builds and develops commercial and business premises, housing as well as industrial and logistics projects mostly in Finland. The main company is SRV Construction Ltd. Construction encompasses housing construction, business construction, technical units and procurement, as well as internal services in Finland.

SRV has no assets held for sale according to IFRS 5 during the review period. With a transaction completed on 20 December 2024, SRV has sold its last remaining asset in Russia, a 50 per cent holding in the Pearl Plaza shopping centre in St. Petersburg to CP Invest Limited. The sale is the final part of SRV's actions pursuing to exit from all of its operations in Russia since 2022.

The Group's parent company, SRV Group Plc (the Company) is a Finnish public limited company, that is domiciled in Espoo, Finland. The Company's registered address is Tarvonsalmenkatu 15, 02601 Espoo.

The Company's Board of Directors approved these consolidated financial statements on 3 March 2025.

Accounting policies

The consolidated financial statements have been prepared on 31 December 2024 in accordance with IFRS (IFRS Accounting Standards). IFRS Accounting Standards refer to the standards and their interpretations issued and approved for application within the EU in accordance with the procedure prescribed in EU regulation (EC) 1606/2002.

The financial statements are presented in thousands of euros unless otherwise stated. The consolidated financial statements have been prepared based on a

historical cost basis, except for financial assets and liabilities at fair value through income statement and derivative contracts measured at fair value as well as share-based payments which are measured at fair value.

Following standards, interpretations and amendments have been applied on the financial year beginning from 1 January 2024:

Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

The amendments add disclosure requirements regarding supplier financing arrangements (SFAs). The objective of the new disclosures is to provide information about the arrangements that enable investors and other users of the financial statements to assess the effects of the arrangements on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following:

- The terms and conditions of SFAs.
- The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
- The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers.
- The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
- Non-cash changes in the carrying amounts of financial liabilities in (b).
- Access to SFA facilities and concentration of liquidity risk with finance providers.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current with Covenants

According to IAS 1, to classify a liability as non-current, an entity must have the right to defer settlement of the liability for at least twelve months after the reporting period. The amendments clarify that:

- covenants of loan arrangements which an entity must comply with only after the reporting date do not affect the classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.
- the classification of financial liabilities as current or non-current is unaffected by management intention or expectations about whether an entity will exercise its right to defer settlement of a liability or settlement of the liability between the end of the reporting period and the date the financial statements are authorised for issue
- the settlement refers to a transfer to the counterparty that results in the extinguishment of the liability. The transfer could be of cash or other economic resources or the entity's own equity instruments.
- terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do

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not affect its classification as current or non-current if the entity classifies the option as an equity instrument, recognising it separately from the liability as an equity component of a compound financial instrument.

The amendments introduce additional disclosure requirements on loans which contain covenants including:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments shall be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

The narrow-scope amendments to requirements for sale and leaseback transactions in IFRS 16 explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains in the sale and leaseback transaction.

The amendments could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

Use of estimates

The preparation of financial statements in accordance with IFRS requires the Group's management to make certain estimates and exercise judgement in applying accounting policies. The estimates and assumptions have an effect on balance sheet assets and liabilities as well as on revenues, expenses and contingent liabilities for the reporting revenue recognition of construction contracts, in the measurement of current assets, in the measurement of warranty and other provisions, in the valuation of investments in associates and joint ventures, in the recognition of current income tax assets and liabilities, and the measurement of assets held for sale.

Assets recognised as revenue over time are controlled by the customer, and the revenue and expenses of these customer projects are recognised as revenue and expenses based on percentage of completion, when the outcome of the project can be reliably estimated. Percentage of completion is determined by calculating for each project the share of expenses accrued by the balance sheet date relative to total expenses estimated for each project. The amount corresponding to the percentage of completion is recognised as revenue. When it is probable that total costs necessary to complete a project will exceed total revenue obtained from the project, the expected loss is recognised immediately as an expense.

Development and developer-contracted projects may include variable considerations that may result, for example, from delay penalties and lease liabilities. The compensation received by SRV is affected by leasing performance, that is, the actual occupancy rate and the amount of rent payable. The agreements in question limit the recognition of income from variable compensation and do not recognise income from the share of variable compensation that is highly unlikely to be realised. Management's project-specific estimates of the amount of

variable compensation of which realisation is highly unlikely and any uncertainty factors are taken into account in project revenue recognition.

The Group carries out an annual impairment testing of goodwill and intangible assets having an indefinite useful life. The recoverable amounts of cash-generating units have been defined on the basis of value in use calculations. The preparation of these calculations requires use of estimates.

Warranty provisions and 10-year warranty provisions are recorded when the amount of the provision can be estimated reliably. The recorded amount is the best estimate of the expected cost that will be required to meet the claim as of the balance sheet date. The estimate concerning probability of costs is based on previous similar events and previous experience and it requires judgement from the Group management.

When preparing the financial statements the Group estimates the net realisable value of current assets and the possible consequent need for write down. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made as to the amount the inventories are expected to realise. Assessing the need for impairment of inventory items may require management to make estimates of matters such as the future costs of development and construction, the future income and expenses accruing from the item, the market return requirement at the time of realisation and the sale value of the item.

The Group assesses the value of these investments in connection with financial statements and when there are indications of impairment. Based on an assessment of the value of the associated companies and joint ventures that own completed properties, a valuation calculation is prepared for properties. For significant investments, the Group obtains external property assessments, if necessary. The determination of the present value of

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investments is subject to assessment because present value calculations include, for example, future rental income, rental discounts given, turn-over based rental income, occupancy rate, the running costs of the property and the required return (yield).

When preparing the financial statements the Group especially estimates if there is a need for recognition of deferred taxes. The Group prepares an estimate about the probability of the profits of group companies against which the unused tax losses or unused tax credits can be used.

Lawsuits have been filed against SRV Construction Ltd, a subsidiary of SRV Group Plc, in the District Court of Central Finland, relating to the fire of the apartment building in Palokka, Jyväskylä, that took place in 2020. The total amount of lawsuits initiated by clients of the project and insurance companies is around 8 million euros. Based on external legal assessments, there are strong grounds for rejecting the lawsuits.

Consolidated Financial Statements**Subsidiaries**

The consolidated financial statements comprise all such companies that belong to parent company SRV Yhtiöt Oyj where the Group has authority. The Group has authority in a company if the Group, by being involved in it, is susceptible to or entitled to its changing revenue, and is capable of exerting an impact on the revenue concerned by applying its authority in a manner that affects the company concerned. The subsidiaries will be combined within the consolidated financial statements from the day that authority is transferred to the Group, and the combination will end on the day when this authority ceases. The balance sheet items of self-sufficient construction projects are comprised within the consolidated financial statements.

The financial statements of the SRV Group have been consolidated using the purchase method. Acquisition cost

is determined by taking into account funds given as consideration and measured at fair value, and liabilities assumed, as well as the direct costs of an acquisition. Acquired and identifiable assets and liabilities are measured at fair value at the acquisition date, irrespective of the size of any non-controlling interests. The amount by which the cost exceeds the fair value of Group's share of the net identifiable assets acquired is recorded as goodwill. If the acquisition cost is less than the fair value of the acquired subsidiary's net assets, this difference is recorded directly to the income statement.

The accounting policies of subsidiaries have been changed as necessary to correspond the Group's accounting policies.

Intra-group transactions, receivables and liabilities as well as unrealised gains on intra-group transactions are eliminated in the consolidated financial statements. Unrealised losses are eliminated if the loss is not caused by impairment.

Changes in the ownership share of the parent company in the subsidiary that do not lead to the loss of authority are treated as business operations affecting equity. When the authority of the Group ceases, the remaining ownership share is valued to the fair value of authority on the loss date, and the change in book value is entered as effect on income. This fair value functions as an original book value when the remaining share is later treated as an associated company, joint venture or as financial assets. In addition, amounts entered previously into other comprehensive income-based items respective to the enterprise concerned will be treated as if the Group had directly transferred the assets and liabilities connected with them. This may mean that amounts entered previously into other comprehensive income-based items will be transferred as effect on income.

Associated companies and Joint ventures

Associated companies are all enterprises in which the Group has considerable influence, but no authority. This is generally based on share ownership that generates 20–50% of the voting rights.

A joint arrangement is an arrangement in which two or more parties have joint control. Joint control is the jointly agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture. A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement, whereas in a joint operation the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to arrangement. The Group has applied the IFRS 11 standard to all joint arrangements. According to IFRS 11, the joint arrangements are classified as joint operations or joint ventures in compliance with the investors' contractual rights and obligations. The Group has assessed the character of its joint arrangements and has determined that they are joint ventures.

The associated companies and joint ventures are combined in the consolidated financial statements by using the capital share method. If the Group's share of associated company and joint venture losses exceeds the book value of the investment, the investment will be entered into the balance sheet with a value of zero, and the losses exceeding book value will be combined, unless the Group is obligated to fulfil the obligations of the associated company and joint venture. Associated company and joint venture investment contains the goodwill that has been generated from its acquisition. Non-realized profits and losses between the Group and associated companies and joint ventures are eliminated in accordance with the Group's ownership share. Non-realized losses are not

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eliminated if the transaction suggests a reduction in value of the transferred asset. The Group's ownership share from the share of financial year results from an associated company and joint venture is presented before business profit. The Group's share of the comprehensive income items of associated companies and joint ventures is presented, however, in consolidated comprehensive income. These arise particularly from the Group's share of the translation differences of associated companies and joint ventures operating in foreign currency.

The financial statement formulation principles observed by an associated company and joint venture have been amended as required to comply with the principles the Group observes.

Foreign currency transactions**Functional and presentation currency**

Items of each group company included in the consolidated financial statements are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to Group Company (the functional currency). The functional currency of a group company may therefore differ from the currency used in its main country of location. The consolidated financial statements are presented in euros, which is the parent company's functional currency.

Group companies

The income statements of those subsidiaries whose functional currency is not Euro are translated into euros using the average monthly rate. The balance sheets of subsidiaries are translated into euros using the rates at the balance sheet date. The translation differences arising from the use of different exchange rates are recorded in Translation differences under equity. In so far as the loans between the group companies are considered part of net investment in foreign subsidiaries, the currency exchange

differences are recorded in Translation differences. When a foreign subsidiary is sold, the cumulative translation differences are recognised in the income statement as part of the capital gain or loss.

Transactions and balance sheet items

Transactions denominated in foreign currency are recorded using the exchange rate on the date of the transaction. Monetary foreign currency items in the balance sheet are measured using the exchange rate at the closing date. Non-monetary items denominated in foreign currency are measured using the exchange rate on date of the transaction. Exchange rate gains and losses on business operations are included in corresponding items above operating profit. Exchange rate differences of financing items are included in financial income and expenses.

Income recognition**Construction contracts**

Revenue is recognized when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The Group's sales revenues consist of various types of residential and commercial projects as well as other sales. The revenue recognition practice is described in more detail in Note 3.

A share equivalent to SRV's own holding is eliminated from the margin of construction carried out for associated companies and joint ventures. This elimination is recognised as a reduction in revenue and is entered into the balance sheet under Advances received. The margin is realised when the holding is sold to an external party.

Order backlog

A construction project is included in the order backlog when the construction contract of the project has been signed or the decision to start construction has been made, and the contract agreement has been signed in developer contracting projects. In developer-contracted projects, the order backlog includes the plot. The order backlog is the share of the projects not yet recognised as revenue (including the plot). The order backlog also includes completed and unsold housing and business properties. The value of the order backlog is the expected amount of revenue to be recognised for projects.

Borrowing costs

Borrowing costs in projects that are implemented for clients outside the Group are recognised as expenses in the period in which they are incurred. In developer contracted housing projects, part of the interest on borrowing costs is activated during the construction period (this is described in the section of the accounting policies covering inventories) and is recognised as an expense when the project is sold. These interest expenses are entered as project expenses above operating profit. In developer contracting of business premises, interest expenses are activated on the basis of management's estimates, as the sales prices of projects are not always known in advance.

Research and development expenditure

SRV Group does not have any actual research and development expenses. The Group has business-related project development costs, and the treatment of these is described in the section of the accounting policies covering inventories.

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According to the standard, all leases, except those subject to special exemptions under the standard, are recognised in the balance sheet. For all leases, a right-of-use asset (the right to use the leased asset) is recognised as an asset in the balance sheet and a financial liability representing the obligation to make lease payments is recognised in liabilities. In the income statement lease expenses are presented in depreciation and in financial expenses line. In the cash flow statement, lease payments are presented in the item 'interest paid and other expenses from financial costs' and the items 'proceeds from loans' and 'repayment of lease liabilities' under the cash flow from financing activities.

Group leasing activities and their accounting treatment

Land leases form the most significant proportion of the right-of-use assets on SRV Group's balance sheet. Land leases are usually long-term and are typically made on behalf of a real estate company being established. When the real estate company is sold and its management is transferred to the buyer, the lease and its obligations transfer to the buyer of the property. In addition to land leases, other significant leases include, for example, leases for the company's fixed operating locations, and leases for site equipment and vehicles. Leases for offices are generally made initially for a fixed term. The duration of the fixed term is generally 5 to 10 years, after which the lease continues for an indefinite period with 6-12 months' notice of termination. Leases for site equipment are generally made for an indefinite period with no specific notice of termination. Equipment is typically leased for 1 month to 12 months. Leases for vehicles are made for fixed terms and their duration is generally 24 months.

In its reporting, the company applies two exemptions included in the standard that relate to short-term leases

and to leases where the underlying asset is of low value. Leases whose lease term is no more than 12 months and indefinite leases whose notice of termination is less than 12 months are considered to be short-term leases. The most significant short-term leases are mainly for site equipment. Low-value assets mainly include IT equipment and small items of office furniture. In addition, some minor leases, for example for vehicles and IT equipment are treated as a group according to the bundling principle.

At the commencement of the contract, the lease liability is valued at the present value of the lease payments payable over the lease term. In determining the present value of lease payments, an estimate of the lease term is required in some circumstances. Such situations, for example, relate to leases that have options to extend or terminate the lease. Such an option is taken into account in determining the lease term if it is reasonably certain that the option will be exercised. The lease liability also includes the amount to be paid on the basis of any residual value guarantee and the possible exercise price of a purchase option, if it is reasonably certain that the option will be exercised. There may also be penalty payments for terminating the lease. Such penalties are included in the amount of the lease liability if it is considered during the lease term that the Group will exercise this option. Lease payments are discounted at the interest rate implicit in the lease if the interest rate is readily determinable, otherwise the interest rate on the lessee's incremental borrowing rate is used. Under IFRS 16, the lessee's incremental borrowing rate is the rate of interest that the lessee would have to pay to borrow, over a similar term and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Land leases account the majority of SRV Group's right-of-use assets, and the interest rate implicit in the leases is always used as their discount rate. For other leases, the rate implicit in the lease is primarily used and, alternatively, the

incremental borrowing rate. The incremental borrowing rate is an estimate of what the company would have to pay to borrow, over a similar term and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The acquisition cost of a right-of-use asset consists of the liability initially measured under the lease, any lease payments paid by the commencement date of the lease, any initial direct costs incurred by the lessee and the costs of restoration to the original condition. Any incentives received are deducted from the acquisition cost of the underlying asset.

Subsequent measurement of the right-of-use asset is based on the acquisition cost model, whereby the right-of-use asset is measured at acquisition cost less depreciation and impairment. Depreciation is recognised on a straight-line basis over the lease term. If the lease transfers the ownership of the underlying asset to the lessee by the end of the lease term or if the acquisition cost of the underlying item takes into account that the lessee will exercise the option to purchase, the underlying asset is amortised over its useful life.

The Group is exposed to possible increases in variable rents based on an index or price that are not taken into account in the lease liability until they occur. When changes in rents based on an index or price occur, the lease liability is reassessed and adjusted against the right-of-use asset. The rents paid are allocated to capital and financial expenses. Financial expenses are recognised through profit and loss over the lease term, such that the interest rate of the outstanding liability is the same in each period.

Accounting principle for plot leases

Land leases form the most significant proportion of the right-of-use assets on SRV Group's balance sheet. The plot lease agreements are typically long-term agreements

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and are made typically on behalf of a real estate company being established. When the real estate company is sold and its management is transferred to the buyer, the lease with its obligations will also transfer to the buyer of the property. The leased plots are initially measured according to measurement requirements of IFRS 16. The SRV Group presents right-of-use assets related to leased plots as inventories, because plots directly owned by the Group are presented as inventories and the same principle is also applied in the presentation of right-of-use assets. From the beginning of construction, the depreciations of the leased plots are recognised as part of the cost of the construction project. The interest expense on the lease liability presented in balance sheet liabilities is capitalised as part of the cost of the construction project. When the Group enters a plot lease agreement related to self-developed residential construction, the right-of-use asset of the plot lease agreement is recognised in inventories and the lease liability in the statement of financial position. The plot lease agreement will be recognised from inventories and the change in inventories. The lease liability of finished self-developed residential construction is adjusted by lease liability of sold apartments. The lease liability of completed unsold apartments is presented as a lease liability in the statement of financial position.

Accounting principle for premises leases

The SRV Group presents right-of-use assets related to premises in balance sheet non-current assets and in financial liabilities in respect of the obligation to make lease payments in liabilities.

Accounting principle for site equipment leases

Leases for site equipment are almost without exception typically leases with an indefinite lease term. Such leases generally entitle the company to decide to terminate the contract for each leased item at its chosen time. Site equipment is generally leased to the site for a special work

stage, in which case the lease term is usually for less than 12 months. Due to the short lease terms and flexible termination conditions, the exemption for short-term leases under IFRS 16 is generally applied to site equipment leases. If, however, a site equipment lease is made for a fixed term, and the lease is not low value, the lease is subject to the same accounting principle as described above for premises leases.

Accounting principle for office equipment leases

Leases for IT equipment typically concern office IT equipment such as printers, multifunction devices and computers. The exemption for low-value asset items is applied to these assets. Leases for IT equipment also include contracts that cannot be considered to be low value and short term. Such agreements include, for example, IT server leases. The same accounting principle as described above for premises leases is applied to such leases, but so that the asset items are treated as a single entity in accordance with the bundling principle. IT equipment lease terms are typically 24 or 48 months long.

Accounting principle for leased vehicles

Leases of leased vehicles are subject to the same accounting principle as described above for premises leases, but so that the asset items are treated as a single entity in accordance with the bundling principle. Leases for leased vehicles are typically 24 months long.

Property, plant and equipment

Property, plant and equipment is entered into the consolidated balance sheet at acquisition cost less accumulated depreciation and any accumulated impairment losses. Acquisition cost includes the expenses directly related to acquiring the asset. Assets are subject to straight-line depreciation over the estimated useful financial life of the asset. Land and water areas are not

depreciated because the useful financial life of these assets cannot be determined. Depreciation is recognised as an expense over the estimated useful financial life of an asset as follows:

- Buildings: 40–60 years
- Production machinery and equipment: 3–10 years
- Office fittings: 3–10 years
- IT equipment: 3–5 years
- Vehicles and rolling stock: 5–8 years
- Other tangible assets: 5–10 years

The carrying amounts and economic lives of property, plant and equipment are estimated and values adjusted as needed. The Group estimates at every balance sheet date if there is a need for impairment. If the carrying amount of an asset item exceeds the estimated recoverable amount, the carrying amount is lowered to correspond the recoverable amount. Capital gains and losses on property, plant and equipment are included in the income statement, other operating income or other operating expenses.

Goodwill and Intangible assets

Intangible assets which have a limited useful life are valued at historical cost and amortized over their estimated economic life (3–5 years). Goodwill is the excess of the cost of the business combination over the fair value of the Group's share of acquired net assets. Goodwill is subject to an annual impairment test. For this purpose, goodwill has been allocated to cash-generating units. Goodwill is measured at historical cost less impairment. Impairment is expensed directly to the income statement. Assets which are depreciated or amortized are always tested for impairment when events or changes in circumstances indicate the carrying amount may not be recovered. Impairment is recorded through profit and loss to the extent that the carrying amount of the asset item exceeds the recoverable amount. The recoverable amount is the

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higher of the following: the fair value of the asset item less selling costs or its value in use.

Financial assets and liabilities

The Group classifies its financial assets and liabilities in the following groups:

Financial assets: Financial assets at amortised cost or at fair value through profit or loss,

Financial liabilities: Financial liabilities recognised at fair value through profit or loss, or at amortised cost using the effective interest rate method.

The Group measures financial assets at amortised cost when the objective of the business model is to hold the assets and collect all the contractual cash flows, and when the contractual cash flows of the instrument consist only of payments of principal and interest. All other financial assets are recognised and measured in the Group at fair value through profit or loss.

A Group entity records financial assets and liabilities in its balance sheet when – and only when – it becomes a party to the contractual terms and conditions of the instrument. When an entity recognises a financial asset for the first time, it must classify financial assets and financial liabilities into the categories specified above. A Group entity derecognises a financial asset item from the balance sheet when the contractual rights to the cash flows from the financial asset cease to exist or when it transfers the financial asset to another party and a significant part of the risks and benefits of ownership have been transferred to the other party.

A financial liability is derecognised from the balance sheet when the obligation specified in the contract has been discharged, cancelled or expired.

Financial assets are long-term when their maturity is over 12 months and short-term when the remaining maturity is less than 12 months. Other financial assets are included in long-term financial assets unless there is an

intention to relinquish the investment within 12 months of the balance sheet date. Financial liabilities are classified as short-term if their maturity is under 12 months or if the Group does not have the absolute right to repay them at least 12 months after the end of the reporting period. Otherwise they are classified as long-term.

Derivative instruments

The Group designates derivative instruments at the time of entering into the contract as either cash flow hedges of business or financing cash flows or as hedges of investments in foreign entities. Derivatives are entered into for hedging purposes and on their basis the receivables and liabilities in the balance sheet are small. Contracts concluded with the counterparties of derivative instruments are based on the ISDA Master Agreement. According to the terms of the arrangements, if certain events occur (such as payment default), the net receivable or liability position of an individual counterparty in the same currency is designated as a liability and all related arrangements are terminated. As SRV does not have a legally enforceable offsetting right at the closing date, said amounts have not been deducted from each other in the balance sheet.

Group's Treasury unit is responsible for the hedge transactions according to the policy approved by the Board of Directors.

During the fiscal year 2024 and 2023 there were no hedges qualifying for IFRS hedge accounting.

Items recognised at fair value through profit or loss

The derivative instruments used by the Group are classified at fair value through profit or loss. Derivatives are initially recognised in the balance sheet at fair value on the transaction day and thereafter measured at fair value on each balance sheet date. The fair value of interest rate swaps is usually zero at the original time of recognition. Changes in fair values of interest rate swaps are

recognised in the income statement under other financial income and expenses and in the balance sheet under financial assets or liabilities. Foreign exchange option premiums are considered to amount to the fair value at the time of acquisition.

Changes in the fair values of foreign exchange forward contracts and options are recognised in the income statement under other financial income and expenses, because they are used primarily to hedge against currency rate gains and losses included in the share of associated companies' income.

Other financial assets may include both quoted and non-quoted shares and they are measured at fair value through profit or loss. The fair value of the investment is determined on the basis of the investment's bid price. In the event that there are no quoted bid prices for the other financial assets, the Group will apply various valuation methods to their valuation. These are, for example, recent transactions between independent interests, discounted cash flows, or other similar types of instrument valuations.

Measured at amortised cost

Financial assets measured at amortised cost are trade receivables, other receivables and loan receivables from associated companies. Financial assets measured at amortised cost are initially measured at fair value less transaction costs. After the initial recognition, they are recognised at amortised cost. Interest is recognised in the income statement over the maturity of the loan using the effective interest method.

Impairment

Impairment of financial assets is estimated based on expected credit losses. In the recognition of expected credit losses, the Group applies an approach according to which all trade receivables and contractual assets are reviewed separately and expected credit losses recognised over the entire applicable duration. The project

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customers are mainly large, well-known companies with solid finances.

If there is no information on the customer's solvency, the information is checked from public trade and credit information registers, with a security deposit required if necessary. For international commercial premises projects, more detailed customer background checks are carried out for new customers.

Due to the business model and customer profile described in the previous paragraph, the Group has not incurred any material credit losses over the last few years, and no material credit losses are expected regarding the items included in the balance sheet at closing date.

Loan receivables from associated companies and joint ventures are tested for impairment using a three-stage model.

1. The Group's management first reviews the expected cash flows for the loan receivables from associated companies and joint ventures together with the associated company investments and regularly assesses whether the credit risk related to the receivables has increased significantly after they were initially recorded. If the credit risk associated with a receivable is deemed to be low or if the credit risk has not significantly increased after it was initially recorded, the receivable is included in Stage 1 and the impairment is measured based on an estimate of the probability of credit losses occurring within 12 months.
2. If it is discovered that the credit risk concerning a loan receivable has increased significantly, the loan receivables are transferred to Stage 2, in which case the associated likelihood of loss is assessed over the entire lifetime. In this case, the credit loss is recorded for the entire lifetime of the loan receivable and calculated by comparing future estimated cash flows for the entire lifetime with contractual cash flows. At closing date, the

balance sheet included no loan receivables included in Stage 2.

3. If the loan receivables are found to be impaired as a result of a credit risk, they are transferred to Stage 3

Cash and cash equivalents

Cash and cash equivalents consist of cash, current bank deposits as well as other current liquid investments with a maturity not exceeding three months. Bank overdrafts are included in current liabilities in the balance sheet.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities related to non-current assets classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities related to non-current assets classified as held for sale are presented separately from other liabilities in the balance sheet.

Hybrid bonds

The hybrid bonds (equity loans) do not have maturity dates at which the holder of the loan can demand repayment of the loan. The hybrid bonds are unsecured and subordinated to the Company's other debt instruments but senior to other equity instruments. However, the hybrid bonds do not confer shareholders' rights to bondholders.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost are initially recognised at fair value. Transaction costs have been included in the original carrying amount of the financial liabilities. Interest is recognised in the income statement over the maturity of the loan using the effective interest method. Financial liabilities are recognised under non-current and current liabilities and they can be interest-bearing or non-interest-bearing.

The liability for repaying the principal and interest on company loans is transferred to the buyer of the apartment at apartment assignment. Regardless of whether the project is completed or not, but not yet assigned to the buyer, the principal and interest for the share of liabilities is presented in full in SRV's consolidated balance sheet, calculated until the due date of the loan.

Inventories

The balance sheet item "Work in progress" comprises the cost of construction work and plot for uncompleted construction projects not yet expensed. The acquisition costs included in the Work in progress are raw materials, direct cost of labour, other direct costs, indirect costs of purchase and construction as well as borrowing costs in certain cases.

In accordance with IAS23 standard, in SRV's developer-contracted housing projects, interest expenses on borrowing are capitalized primarily using the project-specific financing cost. If the proportion of project-specific

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financing is not significant, the Group's capitalization rate is used in capitalizing interest expenses.

The balance sheet item "Land areas and plot-owning companies" comprises costs of development stage projects. The costs that are considered to increase the value of land areas and plot-owning companies are capitalised.

The balance sheet item "Shares in completed housing corporations and real-estate companies" comprises unsold completed projects.

The balance sheet item "Advance payments" comprises advance payments in connection with the inventories.

The balance sheet item "Other inventories" comprises share capitals from projects of which the decision to start construction has not yet been made and the property bought for resale.

Inventories are valued at the lower of cost and net realisable value. In ordinary business, net realisable value is the estimated selling price which is obtainable, less the estimated costs incurred in bringing the product to its present condition and selling expenses. The net realisable value of land areas and plot-owning companies is based on their expected use.

The net realisable value of land areas and plot-owning companies is based on their anticipated use. If the land area or the plot-owning company is anticipated to be used in a project, its net realisable value is assessed as a part of the net realisable value of the entire project. Land areas and plot-owning companies are impaired only if it is forecast that the project as a whole will result in a loss. If it is expected that a land area or plot-owning company will be realised by sale, the net realisable value is based on the estimated market price. The net realisable value of work in progress and completed housing corporations and real-estate companies is based on their selling price at the expected time of sale.

Rental costs remitted to an external party can be activated to book value for the asset assigned to rent; such as, e.g. the rental agency's fees. Sales and marketing costs are not activated costs.

In preparing the asset, the activated rental costs should be entered as expenditure along with the average duration of the rental agreements. The margin generated from rental services sold by the associated company and joint venture should be eliminated in relation to the ownership share.

Expenses arising from construction plans for plots managed mainly by SRV and classified as current assets are deemed eligible for activation when they can be reliably to have a positive impact on the value of the plot or project. These expenses can be capitalised before a decision is made on the launch of construction.

Income taxes

Tax expense in the income statement comprises current taxes and deferred taxes. Current tax is calculated based on the taxable income for the financial period using the statutory tax rate that is force in each country at the balance sheet date (and local tax legislation). Taxes are recognised in the income statement, other than those related to items of other comprehensive income or items directly recognised as equity. Taxes are adjusted for any taxes for previous periods. Deferred tax assets or liabilities are recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred tax asset is recognized for unused losses and all temporary differences.

Deferred taxes are not recognised in connection with investments made in subsidiaries when the Group can control the timing of the reversal of the temporary difference, and the temporary difference will probably not be reverse in the foreseeable future. A tax asset is

recognised to the extent when it is probable that the asset can be utilised against future taxable income. If a Group company has made a loss in the immediate past then, of the taxable loss, an imputed tax asset is recognised only up to the amount where the company has sufficient taxable temporary differences or other convincing evidence of the ability to utilise the taxable loss.

Employee benefits**Pension liabilities**

Group companies have various pension plans in accordance with the local regulations and practices of each country of operation. Pension plans are funded through contributions paid to insurance companies based on paid salaries and wages. The Group has only defined contribution plans. The payments in connection with Group's defined contribution plans are recognised in the income statement in the period which they relate to.

Share-based payment

The Group applies IFRS 2 Share-based Payment standard on its share-based incentive schemes. Share-based incentive scheme share settled transaction are valued at fair value by using the share price at the time of granting and paid in cash are valued at fair value in every interim and annual closing. Changes in value are recognised in the income statement over their effective period. The share-based payments of the Group are cash or share settled transactions.

Provisions

A provision is recognised when the company has a legal or constructive obligation as a result of a past event, the payment obligation is probable and the amount of obligation can be reliably estimated.

If compensation can be received from a third party for a part of the obligation, the compensation is recognised

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as a separate item when it is virtually certain that the compensation will be received. A provision is recognised for a loss-making contract when the costs required to meet the obligations exceed the benefits received from the contract.

SRV and its subsidiaries are reengaged in several legal proceedings which relate to ordinary business or to other processes. The result of these legal proceedings and processes is difficult to predict. In case of litigation a provision is recognised in the financial statements according to the mentioned accounting policies when there is a legal or constructive obligation against third-party, payment obligation is probable and the amount of an obligation can be reliably estimated.

Warranty provisions comprise the costs resulting from the repair of completed projects if the warranty period is still in effect at the balance sheet date. A warranty provision the amount of provision is based on prior experience of the materialisation of warranty expenses. It is expected that warranty provisions are used during the two years from the completion of the project.

The level of the construction industry's 10-year warranty provision is based on index-adjusted historical information or the estimated total costs of certain individual projects. It is expected that a 10-year provision will be used over the ten years following the completion of the project.

Dividends

The dividend pay-out proposed by the Board of Directors to the Annual General Meeting is recognised in the financial statements when the company's shareholders have approved the relevant resolution at the Annual General Meeting.

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1 Segment information

Segment information has been presented in accordance with IFRS 8 and following the accounting principles of the consolidated financial statements and the Group's management and organizational structure.

Operating segments

SRV Yhtiöt reports its business operations in one segment. The segment structure has been changed on 1 January 2023 due to internal reorganisation. SRV's Investments segment primarily consisted of operations related to its holdings in Russia, which SRV wrote down almost in their entirety in spring 2022 and divested in August 2023 and on December 2024. The chief operating decision maker as defined in IFRS 8 is the Group President & CEO, who is assisted decision-making by the Corporate Executive Team. SRV's business is revied as a single operating segment, which also comprises the reportable segment.

Operating segment information

Segment information is reported in a manner consistent with internal reporting to the Chief Operating Decision Maker (CODM, as per IFRS 8). The CODM is the Group President & CEO, who is assisted decision-making by the Corporate Executive Team. Internal management reporting is consistent with segment reporting.

In the financial year 2024, the Group had three significant customers under the IFRS 8 definition. The most significant customer accounted for approximately 25% of the Group's revenue. In the financial year 2023, the Group had two significant customers under the IFRS 8 definition.

2 Acquisitions and disposals

With a transaction completed on 20 December 2024, SRV has sold the share capital of its subsidiary International RE Oy to CP Invest Limited. The divestment was the last remaining asset in Russia, a 50 per cent holding in the Pearl Plaza shopping centre in St. Petersburg. The sale is the final part of SRV's action pursuing to exit from all of its operations in Russia since 2022. The other owner of the Pearl Plaza shopping centre is the Chinese company Shanghai Industrial Investment (Holdings) Co., Ltd. In the completed transaction, the whole share capital of the shopping centre has transferred to CP Invest Limited. The sales price of SRV's ownership of the shopping centre was EUR 10 837 thousand. The net result from the sale was EUR 5 104 thousand, of which translation difference accounted for EUR -4 947 thousand. The impact of the disposal on the Group's assets, liabilities and cash flow is described in the tables below.

In the financial year 2023, SRV divested the share capital of its subsidiary SRV Russia Ltd. The sold assets also included SRV's Russian subsidiaries and associated companies and SRV's remaining plot holdings in Russia, which are owned by these companies, as well as a minority interest in the 4Daily shopping center located close to Moscow. The personnel responsible for SRV's business operations in Russia were also transferred in the transaction. In 2022 SRV has written down the balance sheet values of practically all of its Russian assets. The sales price of SRV Russia Oy was about EUR 4 million, which corresponded to the remaining balance sheet value of the company's operations in Russia. Translation differences of EUR -9.5 million arising from old foreign exchange rate losses were recognised in income in connection with the transaction. In December 2023, SRV divested the share capital of Estonian subsidiary Mare KV Invest Ou. A sales loss of EUR -0,3 million was recorded on the sale.

The impact of the disposals is described also in the Note 6.

Impact of disposals on Group's assets and liabilities

EUR 1,000	2024	2023
Assets, total	73	6,045
Liabilities, total	0	1,437
Sold net assets, total	73	4,608
Sales prices	10,837	4,397
Translation difference	-4,947	-9,258
Transaction fees	-714	-242
Net result from sales	5,104	-9,711

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Cash flow from sales

EUR 1,000	2024	2023
Sales prices	10,837	4,397
Cash and cash equivalents of divested operations	2	-2,336
Transaction fees	-714	-242
Cash flow from sales	10,126	1,819

The company did not acquire any operations during the financial years 2024 or 2023.

3 Sales revenue from customer contracts

EUR 1,000	2024	2023
Revenue	745,813	610,030
Business construction	688,189	508,918
Housing construction	57,624	101,112
Attributable to		
Revenue recognition at a point in time	1,627	8,315
Revenue recognition over time	744,186	601,714
Total	745,813	610,030

Sales revenue for the following SRV project types is recognised at a point in time:

Developer-contracted residential project and commercial project.

Sales revenue for the following SRV project types is recognised over time:

Fixed-price contract, project management contract, turnkey contract (overall responsibility for the construction), alliance contract, residential development project, commercial development project and life-cycle project.

EUR 1,000	2024	2023
Assets and liabilities based on customer contracts:		
The Group's trade receivables and trade payables are mainly based on customer contracts. The Group's balance sheet includes the gross amount due related to customer contracts and other short-term advance payments.		
Gross amount due based on customer contracts	22,831	14,784
Advance payments related to customer contracts	32,311	35,568

Changes in assets and liabilities based on customer contracts are caused by project-specific seasonal fluctuations and timing between project billing and the measured progress of the project. At the end of the reporting period, if the project billing is less than the revenue recognised based on the measured progress of the project, the difference is presented in the statement of financial position as a contract asset in the gross amount due based on customer contracts. At the end of the reporting period, if the project billing exceeds the revenue recognised based on the measured progress of the project, the difference is presented in the line item advance payment related to customer contracts.

EUR 1,000	2024	2023
Sales revenue recognised related to liabilities based on customer contracts		
Sales revenue recognised that was included in contract-based liabilities at the beginning of the period	35,568	46,223
Sales revenue recognised for performance obligations fulfilled in earlier periods	14,784	10,929

Customer contract performance obligations and significant judgment-based solutions

The Group's most common project types are: project management contract, turnkey contract (overall responsibility for the construction), alliance contract, fixed-price contract, lifecycle project, residential development project, commercial development project, developer-contracted residential project and commercial project.

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In SRV's contractor agreements and development projects, the management tasks and structural engineering work of a construction or renovation project management contact concerning a property owned by the customer have typically been agreed with the customer. Contract projects may include a number of different work stages and tasks. These mainly, however, form a single integrated entity that is handled as one performance obligation. Revenue is recognised separately for each performance obligation. The transaction price can include variable amounts such as possible penalties and bonus payments based on performance. The performance obligation based on contract is fulfilled after the hand-over of the project. A project billing is normally based on the payment installments table and normally it follows the measured progress of the project.

In developer-contracted projects, buyers of apartments may be offered a parking space, maintenance charge benefits or a removal service. In that case, the parking space and removal service are considered to be separate performance obligations. Typically, these are handed over and recognised as revenue at the same time as the apartment itself. Any possible consideration exemptions are equivalent to discounts and these are taken into account as an adjustment to the selling price.

The Group's contract projects include variable considerations resulting, for example, from penalties or from undershooting or overshooting the target price. Group management monitors and assesses variable considerations at the end of each reporting period. The transaction price used in revenue recognition is based on the most likely estimate. Of the estimated amount of variable consideration, only that portion is included in the transaction price and revenue only recognised up to an amount such that it is highly likely that no significant reversal will have to be made to the amount of accrued recognised sales revenue.

Certain development and developer-contracting projects are subject to variable compensation due to, for instance, lease liabilities and sanctions for delays. The compensation received by SRV is affected by leasing performance, that is, the actual occupancy rate and the amount of rent payable. The agreements in question limit the recognition of income from variable compensation and do not recognise income from the share of variable compensation that is highly unlikely to be realised. Management's project-specific estimates of the amount of variable compensation whose realisation is highly unlikely and any uncertainty factors are taken into account in project income recognition.

Assets recognised as revenue over time are controlled by the customer, and the revenue and expenses of these customer projects are recognised as revenue and expenses based on percentage of completion, when the outcome of the project can be reliably estimated. Percentage of completion is determined by calculating for each project

the share of expenses accrued by the balance sheet date relative to total expenses estimated for each project. The amount corresponding to the percentage of completion is recognised as revenue. When it is probable that total costs necessary to complete a project will exceed total revenue obtained from the project, the expected loss is recognised immediately as an expense. If the expenses and recorded profits arising from a customer project exceed the amount of progress billings, the difference is disclosed in the balance sheet item "trade and other receivables". If expenses and recorded profits arising from a customer project are less than the amount of progress billings, the difference is disclosed in the balance sheet items "trade and other payables". Tables of payments are used in customer billing, and terms of payment for contracts typical for the industry are agreed.

Customer projects recognised as revenue at a point in time are recognised after control of the asset has been transferred and at the earliest after the completion of the project. The share of revenue and expenses corresponding to the percentage of sale at the time of completion is recognised as revenue for the projects.

Development and developer-contracted projects may include a separate financing component. A significant financing component may arise in factoring projects in which the factoring costs are not charged from the client. On average, the construction time in Group factoring and developer contracting projects is less than two years, in which case the average financing period is less than a year. In these, the Group will apply the "practical expedient" for periods of less than a year as set out in IFRS 15.63. The Group can also have projects with an average financing period of more than one year. In such projects, the treatment procedure for a substantial financing component is applied and the item recognised as a reduction in revenue and an adjustment of interest income on financial items.

Customer project warranty provisions comprise the costs resulting from the repair of completed projects if the warranty period is still in effect at the balance sheet date. A warranty provision is recognised in the same year as the project handover, and the amount of provision is based on the level of warranty expenses realized in the previous financial years. It is expected that warranty provisions will be used during the two years following the completion of the project. The level of the construction industry's 10-year warranty provision is based on index-adjusted historical information or the estimated total costs of certain individual projects. It is expected that a 10-year provision will be used over the ten years following the completion of the project.

The plots of development projects are recognised as revenue over time.

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EUR 1,000

Transaction price allocated to the remaining performance obligations of customer contracts	Within 1 year	Within 2 years	Within 3 years	Within 4 years	
	51%	26%	13%	5%	
The aggregate amount of the transaction price allocated to long-term customer project contracts that are partly or completely unfulfilled	1,052,806	541,094	295,894	140,871	74,948

In practice, the table reflects the amount of order backlog sold and its recognition as revenue in future years.

Assets from obtaining or fulfilling customer contracts

Sales commissions may be associated with projects recognised as revenue over time.

Expenses arising from obtaining these contracts are capitalised in project costs and recognised as an expense over the term of the contract.

During the reporting period and in the comparison period, the Group did not have any related assets.

4 Other operating income

EUR 1,000	2024	2023
Equipment and intangible assets	250	186
Rental income	90	102
Other income	795	—
Total	1,135	288

5 Other operating expenses

EUR 1,000	2024	2023
Equipment and intangible assets	954	286
Rental expenses	696	371
Voluntary indirect personnel expenses	1,388	1,245
Car and travel expenses	759	728
Entertainment and marketing	1,080	1,010
Communications and IT	3,522	3,408
Other external services	1,330	1,333
Other fixed expenses	2,605	3,462
Total	12,334	11,843

Auditing fees

EUR 1,000	2024	2023
Audit, PricewaterhouseCoopers Oy	266	253
Audit, others	29	29
Auditors' statements	0	0
Tax services	0	12
Other services	106	0
Total	401	293

PricewaterhouseCoopers Oy has provided non-audit services to the entities of SRV Group in total of 106 thousand euros during financial year 2024 (12 thousand). Other services include also the cost of CSRD assurance performed by PricewaterhouseCoopers Oy.

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EUR 1,000	2024	2023
Depreciation, excluding Right-of-use asset		
Intangible assets		
Other intangible assets	191	216
Property, plant and equipment		
Buildings and structures	12	10
Machinery and equipment	978	1,342
Other tangible assets	18	26
	1,200	1,594
Depreciation, Right-of-use asset		
Land areas	2,044	2,091
Buildings and structures	1,385	1,355
Machinery and equipment	604	703
	4,033	4,149
Appreciations	3,415	0
Depreciation and appreciation, total	8,647	5,742
Impairments and their reversals	1,817	-8,879

SRV recognised an impairment of EUR -3 415 thousand in the financial year 2024 on the right-of-use asset of its current head office lease. SRV will move its head office to Horisontti when it is completed in 2025.

Impairments and reversals

EUR 1,000	2024	2023
Write-downs of Russia holdings and JV shares	-3,116	-1,197
Write-down of Tampere Arena project and its reversal	-36	976
Selling of SRV Russia Ltd		-9,477
Repayment of the loan receivable written down in 2022		920
Divestment of Pearl Plaza shopping centre	5,104	
Other write-downs	-135	-100
Total	1,817	-8,879

With a transaction completed on 20 December 2024, SRV has sold the share capital of its subsidiary International RE Oy to CP Invest Limited. The divestment was the last remaining asset in Russia, a 50 per cent holding in the Pearl Plaza shopping centre in St. Petersburg. The sale is the final part of SRV's action pursuing to exit from all of its operations in Russia since 2022. The other owner of the Pearl Plaza shopping centre is the Chinese company Shanghai Industrial Investment (Holdings) Co., Ltd. In the completed transaction, the whole share capital of the shopping centre has transferred to CP Invest Limited. The sales price of SRV's ownership of the shopping centre was EUR 10 837 thousand. The net result from the sale was EUR 5 104 thousand, of which translation difference accounted for EUR -4 947 thousand.

In August 2023, SRV divested the share capital of its subsidiary SRV Russia Oy to the Cypriot real estate investment company Geomare Investments Limited. The sold assets also include SRV's Russian subsidiaries and associated companies and SRV's remaining plot holdings in Russia, which are owned by these companies, as well as a minority interest in the 4Daily shopping centre. The personnel responsible for SRV's business operations in Russia were also transferred in the transaction. The sales price of SRV Russia Oy was about EUR 4 million, which corresponded to the remaining balance sheet value of the company's operations in Russia. Translation differences of EUR -9.3 million arising from old foreign exchange rate losses were recognised in connection with the transaction. The impact of the sale was recognised as reversal because of the write-off made in 2022.

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7 Employee-benefit expenses

EUR 1,000	2024	2023
Wages and salaries 1)	58,892	55,704
Pension expenses - defined contribution plans 2)	10,406	8,806
Share-based incentive scheme	572	-401
Other indirect personnel expenses	1,612	2,104
Total	71,482	66,214

¹Information on management's compensation as well as employee benefits is disclosed in Section Related party transactions.

²SRV Group has only defined contribution plans in connection with the pensions.

Old share-based incentive schemes have been discontinued and new share-based incentive schemes have been established in 2023.

Average number of personnel	2024	2023
Total	799	778

Share-based incentive schemes

Grant year	2019	2021	2021	2022	2023	2023	2024	Total
Reward principle	Employment	Set targets	Set targets	Set targets	Set targets	Set targets	Set targets	
Original grant price	1.62				3.7	3.5	4.2	
Dividend and right issue adjusted exercise price 31.12.2	0.55							
Subscription period	2021-2026	2021-2023	2021-2022	2022-2024	2023-2024	2023-2025	2024-2026	
Total amount	25,000	110,000	110,000	110,000	133,500	260,000	450,000	
Share incentives 1. Jan 2023	25,000	103,125	72,187	110,000	0	0	0	310,312
Additions	0	0	0	0	133,500	260,000	0	393,500
Share incentives used	0	0	-24,063	0	0	0	0	-24,063
Share incentives returned or expired	-25,000	-103,125	-48,124	-110,000	0	0	0	-286,249
Share incentives 31 Dec 2023	0	0	0	0	133,500	260,000	0	393,500
Share incentives 1 Jan 2024	0	0	0	0	133,500	260,000	0	393,500
Additions	0	0	0	0	0	0	410,000	410,000
Share incentives used	0	0	0	0	0	0	0	0
Share incentives returned or expired	0	0	0	0	-15,000	-24,000	-20,000	-59,000
Share incentives 31 Dec 2024	0	0	0	0	118,500	236,000	390,000	744,500
Expenses recognised in group 2023, EUR 1,000*	71	310	18	302	-60	-73	0	569
Expenses recognised in group 2024, EUR 1,000*	0	0	0	0	-86	-32	-174	-292
Shares granted based on incentives, 2023	0	0	0	0	0	0	0	0
Shares granted based on incentives, 2024	0	0	0	0	0	0	0	0

Discontinued share-based incentive schemes

1. The Board of Directors of SRV Group Plc has made the decision on 25 June 2019 for a share-based incentive scheme for the President & CEO for 2019–2026. Under the scheme, Saku Sipola has been given 600,000 acquisition rights, entitling him to acquire the number of SRV Group Plc's shares corresponding to the acquisition rights at EUR 1.62 per share. Under the scheme, new shares or treasury shares in the possession of the company can be issued. The company's Board of Directors will make a decision on the manner of implementation separately each time. Under the terms of the scheme, the acquired shares are subject to a transfer restriction, which is valid for two years from the acquisition of the shares. The acquisition rights can be exercised in three two-year long exercise periods, the first of which begins on 1 March 2021 and ends on 28 February 2023, the second begins on 1 September 2022 and ends on 31 August 2024, and the third begins on 1 September 2024 and ends on 31 August 2026. During each exercise period, the acquisition rights holder is entitled to exercise 200,000 acquisition rights. The total recognised IFRS cost of the incentive scheme 2019–2026 is approximately EUR 0.3 million. On 17 December 2020, the Board of Directors of SRV Group Plc decided on changes to the share-based incentive scheme of President and CEO Saku Sipola. The changes concern the number of acquisition rights, the subscription price of the acquisition rights and the periods during which the acquisition rights can be exercised. The purpose of the changes is to ensure

that the incentive effect of the scheme remains at its previous level by taking into account the changes in the number of the company's shares caused by SRV's 2020 rights issues. The incentive effect of the scheme is based on the value increase of SRV Group Plc's shares. As a result of the changes, Sipola has the right to acquire 1,000,000 shares at a subscription price of EUR 0.55 per share. The basis for determining the subscription price is the volume-weighted average price of SRV's share on Nasdaq Helsinki in continuous trading from 1 August to 30 November 2020. After the changes, the acquisition rights can be exercised in the following three periods: the first begins on 1 March 2022 and ends on 28 February 2023, the second begins on 1 March 2023 and ends on 31 August 2024, and the third begins on 1 September 2024 and ends on 31 August 2026. During the first and second exercise periods, the acquisition rights holder is entitled to exercise 300,000 acquisition rights and during the third period 400,000 acquisition rights.

2. On 29 March 2021, the Board of Directors resolved to establish a new share-based Long-Term incentive plan. The Long-Term Incentive Plan arrangement has three three-year performance periods, which begin yearly during 2021–2023, 2022–2024 and 2023–2025. The Board of Directors of the Company will resolve on the plan's key persons and performance criteria at the beginning of each performance

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period. Approximately 30 key persons belong to the first performance period 2021-2023, including President and CEO Saku Sipola and members of the Company's management. The potential reward from the performance period 2021-2023 will be based on the Group's Total Shareholder Return (TSR) in relation to a separately selected reference group, the level of the company's indebtedness and the increase in share price. The rewards to be paid on the basis of the performance period 2021-2023 correspond to the value of an approximate maximum total of 4,400,000 SRV Group Plc's shares (gross amount, of which the proportion to be paid as withholding tax will be deducted). The potential reward will be paid in 2024 in SRV Group Plc's shares (net amount) and the company will account for the withholding tax to tax authorities on behalf of the key persons. The potential share reward to the President and CEO is subject to transfer restriction, which requires the shares to be held for two years from their reward.

3. On 29 March 2021, the Board of Directors of SRV Group Plc resolved on a two-year One-off Long-Term Incentive Plan to enable the prolonging of the Long-Term Incentive Plan performance period to three years. The One-off Long-Term Incentive Plan arrangement has one two-year performance period, calendar years 2021-2022. Approximately 30 key persons belong to the target group of the plan, including President and CEO Saku Sipola and members of the Company's management. The potential reward from the performance period 2021-2022 will be based on the Group's operative cash flow and the Group's Total Shareholder Return (TSR) during the two-year period. The rewards to be paid on the basis of the performance period 2021-2022 correspond to the value of an approximate maximum total of 4,400,000 SRV Group Plc's shares (gross amount, of which the proportion to be paid as withholding tax will be deducted). The potential reward will be paid in 2023 in SRV Group Plc's shares (net amount) and the company will account for the withholding tax to tax authorities on behalf of the key persons. The potential share reward to the President and CEO is subject to transfer restriction, which requires the shares to be held for two years from their reward.
4. The Board of Directors has confirmed 1 February 2023 the remuneration to be paid to the individuals covered by the one-off long-term incentive plan for the years 2021-2022 in respect of the 2021-2022 performance period. The remuneration was based on the group's operative cash flow and the company's total shareholder return (TSR) over a two-year period. Changes in the company's number of shares resulting from SRV's reverse share split on 4 July 2022 have been taken into account in calculating the amounts of remuneration in accordance with the terms and conditions of the incentive plan. The Board has also resolved, in accordance with the terms of the incentive plan, to pay the entirety of the remuneration due to the individuals covered by the plan in cash. The total amount of remuneration to be paid is EUR 155,547.
5. The Board of Directors has resolved on 1 February 2023 to discontinue the President & CEO's share-based incentive plan for the years 2019-2026 and the company's long-term incentive plan for the years 2021-2025. The Board concluded that keeping the incentive plans in place can no longer be justified in view of the financial measures the company made in 2022 to strengthen its balance sheet and the effect of these arrangements on, among other things, the number of shares in the company. As a result of the discontinuations, share acquisition rights under the President & CEO's share-based incentive plan for 2019-2026 have been cancelled and no remuneration will be paid out from the currently ongoing performance periods 2021-2023 and 2022-2024 to the approximately 30 key members of personnel covered by the long-term incentive plan for 2021-2025, including the President & CEO.

Ongoing share-based incentive schemes

6. The Board of Directors of SRV Group Plc has decided on 28 March 2023 to establish a new share-based incentive plan for the group's key employees. The Performance Share Plan 2023 consists of four performance periods covering the financial years 2023-2024, 2023-2025, 2024-2026 and 2025-2027. The Board of Directors will decide annually on the commencement and details of the performance periods. In the plan, the target group is given an opportunity to earn SRV Group Plc shares based on the achievement of the targets set for the performance periods. The potential reward based on the plan will be paid partly in SRV Group Plc shares and partly in cash after the end of the performance period. The cash proportion of the reward is intended to cover taxes and statutory social security contributions arising from the reward to the participant. Rewards from the performance period 2023-2024 are based on the value of the order backlog and structure of the order backlog, taking into account the threshold condition based on the operative operating profit. Rewards from the performance period 2023-2025 are based on the operative operating profit, repayment of the hybrid bond and the share of lifecycle-wise construction in the total order backlog of developer-contracted, development and lifecycle projects. A Corporate Executive Team member is obliged to hold 50 per cent of the net shares paid to them until the value of their total shareholding in the company corresponds to 50 per cent of their annual gross salary. Correspondingly, the President and CEO of the company is obliged to hold 50 per cent of the net shares paid to them until the value of their shareholding in the company corresponds to their annual gross salary. The shareholding amount must be held as long as the membership in the Corporate Executive Team or the position as the President and CEO continues. The value of the gross rewards to be paid from the performance periods commencing in 2023 will correspond to an approximate maximum total of 450 000 SRV Group Plc shares, including the cash proportion. Approximately 25 persons, including the President and CEO of the company and other Corporate Executive Team members, belong to the

target groups of the performance periods. Upon reward payment, share price will be capped at a maximum of 20 euros.

7. The Board of Directors of SRV Group Plc has decided on 28 March 2023 to establish a new cash-based reward plan for the group's key employees. In the cash-based reward plan, the target group has an opportunity to earn a euro-denominated cash reward. The final value of the cash reward is determined by a person's euro-dominated allocation as well as by the percentage change in value of the company share measured during the performance periods lasting between 12 and 36 months. Performance periods can start during financial years 2023-2024. The maximum baseline reward amount to be allocated to the participants is 275 000 euros. In share price performance, a maximum of 100 per cent appreciation will be taken into account for the reward determination. Of the earned gross reward, a maximum of 50 per cent share can be paid in shares on the basis of a separate decision. In general, no reward based on the plans will be paid if the participant's employment or director contract terminates before the reward payment.
8. The Board of Directors of SRV Group Plc has decided on 28 March 2023 on the commencement of a new performance period under the performance share plan aimed at the group's key employees. The establishment and key terms of the incentive plan were published in a stock exchange release on 28 March 2023. The Performance Share Plan 2023 consists of four performance periods covering the financial years 2023-2024, 2023-2025, 2024-2026 and 2025-2027. The Board of Directors will decide annually on the commencement and details of the performance periods. In the plan, the target group is given an opportunity to earn SRV Group Plc shares based on the achievement of the targets set for the performance periods. The potential reward based on the plan will be paid partly in SRV Group Plc shares and partly in cash after the end of the performance period. The cash proportion of the reward is intended to cover taxes and statutory social security contributions arising from the reward to the participant. Rewards from the performance period 2024-2026 are based on the cumulative operative operating profit for 2024-2026, repayment of the hybrid bond, order backlog volume and structure at the end of performance period and the share of lifecycle-wise construction in the total order backlog of developer-contracted, development and lifecycle projects. A Corporate Executive Team member is obliged to hold 50 per cent of the net shares paid to them until the value of their total shareholding in the company corresponds to 50 per cent of their annual gross salary. Correspondingly, the President and CEO of the company is obliged to hold 50 per cent of the net shares paid to them until the value of their shareholding in the company corresponds to their annual gross salary. The shareholding amount must be held as long as the membership in the Corporate Executive Team or the position as the President and CEO continues. The value of the gross rewards to be paid from the performance period commencing in 2024 will correspond to an approximate maximum total of 450,000 SRV Group Plc shares, including the cash proportion. Approximately 25 persons, including the President and CEO of the company and other Corporate Executive Team members, belong to the target group of the performance period. Upon reward payment, share price will be capped at a maximum of 20 euros.

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8 Research and development expenses

SRV Group does not have any actual research and development expenses. The Group has business-related project development costs, and the treatment of these is described in the section of the accounting policies covering inventories.

9 Financial income and expenses

EUR 1,000	2024	2023
Financial income		
Interest income from associated and joint venture companies	0	0
Interest income from the other receivables	3,374	2,276
Foreign exchange gains	0	0
Financial assets and liabilities at fair value	0	0
Other financial income	0	13
Total	3,374	2,289
Financial expenses, excluding Lease Liabilities		
Expenses for financial liabilities at amortised cost	-1,050	-379
Financial assets and liabilities at fair value	-1,909	-563
Foreign exchange losses	0	-2,641
Other financial expenses	-1,243	-2,045
Financial expenses, Lease Liabilities		
Interests expenses	-5,484	-5,603
Total	-9,686	-11,231
Financial income and expenses, total	-6,312	-8,942

10 Income taxes

Income taxes in the income statement

EUR 1,000	2024	2023
Current taxes	-1	-141
Taxes for previous financial years	0	0
Other taxes	0	-62
Deferred taxes, Right-of-use asset	920	321
Deferred taxes	-1,324	502
Total	-404	620
Effective income tax rate	-7.1%	-3.9%

The income taxes in the consolidated income statement differ from the statutory income tax rate in Finland (20 percent in 2024 and in 2023) as follows:

Income tax reconciliation

EUR 1,000	2024	2023
Profit / loss before taxes	5,665	-15,734
Income taxes at statutory tax rate in Finland	-1,133	3,147
Differing tax rates of foreign subsidiaries	0	5
Tax exempt income	88	152
Non-deductible expenses	716	-2,320
Unrecognized and reversed tax losses	-19	-363
Taxes for previous financial years	0	0
Share of profits of associated and joint venture companies	0	0
Adjustments	-56	0
Income taxes	-404	620

Income taxes recognised in other items in comprehensive income were not material.

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The income tax credited directly to equity

EUR 1,000	2024	2023
Hybrid Bond interests tax	557	567
Total	557	567

On 14 December 2021 OECD introduced the Global Anti-Base Erosion (GloBE) Rules. SRV Group is in the process of assessing its exposure to the OECD Pillar Two legislation which is to be introduced in the financial periods beginning after 31 December 2023. Based on the impact assessment, no material top-up taxes are expected to arise because SRV Group is not operating in low-tax jurisdictions. Information on taxes of the financial period 2024 will be given by the end of June 2026.

11 Earnings per share

EUR 1,000	2024	2023
Profit/loss for the year attributable to equity holders of the parent	5,260	-15,114
Profit/loss for the year attributable to Hybrid Bond investors	-2,227	-2,227
Profit/loss for the calculate the earnings per share	3,033	-17,341

Number of shares	2024	2023
Weighted average number of shares outstanding, (1 000)	16,938	16,938
Weighted average number of shares outstanding (diluted), (1 000)	32,058	16,938
Earnings per share attributable to equity holders of the parent company, eur per share	0.18	-1.02
Earnings per share attributable to equity holders of the parent company (diluted), eur per share	0.16	-1.02

When calculating earnings per share, the interest on the hybrid bond is deducted from the profit for the financial year, tax adjusted.

When calculating diluted earnings per share, the result for the review period is divided by the diluted number of shares. The diluted number of shares takes into account the maximum number of shares in accordance with the conversion rights under the terms and conditions of SRV's hybrid bond as well as the numbers of shares corresponding to the gross rewards from the earnings periods of SRV's incentive plans. Earnings per share for the financial year 2023 have not been diluted, as the result was a loss.

12 Dividend per share

Dividends were not paid in 2024 and 2023.

13 Property, plant and equipment
Tangible assets, excluding Right-of-use asset 2024

EUR 1,000	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Historical cost, 1 Jan.	41	10,327	24,263	823	35,454
Increases	0	0	2,533	0	2,533
Decreases	-41	-151	0	-8	-200
Transfer	0	0	0	0	0
Foreign exchange differences	0	0	0	0	0
Historical cost, 31 Dec.	0	10,176	26,796	815	37,787

EUR 1,000	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Accumulated depreciation and impairments, 1 Jan.	0	-10,125	-19,111	-764	-30,001
Depreciation	0	-12	-978	-18	-1,008
Accumulated depreciations of decreases	0	0	0	0	0
Writedowns	0	0	0	0	0
Foreign exchange differences	0	0	0	0	0
Transfer	0	0	0	0	0
Accumulated depreciation and impairments, 31 Dec.	0	-10,137	-20,089	-782	-31,009
Carrying amount, 31 Dec.	0	39	6,707	33	6,778

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**Tangible assets, Right-of-use asset
2024**

EUR 1,000	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Historical cost, 1 Jan.	0	12,840	5,200	0	18,040
Increases	0	1,017	341	0	1,358
Decreases	0	-344	-235	0	-579
Transfer	0	0	0	0	0
Foreign exchange differences	0	0	0	0	0
Historical cost, 31 Dec.	0	13,513	5,306	0	18,819
Accumulated depreciation and impairments, 1 Jan.	0	-6,776	-3,624	0	-10,400
Depreciation	0	-1,385	-604	0	-1,989
Accumulated depreciations of decreases	0	0	0	0	0
Writedowns	0	-3,415	0	0	-3,415
Foreign exchange differences	0	0	0	0	0
Transfer	0	0	0	0	0
Accumulated depreciation and impairments, 31 Dec.	0	-11,576	-4,228	0	-15,804
Carrying amount, 31 Dec.	0	1,937	1,078	0	3,015

**Tangible assets, excluding Right-of-use asset
2023**

EUR 1,000	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Historical cost, 1 Jan.	41	10,273	21,536	890	32,740
Increases	0	54	2,727	27	2,808
Decreases	0	0	0	-94	-94
Transfer	0	0	0	0	0
Foreign exchange differences	0	0	0	0	0
Historical cost, 31 Dec.	41	10,327	24,263	823	35,454
Accumulated depreciation and impairments, 1 Jan.	0	-10,115	-17,771	-738	-28,624
Depreciation	0	-10	-1,342	-26	-1,378
Accumulated depreciations of decreases	0	0	1	0	1
Writedowns	0	0	0	0	0
Foreign exchange differences	0	0	0	0	0
Transfer	0	0	0	0	0
Accumulated depreciation and impairments, 31 Dec.	0	-10,125	-19,111	-764	-30,001
Carrying amount, 31 Dec.	41	202	5,152	59	5,454

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**Tangible assets, Right-of-use asset
2023**

EUR 1,000	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Historical cost, 1 Jan.	0	12,535	4,648	0	17,183
Increases	0	305	739	0	1,044
Decreases	0	0	-187	0	-187
Transfer	0	0	0	0	0
Foreign exchange differences	0	0	0	0	0
Historical cost, 31 Dec.	0	12,840	5,200	0	18,040

EUR 1,000	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Accumulated depreciation and impairments, 1 Jan.	0	-5,420	-2,921	0	-8,341
Depreciation	0	-1,356	-703	0	-2,059
Accumulated depreciations of decreases	0	0	0	0	0
Writedowns	0	0	0	0	0
Transfer	0	0	0	0	0
Foreign exchange differences	0	0	0	0	0
Accumulated depreciation and impairments, 31 Dec.	0	-6,776	-3,624	0	-10,400
Carrying amount, 31 Dec.	0	6,064	1,576	0	7,640

**14 Goodwill and other intangible assets
2024**

EUR 1,000	Intangible rights	Goodwill	Other capitalised expenditure	Total
Historical cost, 1 Jan.	907	1,734	4,396	7,038
Foreign exchange differences	0	0	0	0
Increases	17	0	0	17
Decreases	0	0	0	0
Historical cost, 31 Dec.	924	1,734	4,396	7,055
Accumulated amortisation, 1 Jan.	-658	0	-3,974	-4,633
Amortisation	0	0	-191	-191
Accumulated depreciations of decreases	0	0	0	0
Accumulated amortisation, 31 Dec.	-658	0	-4,165	-4,823
Carrying amount, 31 Dec.	267	1,734	231	2,232

2023

EUR 1,000	Intangible rights	Goodwill	Other capitalised expenditure	Total
Historical cost, 1 Jan.	907	1,734	4,206	6,848
Foreign exchange differences	0	0	0	0
Increases	0	0	190	190
Decreases	0	0	0	0
Historical cost, 31 Dec.	907	1,734	4,396	7,038
Accumulated amortisation, 1 Jan.	-658	0	-3,759	-4,416
Amortisation	0	0	-215	-215
Accumulated depreciations of decreases	0	0	0	0
Accumulated amortisation, 31 Dec.	-658	0	-3,974	-4,633
Carrying amount, 31 Dec.	250	1,734	422	2,406

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Impairment test

The recoverable amount of cash-generating units is based on value-in-use calculation model in which cash flows are based on base year figures and on business units' growing cash flows for the next five years' strategy period.

In the impairment test of goodwill performed in December 2024, a growth factor of 2 per cent was used and it does not exceed the actual long-term growth of the business. The main factors in the impairment test are the operating profit margin and the discount factor.

The discount factor used is the latest weighted average cost of capital (WACC) before taxes. In the value-in-use calculation a WACC of 9.4 per cent was used. The calculation parameters of WACC are risk-free interest rate, market risk and company specific premium, industry specific beta, the cost of liabilities and equity ratio.

The recoverable amount exceeded the carrying amounts significantly in all cash-generating units with goodwill. According to the impairment tests there was no need for impairments.

Sensitivity analysis

The performed sensitivity analysis does not cause impairments for cash-generating units when using moderate changes in default factors.

15 Financial assets and liabilities by measurement categories

2024

EUR 1,000	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities measured at amortised cost	Carrying amounts by balance sheet item	Fair value	Note
Non-current financial asset					
Long-term interest bearing receivables	0	1,485	1,485	1,485	18
Long-term receivables	0	0	0	0	17, 18
Loan receivables from associated companies and joint ventures	0	0	0	0	21
Other financial assets	7,111	0	7,111	7,111	17
Current financial assets					
Accounts receivables	0	62,217	62,217	62,217	22, 29
Other interest bearing receivables	0	891	891	891	22
Derivative instruments	1,603	0	1,603	1,603	31
Loan receivables from associated companies and joint ventures	0	0	0	0	21
Cash and cash equivalents	0	40,543	40,543	40,543	23
Total	8,714	105,136	113,850	113,850	
Non-current financial liabilities					
Interest bearing liabilities	0	31,170	31,170	31,170	27
Derivative instruments	0	0	0	0	28
Other non-current liabilities	0	3,098	3,098	3,098	28
Current financial liabilities					
Interest bearing liabilities	0	138	138	138	27
Accounts payables	0	53,755	53,755	53,755	28
Total	0	88,161	88,161	88,161	

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EUR 1,000	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities measured at amortised cost	Carrying amounts by balance sheet item	Fair value	Note
Non-current financial asset					
Long-term interest bearing receivables	0	7,050	7,050	7,050	18
Long-term receivables	0	0	0	0	17, 18
Loan receivables from associated companies and joint ventures	0	0	0	0	21
Derivative instruments	3,512	0	3,512	3,512	31
Other financial assets	7,802	0	7,802	7,802	17
Current financial assets					
Accounts receivables	0	51,675	51,675	51,675	22, 29
Other interest bearing receivables	0	6	6	6	22
Loan receivables from associated companies and joint ventures	0	274	274	274	21
Cash and cash equivalents	0	39,595	39,595	39,595	23
Total	11,314	98,599	109,913	109,913	
Non-current financial liabilities					
Interest bearing liabilities	0	31,386	31,386	31,386	27
Derivative instruments	0	0	0	0	28
Other non-current liabilities	0	3,098	3,098	3,098	28
Current financial liabilities					
Interest bearing liabilities	0	1,902	1,902	1,902	27
Accounts payables	0	38,524	38,524	38,524	28
Total	0	74,910	74,910	74,910	

Carrying amounts do not differ substantially from Fair value, excluding bonds.

Counterparty price quotations are used to determine the fair value of derivatives. These price quotations are based on predominant market circumstances and generally accepted pricing models

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EUR 1,000	2024	2023
Shares in associated companies	1,348	1,857
Shares in joint venture companies	1,708	1,923
Total	3,056	3,780

Shares in associated and joint venture companies are investments into construction projects together with other investors. Shares in associated and joint venture companies EUR 3,056 (3,780) thousand include 33% shares of Kiinteistö Oy Runoratsun Pysäköinti Oy (Espoo) and 50 % shares of Keskustakorttelin Asunnot Ky (Vantaa).

SRV did not have any substantial associated company or joint venture company in the financial year 2024 and 2023. SRV sold its last asset in Russia, a 50 per cent holding in the Pearl Plaza shopping centre in St. Petersburg in the 2024 financial year. In connection with the recognition of the sale, a translation difference EUR -4.947 thousand was recognised as income and it is presented in the statement of comprehensive income. A share of profit of Pearl Plaza has been recognised until the date of divestment 20 December 2024 and it has been written down in the consolidated income statement and balance sheet.

With a transaction completed in the financial year 2023, SRV sold the share capital of its subsidiary SRV Russia Oy. The sold assets also included a Netherlands joint venture company Promenad Invest B.V. and its Russian joint venture company OOO MMSG.

Share of profits of associated and joint venture companies

EUR 1,000	2024	2023
Associated companies	0	25
Joint venture companies	3,116	1,081
Total	3,116	1,106

Other comprehensive income

EUR 1,000	2024	2023
Associated companies	4,947	-93
Joint venture companies	0	0
Total	4,947	-93

17 Other financial assets and long-term receivables

Other financial assets may include quoted or unquoted shares as well as long-term receivables. The valuation methods and the fair value hierarchy of the available-for-sale financial assets are presented in Note 29.

EUR 1,000	2024	2023
Opening balance at 1 Jan.	7,802	7,751
Increases	2	33
Changes in fair value	-36	18
Decreases	-657	0
Closing balance, 31 Dec.	7,111	7,802
Non-current	7,111	7,802
Current	0	0
Unquoted shares	7,111	7,802
Long-term receivables	0	0

18 Receivables

EUR 1,000	2024	2023
Non-current receivables		
Long-term receivables	0	2,650
Long-term interest bearing receivables	1,485	4,400
Total	1,485	7,050

19 Deferred tax assets and liabilities

2024

EUR 1,000	1 Jan.	Recognised in the income statement	Recognised in comprehensive income	Recognised in equity	Acquisitions and disposals of business	Exchange rate difference	31 Dec.
Deferred tax assets							
Tax losses	33,593	-796					32,797
Financial assets at fair value through profit and loss	0						0
Accrual differences in developer contracting	0						0
Undeductible depreciations in taxation	1,137	-124					1,013
Other temporary differences	97	156					253
Right-of-use assets deferred tax receivables	1,927	890					2,817
Total	36,754	126	0	0	0	0	36,880
Deferred tax liabilities							
Borrowing costs	227	-9					218
Cumulative depreciation differences	9	-1					8
Other temporary differences	0						0
Total	236	-9	0	0	0	0	227
Net deferred taxes	36,518	135	0	0	0	0	36,653

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EUR 1,000	1 Jan.	Recognised in the income statement	Recognised in comprehensive income	Recognised in equity	Acquisitions and disposals of business	Exchange rate difference	31 Dec.
Deferred tax assets							
Tax losses	34,733	141			-1,281		33,593
Financial assets at fair value through profit and loss	151	-151					—
Accrual differences in developer contracting	-136	136					—
Undeductible depreciations in taxation	1,105	32					1,137
Other temporary differences	—	97					97
Right-of-use assets deferred tax receivables	1,606	321					1,927
Total	37,458	577	0	0	-1,281	—	36,754
Deferred tax liabilities							
Borrowing costs	947	86			-807		227
Cumulative depreciation differences	-33	42					9
Other temporary differences	225				-225		—
Total	1,139	128	0	0	-1,032	0	236
Net deferred taxes	36,319	449	0	0	-249	0	36,518

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The Group's accumulated losses for which no deferred tax assets have been recognised on 31 December 2024 were EUR 95 thousand (EUR 589 thousand) because realisation of the tax benefit is not considered probable.

Deferred tax assets have been recognised for right-of-use EUR 2,817 thousand (EUR 1,927 thousand).

The deferred tax liability has been recognised in the consolidated financial statements in connection with the undistributed profits of foreign subsidiaries whose income tax is determined on the basis of profit distribution. The deferred tax liability has not been recognised when the group is able to control the timing of profit distribution and the distribution is not probable at the balance sheet date.

On 31 December 2024, the amount recognised as deferred tax assets in the SRV balance sheet was EUR 36,880 thousand. The majority of SRV's deferred tax assets relate to tax loss carry forwards. Tax losses have arisen from the transfer of ownership of REDI shopping centre and the loss-making contracts of REDI shopping centre, REDI Lighthouse and Tampere Deck and Arena. Deferred tax assets are recognised only up to the amount where the company has sufficient taxable temporary differences or other convincing evidence of the ability to utilise the taxable losses. The losses have arisen for individual identifiable reasons, which are not expected to repeat. Based on the taxable income forecasts the Company has drawn up, SRV is able to utilise the losses prior to their expiration. Assumptions about the generation of future taxable income include the management's estimates of the future cash flows including the amount of future net sales, operating costs and finance costs. Assumptions about of future taxable income are based on company's objectives in the long run. SRV's ability to generate taxable income depends also on factors related to the general economy, finance, competitiveness and regulations beyond SRV's control, thus these estimates and assumption are subject to uncertainty. If a group company has made a loss in the immediate past, then a deferred tax asset from tax losses is recognised only up to the amount where SRV has sufficient taxable temporary differences or other convincing evidence of the ability to utilise the taxable loss. As at 31 December 2024, the deferred tax assets recognised on the balance sheet are also subject to the losses being assessed in taxation so that they may be generally deducted from the future taxable income of SRV.

Thus these estimates and assumptions are subject to risk and uncertainty, and it is possible that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of deferred tax assets not yet recognised from the tax losses and the amount of temporary differences. The tax loss carry-forwards will generally expire within 10 years from the date

of their creation. The majority of SRV's tax loss carry-forwards will expire in 2028–2029. If the taxable income of SRV would be lower than expected and not all deferred tax assets could be utilised, the value of the deferred tax assets in the company's balance sheet would be reduced which could have a material negative effect on the company's result and financial position.

20 Inventories

EUR 1,000	2024	2023
Inventories excluding Right-of-use assets	167,124	157,370
Work in progress	56,741	55,414
Land areas and plot-owning companies	79,984	71,857
Shares in completed housing corporations and real estate companies	26,952	27,217
Advance payments	1,462	896
Other inventories	1,985	1,985
Inventories, Right-of-use asset	88,265	88,488
Inventories, total	255,389	245,858

With respect to developer-contracted housing projects, interest expenses on borrowing are capitalised primarily using the project-specific financing cost. If the proportion of project-specific financing is not significant, the Group's capitalisation rate is used in capitalising interest expenses. Capitalisation rate used was 5.0% on average. During the financial year capitalised interests the amount of which was EUR 0 thousand (2023: EUR 675 thousand) was included in the value of work in progress. SRV did not have any developer contracting housing projects in progress in 2024.

The carrying amount of completed inventories is used as security for SRV's loans in 2024. Collateral given for own liabilities are presented in Note 30.

During the financial year 2024 there were no impairment losses in shares in completed housing companies or to plot assets.

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Inventories, right-of-use assets

EUR 1,000	2024	2023
Carrying amount, 1 Jan	88,488	75,119
Increases including the effect of index changes	3,810	16,608
Decreases	-1,989	-1,149
Period depreciations	-2,044	-2,091
Carrying amount, 31 Dec	88,265	88,488

21 Loan receivables from associated companies and joint ventures

EUR 1,000	2024	2023
Short term loan receivables from joint ventures 1 Jan	274	0
Increases	0	274
Decreases	-274	0
Total	0	274

In 2023, a short-term loan receivable from joint ventures is a receivable from Kiinteistö Oy Runoratsun Pysäköinti.

22 Accounts receivables and other receivables

EUR 1,000	Carrying amount 2024	Carrying amount 2023
Accounts receivables	62,217	51,675
Loan receivables	891	6
Gross amount due from customers related to construction contracts	22,831	14,784
Accrued income and prepaid expenses	6,719	13,999
Other receivables	1,619	1,520
Total	94,278	81,984
Interest bearing receivables	891	6
Non-interest bearing receivables	93,387	81,978
Total	94,278	81,984

Carrying amount does not substantially differ from fair value. In 2024, the Group's accounts receivables were on average EUR 57 million. The accounts receivables are non-interest bearing and they are normally about 21 days of age. More information about credit risks in Note 29.

23 Cash and cash equivalents

EUR 1,000	2024	2023
Cash and cash equivalents	40,543	39,595
Total	40,543	39,595

24 Assets held for sale

SRV Group had no assets held for sale in year-end 2024 or 2023.

25 Equity

Pcs	Number of shares
1 Jan. 2023	16,937,810
Purchase of treasury shares	-23,182
Transfer of treasury shares	23,182
31 December 2023	16,937,810
1 Jan. 2024	16,937,810
Purchase of treasury shares	-18,472
Transfer of treasury shares	18,472
31 December 2024	16,937,810

Shares and share capital

On 31 December 2024, the total number of SRV Group Plc's shares outstanding was 16,937,810 and the share capital amounted to EUR 3,062,520. The share has no nominal value and the total number of shares is 16,982,343. At the end of December there were 44,533 own shares in the Group's possession.

Rights issue

SRV executed rights issue during the financial year 2022 resulting in 348,056,400 new shares. The Offer Shares were registered with the Trade Register maintained by the Finnish Patent and Registration Office on 28 June 2022. SRV executed a reverse share

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split on 4 July 2022 to the effect that each forty shares of the company was merged into one share.

Invested free equity fund

Invested free equity fund consists of the net proceeds from the Offerings of SRV Group Plc reduced by the cost related to the share issue as well as SRV shares received in connection with the merger of SRV Henkilöstö Oy and their cancellation.

Translation difference

Translation difference comprises the differences of the translation of financial statements of the foreign subsidiaries to the functional currency of the parent company. At the balance sheet date in 2024, SRV only had subsidiaries and associated companies operating in euros and it has no translation difference recorded in equity.

Hybrid bond

In June 2022, the company's EUR 100 million senior unsecured callable fixed-rate notes (of which EUR 21.1 million was outstanding on 31 Dec. 2024) and EUR 75 million senior unsecured callable fixed-rate notes (of which EUR 36.0 million was outstanding on 31 Dec. 2024) were converted into hybrid and convertible bonds by means of a written procedure. Conversion into convertible bonds was executed by amending the terms and conditions of the notes with the inclusion of a special right to convert the notes into shares pursuant to the Companies Act if the company does not redeem them before 30 June 2026.

Hybrid bonds have an annual coupon rate of 4.875 per cent. The hybrid bond has no maturity dates at which the holder of the loan can demand repayment of the loan. The hybrid bond is unsecured and subordinated to other debt instruments. The hybrid bonds do not confer shareholders' rights to bondholders.

The hybrid bonds are recorded as equity in the balance sheet at the assumed market value (60% of nominal value) at the time of recognition, and their value in equity on the balance sheet as of December 31, 2024, was EUR 33.5 million.

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26 Provisions

2024

EUR 1,000	Warranty provisions	10-year warranty	Other provisions for construction contracts	Other provisions	Total
1 Jan.	11,027	8,128	0	0	19,154
Currency exchange differences	0	0	0	0	0
Increase in provisions	2,571	490	0	0	3,061
Provisions used	-4,430	-126		0	-4,556
Reversals of unused provisions	-116	0	0	0	-116
31 Dec.	9,053	8,492	0	0	17,544
Non-current	4,060	5,945	0	0	10,005
Current	4,992	2,548	0	0	7,540
Total	9,052	8,492	0	0	17,544

2023

EUR 1,000	Warranty provisions	10-year warranty	Other provisions for construction contracts	Other provisions	Total
1 Jan.	11,034	9,074	20	0	20,128
Currency exchange differences	0	0	0	0	0
Increase in provisions	3,648	76	0	0	3,724
Provisions used	-3,655	-1,022	-20	0	-4,697
Reversals of unused provisions	0	0	0	0	0
31 Dec.	11,027	8,128	0	0	19,155
Non-current	4,666	5,689	0	0	10,355
Current	6,361	2,438	0	0	8,800
Total	11,027	8,128	0	0	19,154

Other provisions for construction contracts include a warranty for potential disputes and other provisions for construction contracts. The level of the construction industry's 10-year warranty provision is based on index-adjusted historical information or the estimated total costs of certain individual projects

Lawsuits have been filed against SRV Construction Ltd, a subsidiary of SRV Group Plc, in the District Court of Central Finland, relating to the fire of the apartment building in Palokka, Jyväskylä, that took place in 2020. The total amount of lawsuits initiated by clients of the project and insurance companies is around EUR 8 million. No provision has

been recognised related to the lawsuit. Based on external legal assessments, there are strong grounds for rejecting the lawsuits.

27 Interest-bearing liabilities

Interest-bearing liabilities, excluding lease liabilities

EUR 1,000	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current				
Loans from financial institutions	586	586	0	0
Bonds	0	0	0	0
Housing corporation loans	16,326	16,326	17,128	17,128
Other debt	14,259	14,259	14,259	14,259
Total	31,170	31,170	31,386	31,386
Current				
Loans from financial institutions	0	0	1,845	1,845
Commercial papers	0	0	0	0
Bonds	0	0	0	0
Housing corporation loans	138	138	56	56
Total	138	138	1,902	1,902

Carrying amounts do not differ substantially from Fair value.

Interest-bearing lease liabilities 2024

EUR 1,000	Land-Areas	Buildings and structures	Machinery and equipment	Others	Total
Non-current	97,700	4,700	358	0	102,758
Current	639	1,326	696	0	2,661
Total	98,339	6,026	1,054	0	105,419

Interest-bearing lease liabilities 2023

EUR 1,000	Land-Areas	Buildings and structures	Machinery and equipment	Others	Total
Non-current	96,655	5,523	940	0	103,118
Current	639	1,260	705	0	2,604
Total	97,294	6,783	1,645	0	105,722

In addition to the above-mentioned lease liabilities, the Group has committed to enter into a lease agreement for the two Keilaniemi plots when the City of Espoo transfers the management of the plots to new buyers and building permits have been granted. By agreement, the transfer of management took place for the first plot on 31 December 2022, and for the second plot it will take place at the earliest on 4 December 2025. Before the transfer of management, the company will pay compensation to a plot fund for use of capital. Payment of the transaction price of the plots will be phased to years 2025–2026. Additional information on changes to interest bearing liabilities can be found in Note 29 Financial risk management.

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EUR 1,000	Carrying amount 2024	Carrying amount 2023
Non-current		
Derivative liabilities	0	0
Subordinated loan	0	0
Other liabilities	3,098	3,098
Total	3,098	3,098
Current		
Accounts payables	53,755	38,524
Advance payments related to construction contracts	32,311	35,568
Other advance payments	3	0
Other current liabilities	35,566	34,413
Accrued expenses and prepaid income	24,700	29,910
Total	146,335	138,415
Accrued expenses and prepaid income		
Wages and salaries and related expenses	14,851	11,458
Interest and other financial liabilities	181	175
Periodisations of project expenses	8,864	17,862
Other	804	415
Total	24,700	29,910

29 Financial risk management

SRV Group is exposed to a number of financial risks in its business operations. The most significant financial risks are related to interest rate-, liquidity- and credit risk. The management of the Group's financial risks is centralised in the Group's finance department. The management of financial risks is implemented in accordance with the financial policies approved by the Board of Directors. The financial policy is reviewed annually and updated as required to reflect changes in the marketplace. The objective of the Group's financial risk management is to reduce the uncertainty that changes in the financial markets cause for the Group's result and financial position.

Interest-rate Risks

The cash flows and fair values of the Group's interest-bearing debts and receivables are susceptible to changes in interest rates. Interest rate risk is composed primarily of the short- and long-term loans connected with the financing of business operations. The Group's financing is divided into general financing and project-specific financing. Construction period financing is typically either refinanced, transferred to the buyer or paid off at the time of completion. The Group can assume long-term debt at both variable and fixed interest rates. The weighted average interest rate of the entire loan portfolio at 31 December 2024 was 4.6% (2023: 6.6%) and including interest rate derivatives -1.8% (2023: 8.2%). Euribor is primarily the reference rate of variable interest loans.

Interest rate risk is monitored and measured from the perspective of the income statement by means of gap analysis. Interest rate risk is managed by adjusting the ratio of variable and fixed interest debt in the loan portfolio. There were no fixed-interest loans at the closing date (2023: no fixed-interest loans). Interest rate risk is also managed by interest period selection and by derivatives. SRV Group Plc entered into two interest rate swap contracts totalling EUR 100 million in 2015. Swapping of interest started in July 2016 and both contracts mature in 2025. Interest rate derivatives are used to hedge against changes in market interest rates, and changes in the fair value of interest rate derivatives are recognised in financial income and expenses for the financial period during which they occur. The fair values for derivatives correspond to the prices that the Group would be required to pay or would receive if it were to exit the derivative contracts. Counterparty price quotations are used to determine the fair value of interest rate derivatives. These quotations are based on prevailing market circumstances and generally accepted pricing models. Hedge accounting has not been applied to the interest rate derivatives used. The effect on profit and loss of the fair valuation of interest rate derivatives would have been EUR 0.2 million (2023: EUR 1.2 million) in the event of a one percentage point increase in interest rates. If interest rates decrease by one percentage point, the effect on profit and loss would have been EUR -0.2 million (2023: EUR -1.2 million). A general change in the level of interest rates also has a direct impact on the investment decisions of the Group's customers and thereby cash flows from Group operating activities.

The accompanying sensitivity analysis under IFRS 7 contains variable interest rate financial liabilities and receivables in which there is an interest rate fixing during the next 12 months, in accordance with the closing balance sheet. The sensitivity analysis also includes interest rate swap contracts

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2024	2024					2023			
	EUR 1,000	Interest risk position	Average interest rate	Average maturity, months	Financial expenses and income (EUR 1)	Interest risk position	Interest rate sensitivity, million EUR		
					-1%	+1%	-1%	+1%	
Debt, floating rate	-17,049	4.60 %	5	72	-72	-19,029	90	-90	
Derivatives	100,000	3.40 %	1	-249	249	100,000	-729	729	
Fair value change of derivatives	100,000			-244	242	100,000	-1,202	1,175	
Total				-421	419		-1,841	1,814	

¹ Effect of one percentage point in market interest rates on the Group's interest expenses and income during the next 12 months. All other variables assumed unchanged

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At the balance sheet date in 2024, SRV only had subsidiaries and associated companies operating in euros and thus the Group is not exposed to exchange rate risks. SRV sold its last asset in Russia, a 50 per cent holding in the Pearl Plaza shopping centre in St. Petersburg in the 2024 financial year. On the closing date, the Group had no foreign exchange option contracts for hedging against currency risk (2023: no foreign exchange option contract).

Sensitivity to currency fluctuation and foreign currency position in roubles

SRV sold its last asset in Russia in the 2024 financial year. The change in translation differences that impacted the comprehensive result and shareholders' equity in the financial year totalled EUR -4.9 million (EUR -10.0 million in 2023) largely due to translation differences recognised in income in connection with the sale of the Pearl Plaza shopping centre. The currency exchange rate gains with no cash flow impact amounted to EUR 0.0 (-2.6) million in financial income and expenses.

Liquidity and Refinancing risk

Liquidity and refinancing risk may have an impact on the Group's result, cash flow and the implementation of developer contracting projects if the Group is unable to secure sufficient financing for its operations. Group management monitors the level of financing continuously.

The Group's main sources of financing are project-specific loans and a committed revolving credit facility. Financing for developer contracting projects is secured by the sales process, project loans and use of the company's general financial reserves. As a rule, the Group mainly starts projects whose financing has been secured. When seen necessary, the sale of individual receivables may be used to manage liquidity within the scope of the available limit. Receivables are transferred with risks and rewards and are not subject to repurchase obligations and are therefore derecognised in full. The arrangement carries the risk that the counterparty to the arrangement may terminate the receivable arrangement unilaterally, whereby receivables can no longer be sold

In April 2024, the company agreed with the syndicate banks on utilizing the one year extension option on the current EUR 40 million committed project financing facility tied to sustainability targets. Furthermore, the minimum EBITDA covenant measure was replaced by net debt / EBITDA covenant. In accordance with the extension option the committed project financing matures in April 2026.

EUR 10 million of the company's new EUR 40 million committed revolving credit facility had been allocated as a committed overdraft facility by the end of the review period, and it remained unused at the end of the period. Of the remaining EUR 30 million, EUR 1 million was in use and EUR 29.0 million was unused.

The interest margin of the new revolving credit facility is tied to three of SRV's key sustainability objectives: carbon dioxide emissions from the operations of the company and its partner network and the lost time injury frequency (LTIF). The key performance indicators of the sustainability targets are presented in Corporate Sustainability part of the annual report.

Financial covenants of SRV's financing agreements are equity ratio, gearing, net debt to EBITDA, minimum liquidity, and certain other restrictions. The covenant levels of these financing agreements are determined on the basis of the accounting principles in force when the loan agreements were signed. Recognition of income on the basis of percentage of completion in developer contracting projects and the inclusion of capital loans into equity are taken into consideration in the calculation of the equity ratio covenant. The loan agreements also contain some other deviations from traditional covenant calculation methods. Minimum liquidity consists of cash and deposits held in syndicated banks, from which account payables that are overdue by more than 10 days have been deducted, unused part of committed revolving credit facility, committed overdraft and committed project financing. The covenant levels of these financing agreements are determined according to each loan agreement and on the basis of the accounting principles specified in the agreements, and there are cross-default terms in the agreements.

Of the covenants, equity ratio, gearing and net debt to EBITDA were reported quarterly and half-yearly during the financial year. Minimum liquidity is reported according to the situation on the last day of each month. In the event of a violation of the regularly reported covenants, the creditor has the right to demand immediate repayment of the debts. The covenants and their levels at the closing date are presented in the capital structure management section of Note 29.

The maturity distribution below presents the contractual payment of the Group's financial liabilities at the closing date. Payments include interest payments, repayments of principal and other contractual payments. The maturity table does not show the estimated future payments of the hybrid bonds on equity terms presented in equity. Further information on the hybrid bonds is given in Note 25 Equity and in the accounting principles of the financial statements.

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At the end of the reporting period, the Group's financing reserves totalled EUR 79,6 million (2023: EUR 78.6 million) and consisted of EUR 0.0 million (2023: EUR 0,0 million) in unwithdrawn project loans, an undrawn committed revolving credit facility EUR 29.0 million (2023: EUR 29.0 million), unused committed overdraft limit EUR million 10,0 (2023: EUR 10,0 million) and EUR 39,6 million (2023: EUR 29.6 million) in cash and cash equivalents.

SRV did not have any developer contracting housing or commercial premises under construction at the balance sheet date 2024 or 2023. Therefore, SRV did not have any purchase price receivables outstanding or unused project financing relating to housing or commercial premises projects

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Financial liabilities, excluding lease liabilities

2024		Maturity					
EUR 1,000	Carrying amount	Contractual liability ¹⁾	2025	2026	2027	2028	later
Bonds	0	0	0	0	0	0	0
Loans from financial institutions	586	1,880	772	257	0	0	851
Housing loans 2)	16,464	26,690	1,096	1,029	1,465	1,112	21,988
Commercial Papers	0	0	0	0	0	0	0
Other liabilities	14,259	14,259	0	0	0	0	14,259
Other non-interest bearing liabilities	9,062	9,920	6,450	3,470	0	0	0
Derivative liabilities	0	0	0	0	0	0	0
Accounts payables	53,755	53,755	53,755	0	0	0	0
Total	94,125	106,504	62,073	4,756	1,465	1,112	37,098

Financial liabilities, lease liabilities

2024		Maturity					
EUR 1,000	Carrying amount	Contractual liability	2025	2026	2027	2028	later
Lease liabilities	105,419	252,458	7,983	7,218	6,999	7,006	223,252

¹ Includes all contractual payments, e.g. interest and commitment fees.

² The liability for payment of principal and interest of housing corporation loans is transferred to the buyer at the time of sale. Loan and interest payment liability is noted for the full contractual amount until the completion of the property and thereafter in proportion of the sales rate.

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Financial liabilities, excluding lease liabilities

2023	EUR 1,000	Carrying amount	Contractual liability ¹⁾	Maturity				
				2024	2025	2026	2027	later
Bonds		0	0	0	0	0	0	0
Loans from financial institutions		1,845	3,037	2,777	260	0	0	0
Housing loans 2)		17,184	30,486	833	1,388	1,371	1,657	25,237
Commercial Papers		0	0	0	0	0	0	0
Other liabilities		14,259	14,259	0	0	0	0	14,259
Other non-interest bearing liabilities		9,062	9,062	5,963	3,098	0	0	0
Derivative liabilities		0	0	0	0	0	0	0
Accounts payables		38,524	38,524	38,524	0	0	0	0
Total		80,874	95,368	48,097	4,746	1,371	1,657	39,496

Financial liabilities, lease liabilities

2023	EUR 1,000	Carrying amount	Contractual liability	Maturity				
				2024	2025	2026	2027	later
Lease liabilities		105,722	256,993	7,910	7,558	6,954	6,917	227,665

¹ Includes all contractual payments, e.g. interest and commitment fees

² The liability for payment of principal and interest of housing corporation loans is transferred to the buyer at the time of sale. Loan and interest payment liability is noted for the full contractual amount until the completion of the property and thereafter in proportion of the sales rate.

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EUR 1,000	31.12.2024	31.12.2023
Committed credit facility	29,011	29,011
Committed overdraft facility	10,000	10,000
Undrawn housing loans and loans from financial institutions	0	0
Cash and cash equivalents	40,543	39,595
Total	79,554	78,606

Credit risk

The Group is exposed to credit risk related to accounts receivable, amounts due from long-term project customers, associated company and joint venture loan receivables, cash investments, and receivables based on derivative transactions. Credit risk is managed in accordance with credit policy principles. Project customers are mainly large, well-known and financially sound companies. If no information is available on the customer's solvency, a check is made of general trade and credit information records, and collateral requested, if necessary. With regard to international business projects, more detailed customer background checks are made if the customer is not already known. The creditworthiness of home buyers is not checked, but the ownership of an apartment is not transferred to the customer until the purchase price has been paid in full. In transactions made for unfinished apartments, the buyer has the option under the Housing Transactions Act to cancel the transaction prior to the handover of the apartment, but damages are payable for the cancellation. Similarly, a construction company may cancel a transaction if the buyer fails to make the agreed payments.

Deposits and derivatives

The Group does not have any significant investment activities. Investments relate to daily cash management and are mainly short-term bank deposits with the Group's main banks. The Group Treasury unit is responsible for managing investment and derivative instrument counterparty risks in accordance with the Group financing policy approved by the Board of Directors. Derivatives are made for hedging purposes and the balance sheet receivables based on them are small. Agreements made with counterparties to derivative contracts are based on the ISDA Convention. Under the terms and conditions of arrangements, the net asset or liability position of an individual counterparty in the same currency is considered should certain events (such as payment default) occur to be a liability and all arrangements related to it are terminated. As SRV does not, at the closing date, have a legally enforceable right of set-off, these amounts have not been

deducted from the balance sheet. The credit risk associated with both deposits and derivatives is considered to be low.

Accounts receivable and amounts due based on customer projects

Business units are responsible for the credit risk related to amounts due and accounts receivable based on customer projects, in accordance with the Group credit policy. Group credit policy defines the requirements for the credit decision process, terms of sale, and debt collection. The Group's commercial counterparties are mainly listed companies or major real estate or institutional investment companies. In the housing business, the counterparties are mainly private individuals. In apartment sales, the customer gains control of the apartment when all of the purchase price items have been paid. The same Group credit policy principles are applied to tenant selection as in commercial projects.

The Group applies the simplified approach for the recognition of expected credit losses, according to which lifetime expected losses are recognised for all accounts receivable and contract-based assets. Overall, the company has not had major material losses on these items due to the business model and customer profile mentioned above. However, one business premises project under construction in Finland involves high credit loss risks related to trade receivables: In the first quarter of 2022, SRV suspended the construction of the Torihotelli contract in Oulu due to the payment difficulties of the client. On 27 June 2022, SRV filed an application to declare the client bankrupt. As a result, the District Court of Oulu declared the company developing the hotel, Kiinteistö Oy Oulun Torihotelli, bankrupt on 26 August 2022. The assets of the bankruptcy estate are being liquidated. At the end of December, SRV had about EUR 16.0 million in receivables due from Kiinteistö Oy Oulun Torihotelli, secured by a mortgage on the property under construction and pledges on certain other assets. The company has also initiated steps to liquidate its non-property collateral

Competition for new orders in the construction industry is intense, which may affect the volume and profitability of SRV's new order backlog. Contracts concerning construction have significant value. The terms and conditions of an agreement require the parties to achieve the agreed upon targets within a specified timetable and to adhere to the agreed upon operating practices. In particular, execution of additional and alteration work may involve financial risks. Contract receivables may involve additional and alteration work involving customer complaints or disputes concerning the payment obligations of the customer. If an agreement cannot be reached on payment obligations during the final financial review, the company may have to enter into legal proceedings against the customer. The outcomes of legal proceedings involve uncertainties. It is also impossible to assess precisely the time required by court procedures in dispute cases. For additional and alteration work in contracts recognised as revenue over time, only the

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portion likely to be invoiced is recognised, in accordance with IFRS 15 Revenue from Contracts with Customers. Items subject to a significant risk of impairment and which the company does not expect to receive are not taken into account in the contract invoicing forecast

Overdue accounts receivables

EUR 1,000	2024	2023
Undue accounts receivables	62,109	48,380
1-30 days past due	1,658	2,692
31-60 days past due	-1,878	0
61-90 days past due	29	0
91-180 days past due	0	124
181-360 day past due	148	104
Over 361 days past due	149	376
Total	62,217	51,676

There were no past due receivables in other group financial assets. Credit loss provisions are not included in accounts receivables, because SRV Group does not have any substantial credit losses.

Loan receivables from associated companies and joint ventures

Loan receivables from associated companies and joint ventures are tested for impairment using a three-stage model.

1. Group management first examines the expected cash flows of loan receivables from associated companies and joint ventures as a whole together with associated company investments and regularly assesses whether the credit risk of the receivables has increased significantly since initial recognition. If the credit risk of a receivable is considered to be low or its credit risk has not increased significantly since initial recognition, the receivable is included in stage 1 and the impairment is calculated based on an assessment of the probability of credit losses occurring within 12 months.
2. If it is considered that the credit risk associated with receivables has increased significantly, the receivables are transferred to stage 2, in which case the probability of the loss associated with them is assessed over their lifetime, and on this basis the estimated future cash flows are compared with contractual cash flows. In that case, the expected credit losses on the loan receivable over its lifetime are recognised.
3. If loan receivables are found to be impaired due to credit risk, they are transferred to stage 3.

At the balance sheet date in 2024, SRV did not have any loan receivables from associated companies and joint ventures.

Long- and short-term loan receivables from associated companies and joint ventures

EUR 1,000	Stage 1	Stage 2	Stage 3	Total
31 December 2024				
Long term loan receivables	0	0	0	0
Short term loan receivables	0	0	0	0
31 December 2023				
Long term loan receivables	0	0	0	0
Short term loan receivables	274	0	0	274

Fair value hierarchy of financial assets and liabilities

Financial assets at fair value through profit or loss

On 31 December 2024, the Group had interest rate swaps recognised at fair value through profit or loss.

Derivative financial instruments at fair value through profit or loss

EUR 1,000	Stage 1	Stage 2	Stage 3	Total
31 December 2024				
Derivative financial assets	0	1,603	0	1,603
Derivative financial liabilities	0	0	0	0
31 December 2023				
Derivative financial assets	0	3,512	0	3,512
Derivative financial liabilities	0	0	0	0

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Other financial assets at fair value through profit or loss

EUR 1,000	Stage 1	Stage 2	Stage 3	Total
31.12.2024				
Unlisted shares	0	39	7,072	7,111
Long-term receivables	0	0	0	0
31.12.2023				
Unlisted shares	0	691	7,111	7,802
Long-term receivables	0	0	0	0

Level 1 instruments are traded in active markets and their fair values are directly based on the market price.

The fair values of level 2 instruments are derived from market data. The fair values of level 3 instruments are not based on observable market data but on amortised cost, quotations provided by brokers and market valuation reports.

Unlisted shares and investments consist mainly of shares purchased for leisure facilities used by SRV's employees, which have been sold in the financial year 2024 (level 2), as well as shares in investments in and related to real estate funds and projects (level 3). Assets recognised in level 3 consist mainly of investment in Tampere Deck and Arena EUR 7.0 million (2023: EUR 7.0 million), in addition to including investments in and related to real estate funds and projects. Changes in assets and long-term receivables in levels 2 and 3 are presented in Note 17.

Capital risk management

Through effective capital structure management, the Group ensures that it is able to support to its businesses and can grow shareholder value for investors. The Group does not have a public credit rating issued by a credit rating agency. The capital structure of the Group is reviewed by the Board of Directors of SRV on a regular basis. To maintain the capital structure, the Group can balance the payment of dividends as well as issue new shares or hybrid bonds. Additionally, the Group can adjust its business operations and use of capital to maintain the capital structure. The Group monitors its capital on the basis of consolidated equity ratio and gearing ratio which also are the covenant measures for the financing agreements. Total equity consists of equity attributable to owners of the parent company and to non-controlling interests as well as a hybrid bond.

The Group's loans are subject to covenants that are described in the section "Management of liquidity and refinancing risks" (see above). These covenants are calculated in accordance with the terms and conditions of each loan agreement, and are based on either FAS or IFRS figures. The table below describes the key covenants that must

be reported for the loan agreements that were in use by the Group at the end of the financial period 2024, and their levels on 31 December 2024 and 31 December 2023. The covenant levels for all loan agreements were met on 31 December 2024.

Financial covenants of the RCF	Covenant value	31.12.2024	31.12.2023
Equity ratio (overtime revenue recognition)	>30 per cent	48 %	48 %
Net gearing (excluding IFRS 16 impact)	≤70 per cent	-6 %	-4 %
Minimum liquidity	>EUR 25 million at the period end	77	74.1
Minimum EBITDA (excluding the share of associated company results and before transaction costs and impairments)	>EUR 3-15 million, depending on testing period	-	9.2
Net debt / EBITDA	< 3,5	-0.53	

30 Operating leases, commitments and contingent liabilities

EUR 1,000	2024	2023
Collateral given for own liabilities		
Real-estate mortgages given	16,464	19,029
Other commitments		
Investment commitments given	19,586	19,586
Landarea commitments	20,392	10,161

The Group has guaranteed obligations of its subsidiaries. The total amount of these guarantees was EUR 182.4 million (EUR 210.4 million). The Group's parent company has a lease agreement in accordance with the IFRS 16 standard that has not started at the balance sheet date, to which it is committed. The amount of the lease liability during its lease term starting in 2025 is EUR 15.2 million.

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The cost of rental agreements not included in lease liabilities

EUR 1,000	2024	2023
Cost related to short-term leases	-21,309	-20,193
The cost of low-value assets	-29	-23
Cost related to variable leases that are not included in lease liabilities	-1,157	-730
Total	-22,495	-20,946

The cost of rental agreements not included in lease liabilities contains mainly costs related to site equipments (short-term lease)

Cash flow of lease liabilities

EUR 1,000	2024	2023
Total	-8,224	-8,151

Cash flow of lease liabilities is presented under the item 'Interest paid and other expenses from financial costs', and the items 'proceeds from loans and repayment of lease liabilities' under cash flow from financing activities, instead of the item 'cash paid to suppliers and employees' under cash flow from operating activities.

31 Fair and nominal values of derivative instruments

EUR 1,000	2024		2023	
	Positive	Negative	Positive	Negative
Fair values of derivative instruments ¹				
Foreign exchange forward contracts and options	0	0	0	0
Interest rate swap	1,603	0	3,512	0
Total	1,603	0	3,512	0

EUR 1,000	2024	2023
Nominal values of derivative instruments		
Foreign exchange forward contracts and options	0	0
Interest rate swap	100,000	100,000
Total	100,000	100,000

The fair values of derivative instruments are based on the price quotations of the counterparties.

32 Reconciliation of debts reported in financing activities

EUR 1,000	Long term		Short term	
	Interest-bearing liabilities	Hybrid bond	Interest-bearing liabilities	Total
Debt 1 Jan 2023	113,373	33,529	12,442	159,344
Proceeds from loans	0	0	0	0
Repayment of loans	0	0	-10,000	-10,000
Transfer long term/short term debts	-1,845	0	1,845	0
New Lease Liabilities and redefinition of Lease Liabilities	17,512	0	106	17,618
Liabilities of sold developer-contracted apartments	-259	0	0	-259
Repayments of Lease Liabilities	-1,076	0	0	-1,076
Interests of Lease Liabilities	-2,581	0	0	-2,581
Change in housing corporation loans	9,728	0	56	9,784
Net change in short-term loans	0	0	0	0
Other interest bearing debts	-347	0	0	-347
Change in debt, non cash:				0
Effective interest	0	0	0	0
Other non-cash changes	0	0	0	0
Debt 31 Dec 2023	134,505	33,529	4,449	172,483
Proceeds from loans	586	0	0	586
Repayment of loans			-1,845	-1,845
Transfer long term/short term debts			55	55
New Lease Liabilities and redefinition of Lease Liabilities	4,917	0	58	4,975
Liabilities of sold developer-contracted apartments	-63	0	0	-63
Repayments of Lease Liabilities	-2,478	0	0	-2,478
Interests of Lease Liabilities	-2,737	0	0	-2,737
Proceeds from Hybrid bond	0	0	0	0
Repayment of hybrid bond	0	0	0	0
Change in housing corporation loans	-802	0	82	-720
Net change in short-term loans	0	0	0	0
Other interest bearing debts	0	0	0	0
Change in debt, non cash:				0
Effective interest	0	0	0	0
Other non-cash changes	0	0	0	0
Debt 31 Dec 2024	133,927	33,529	2,799	170,255

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33 Subsidiaries

Name	Domicile	Group's holding, %	Group's voting right, %
Shares in subsidiaries			
SRV Rakennus Oy	Espoo	100 %	100 %
SRV Ream Oy	Helsinki	100 %	100 %
SRV Asumisen Palvelut Oy	Espoo	100 %	100 %
SRV Joensuu Oy	Espoo	100 %	100 %
SRV Infra Oy	Kerava	100 %	100 %
SRV Voima Oy	Espoo	100 %	100 %
SRV Ehituse AS	Tallinn	100 %	100 %

The list does not include project companies.

SRV Yhtiöt Ltd sold the share capital of its subsidiary SRV Russia Oy in August, 2023. The subsidiary has been consolidated until June 2023.

SRV Yhtiöt Ltd sold the share capital of its subsidiary International RE Oy in December 2024. The subsidiary has been consolidated until December 2024.

34 Related party transactions

2024

EUR 1,000	Salaries and compensations	Selling of goods and services	Purchase of goods and services	Interest income	Receivables	Liabilities
Management and the Board of Directors	2,769	0	0	0	0	0
Joint ventures	0	0	0	0	0	0
Associated companies	0	0	0	0	0	0
Other related parties	0	0	0	0	0	0
Total	2,769	0	0	0	0	0

2023

EUR 1,000	Salaries and compensations	Selling of goods and services	Purchase of goods and services	Interest income	Receivables	Liabilities
Management and the Board of Directors	3,313	0	0	0	0	0
Joint ventures	0	0	0	0	0	0
Associated companies	0	613	0	0	274	0
Other related parties	0	0	0	0	0	0
Total	3,313	613	0	0	274	0

The related parties of the Group include the parent company, subsidiaries and associated companies as well as joint ventures. The related parties also include the Board of Directors and the Corporate Executive Team.

Other related parties include transactions carried out with other companies under the control of the Group's management or with companies under the control of minority shareholders. Goods and services are sold to related parties at market price. Subsidiaries included in related parties are listed above in Note 33 Subsidiaries. Subsidiaries are included in the consolidated financial statements and therefore the transactions between Group companies are not included in Note 34 Related party transactions.

Itemisation of management salaries and employment-based benefits

EUR 1,000	2024	2023
Management salaries and other short-term employment-based benefits*	1,893	2,525
Post-employment benefits, statutory pensions	590	770
Post-employment benefits, voluntary additional pensions	0	0
Benefits paid upon termination	0	107
Total	2,482	3,402

*Excluding the salary of President and CEO

The statutory occupational pension insurance of the company's employees is handled through Ilmarinen. Pension payments are made on the basis of the statutory pension percentage, 23.85 (23.85%).

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EUR 1,000	2024	2023
Sipola Saku, President and CEO	580	596
Members of the Board		
Lehtoranta Ari, Chairman of the Board, starting 25th of March 2024	80	
Iisakka Heli	61	65
Leinonen Hannu	53	58
Ahokas Matti	49	44
Kokkila Tuomas, starting 25th of March 2024	44	
Yli-Kyyry Tomi, until 25th of March 2024	6	88
Kokkila Timo, until 25th of March 2024	4	63
Members of the Board, total	297	318

In the 2024 financial year, the remuneration paid to members of the Board consisted of an annual fee approved by the Annual General Meeting plus attendance-based meeting fees. In accordance with the Annual General meetings's resolution, the annual fee was paid in both SRV shares and in cash, with about 40 per cent being paid in shares. The total amount of the fees paid in cash and SRV shares is presented in the table above.

The CEO's period of notice is 6 months. If SRV Group Plc terminates the contract, the period of notice is twelve months. The 2023 paid statutory occupational pension insurance of the President and CEO and Deputy CEO was EUR 138 thousand (EUR 142 thousand in 2023).

35 Events after the period end

On 31 January 2025, SRV announced that Minna Korander, M.Sc. (Food Economics), 54 years old, has been appointed Senior Vice President, HRs and a member of the Corporate Executive Team of SRV Group Plc. She will start in her new role by 1 May 2025 at the latest. Kristiina Sotka, the current SVP, Human Resources and a member of the Corporate Executive Team is leaving the company at the end of January to join another employer.

On 27 February 2025, SRV announced that the Board of Directors of SRV Group Plc has decided on the commencement of a new performance period under the performance share plan aimed at the group's key employees.

On 28 February 2025, SRV announced that Kimmo Kurki, Senior Vice President, Counting and Procurement and member of the Corporate Executive Team of SRV Group Plc, will retire by the end of May. The company has appointed SRV's Procurement Director, Teemu Linna, as the new Senior Vice President, Counting and Procurement, and

a member of the Corporate Executive Team. Linna will start in his new role on March 1, 2025.

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Income statement of the parent company

EUR 1,000	Note	2024	2023
Revenue	1	9,619	8,572
Other operating income	2	1	1
Personnel costs	3		
Salaries and other remuneration	3	-6,915	-6,499
Indirect personnel costs	3		
Pension costs		-1,173	-1,031
Other indirect personnel costs		-159	-208
Depreciation and impairments	4	-334	-267
Other operating expenses	5	-6,923	-7,058
Operating profit/ loss		-5,883	-6,489
Financial income and expenses	6	-7,820	7,875
Impairments of assets and their reversal	6	-1,260	3,947
Profit before appropriations and taxes		-14,963	5,333
Appropriations	7	0	3,000
Income taxes	8	2,274	1,733
Net profit for the financial year		-12,689	10,065

Balance sheet of the parent company

EUR 1,000	Liite	2024	2023
ASSETS			
Non-current assets			
Intangible assets	9	498	672
Property, plant and equipment	9	417	584
Investments			
Shares in group companies	10	200,556	201,793
Other financial assets	10	544	1,003
Non-current assets, total		202,014	204,052
Current assets			
Inventories		3	3
Long-term receivables	12	20,429	19,355
Short-term receivables	12	2,879	20,402
Cash and cash equivalents		39,709	38,522
Current assets, total		63,021	78,281
ASSETS, TOTAL		265,035	282,333
EQUITY AND LIABILITIES			
Equity			
Share capital	14	3,063	3,063
Invested free equity fund	14	310,219	310,219
Retained earnings	14	-221,080	-231,054
Net profit for the financial year	14	-12,689	10,065
Equity, total		79,513	92,293
Liabilities			
Non-current liabilities	17.0	57,924	57,339
Current liabilities	18	127,597	132,701
Liabilities, total		185,522	190,040
EQUITY AND LIABILITIES, TOTAL		265,035	282,333

Cash flow statement of the parent company

EUR 1,000	2024	2023
Cash flows from operating activities		
Cash receipts from customers	9,346	8,497
Cash receipts from other operating income	1,352	4,047
Cash paid to suppliers and employees	-13,826	-14,721
Net cash before interests and taxes	-3,128	-2,177
Interests received and other financial income	3,764	1,090
Interests paid and other expenses from financial costs	-4,486	-4,781
Income taxes paid	0	-62
Cash flow from operating activities	-3,850	-5,930
Cash flow from investing activities		
Purchase of tangible and intangible assets	-319	-435
Sale of tangible and intangible assets	304	0
Purchase of investments	-25	-521
Proceeds from sale of investments	335	0
Subsidiary shares sold	10,124	3,947
Loans granted for subsidiaries	0	-15,558
Proceeds from repayments of subsidiary loans	63	22,994
Dividends received	350	500
Net cash used in investing activities	10,831	10,927

EUR 1,000	2024	2023
Cash flow from financing activities		
Proceeds from loans	586	50
Repayment of loans	0	-10,000
Group contributions received	3,000	12,000
Hybrid bond intrests	-2,784	-2,784
Purchase of own shares	-91	-96
Change in group accounts	-6,501	-6,132
Net cash from financing activities	-5,791	-6,963
Net change in cash and cash equivalents	1,190	-1,966
Cash and cash equivalents at the beginning of financial year	38,520	40,488
Effect of exchange rate changes in cash and cash equivalents	0	0
Cash and cash equivalents at the end of financial year	39,709	38,522

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Basic data

SRV Plc (reg 1707186-8) is a Finnish company founded in accordance with the Finnish law and based in Espoo, Tarvonsalmenkatu 15, 02600 Espoo, Finland.

Parent company's financial statements and the comparable information

The parent company's financial statements are prepared in accordance with the principles of Finnish accounting legislation. The financial statements are prepared for 12 months in the financial period January 1 – December 31, 2024.

ACCOUNTING PRINCIPLES

Non-Current assets

Tangible and intangible asset are recognised on the balance sheet at historical cost less depreciation according to plan and impairment. Depreciation according to plan is calculated as straight-line depreciation on the basis of the estimated economic life of tangible and intangible assets. The depreciation periods are as follow:

- Other intangible rights, 3–5 years
- Buildings and structures, 40–60 years
- Machinery and equipment, 3–10 years
- IT equipments, 3–5 years

Investments are stated at the original purchase cost less accumulated impairment if the future income from the investment is probably going to be smaller compared to purchase price. No depreciation is booked on land areas and intangible rights. Development costs are recognised as annual costs during the year they arise.

Items denominated in foreign currency

Foreign currency business transactions are recognised at the exchange rate of transaction date.

Pensions

The statutory pension security in the parent company is provided by an external pension insurance company.

Taxes

The taxes in the income statement include the taxes for the financial year and adjustments for previous periods.

Deferred tax receivables

The deferred tax liability and receivable is calculated from the temporary difference in bookkeeping versus taxation using the confirmed tax rate for the coming fiscal years. Deferred tax receivables are recorded in the balance sheet and presented in Note 12. As on 31 December 2024 the Parent company had recognised deferred tax receivables amounting to EUR 17.729 thousand. The vast majority of the deferred tax receivables relates to confirmed tax losses. Deferred tax receivables are recognised only to the amount that the company has recoverable temporary differences of other reliable evidence that the tax losses can be utilised. Based on the company's profit estimate over the following years the losses can be utilised prior to their expiration. The Group's actual construction activities are performed by subsidiaries of the Group. SRV Group Plc's result and financial position is dependent on the development of its subsidiaries business. Assumptions on which the taxable income is determined includes management judgment on future cash flows covering revenue, operating expenses, and financial costs. The model is based on the Group's long-term targets. SRV Group's ability to generate taxable profit is also dependent on the general macro-economic situation and aspects relating to financing, competitiveness and regulatory changes which are out of control of the Group. Therefore, the estimate include uncertainty. Deferred tax receivables recognised on 31 December 2024 are also based on the fact that the losses are confirmed in taxation and can generally be utilised against SRV Group's future income. Given this, all estimates and assumptions includes risks and uncertainties. Changes in circumstances change expectations and may have an effect on the amount of recorded deferred tax receivables. Confirmed tax losses expire in general within 10 years from their origin. If the taxable income is lower than expected and all deferred tax receivables can not be utilised the deferred tax receivables are subject to impairment which could have a negative effect on company's profit and financial position.

The valuation of financial instruments

Financial instruments have been valued as of 1 January 2015 at fair value in accordance with the Chapter 5 Section 2(a) of Finnish Accounting Act. The fair value of derivatives is

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estimated based on the present value of future cash flows using market prices on the closing date. The change in fair value of the interest rate swaps are recognised in interest income and expenses in the income statement and the the cumulative change in fair values is recognised in the accrued income and expenses at the balance sheet. Hedging instruments are booked in the income statement in financial yields and expenses and in balance sheet in accrued incomes and expenses. Currency forward deal premium cost are recongnised in financial expenses at transaction date.

Commitments

The parent company has given absolute guarantees on behalf of group companies. The guarantees are related to construction projects.

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1 Revenue

EUR 1,000	2024	2023
Group services	9,556	8,485
Rent income	19	46
Other revenues	44	41
Total	9,619	8,572

2 Other income

EUR 1,000	2024	2023
Other income	1	1

3 Information concerning personnel

	2024	2023
Number of personnel on average		
Office employees	68	69

Salaries and employee benefits paid to management is disclosed in Note 34 to the consolidated financial statements.

4 Depreciation and impairments

EUR 1,000	2024	2023
Depreciation and impairments		
Depreciation on Intangible assets	191	216
Depreciation on Buildings and Structures	6	10
Depreciation on Machinery and equipment	136	41
Total	334	267

5 Other operating expenses

EUR 1,000	2024	2023
Rents	1,313	1,294
Voluntary indirect personnel expenses	482	526
Car and travel expenses	255	213
Entertainment and marketing expenses	805	755
Communication and IT expenses	1,749	1,837
Other external services	900	1,073
Selling loss of fixed assets	144	0
Operating and maintenance costs	119	214
Other fixed expenses	1,157	1,146
Total	6,923	7,058

Auditing fees included in other operating expense

EUR 1,000	2024	2023
Auditing	172	156
Statements	0	0
Tax advisory services	0	0
Other services	106	0
Total	278	156

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6 Financial income and expenses

EUR 1,000	2024	2023
Dividend income		
From group companies	350	500
Total	350	500
Interest and other financial income		
From group companies	433	329
From other	3,260	1,753
Fair value impact of interest rate swap contracts	0	0
Total	3,693	2,082
Interest expenses		
Interest expenses to group companies	-3,416	-2,982
Interest expenses to others	-2,813	-3,003
Total	-6,229	-5,985
Other financial expenses		
To others		
Fair value impact of interest rate swap contracts	-1,909	-563
Impairment and reversing from non-current investments	-1,260	3,947
Reversing from credit loss	0	13,352
Other financial expenses	-1,059	-1,511
Total	-4,228	15,225
Financial income and expenses total	-9,080	11,822

7 Appropriations

EUR 1,000	2024	2023
Appropriations		
Group contributions, received	0	3,000
Total	0	3,000

8 Income taxes

EUR 1,000	2024	2023
Income taxes		
Change in deferred taxes	2,274	1,795
Total	2,274	1,733

Notes to balance sheet

9 Changes in non-current assets

Intangible assets
2024

EUR 1,000	Intangible assets	Other intangible assets	Total
Historical cost 1. Jan	715	2,714	3,430
Increase	17	0	17
Historical cost 31. Dec	732	2,714	3,447
Accumulated depreciation and impairments, 1 Jan.	-465	-2,292	-2,757
Depreciation	0	-191	-191
Accumulated depreciation and impairments, 31 Dec.	-465	-2,483	-2,948
Carrying amount, 31 Dec.	267	231	498

2023

EUR 1,000	Intangible assets	Other intangible assets	Total
Historical cost 1. Jan	715	2,525	3,241
Increase	0	189	189
Historical cost 31. Dec	715	2,714	3,430
Accumulated depreciation and impairments, 1 Jan.	-465	-2,076	-2,541
Depreciation	0	-216	-216
Accumulated depreciation and impairments, 31 Dec.	-465	-2,292	-2,757
Carrying amount, 31 Dec.	250	422	672

Tangible assets 2024

EUR 1,000	Land and water areas	Buildings and structures	Machinery and equipment	Total
Historical cost 1. Jan	41	437	2,275	2,754
Increase	0	0	301	301
Decrease	-41	-285		-326
Historical cost 31. Dec	0	152	2,576	2,728
Accumulated depreciation and impairments, 1 Jan.	0	-146	-2,023	-2,169
Depreciation	0	-6	-136	-142
Accumulated depreciation and impairments, 31 Dec.	0	-152	-2,159	-2,311
Carrying amount, 31 Dec.	0	0	417	417

2023

EUR 1,000	Land and water areas	Buildings and structures	Machinery and equipment	Total
Historical cost 1. Jan	41	437	2,029	2,507
Increase	0	0	246	246
Historical cost 31. Dec	41	437	2,275	2,754
Accumulated depreciation and impairments, 1 Jan.	0	-136	-1,983	-2,119
Depreciation	0	-10	-40	-50
Accumulated depreciation and impairments, 31 Dec.	0	-146	-2,023	-2,169
Carrying amount, 31 Dec.	41	291	252	584

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10 Investments

2024

EUR 1,000	Shares in subsidiaries	Other shares and holdings	Total
Carrying amount, 1 Jan.	201,793	1,003	202,796
Increases	12,820	0	12,820
Decreases	-12,798	-459	-13,257
Impairments	-1,260	0	-1,260
Carrying amountt, 31 Dec.	200,555	544	201,099

In the financial year 2024, SRV Group Plc made an investment of EUR 12,795 thousand in its subsidiary International RE Oy. SRV Group Plc's subsidiary International RE Oy was sold in the financial year 2024. A sales loss of EUR -2,674 thousand was recorded from the sale. A write-down of EUR -1,260 thousand was recorded on the shares of SRV Group Plc's subsidiary SRV Ehituse AS in the financial year 2024.

In the financial year 2024, SRV Group Plc has sold shares intended for personnel leisure facilities from other shares and holdings.

2023

EUR 1,000	Shares in subsidiaries	Other shares and holdings	Total
Carrying amount, 1 Jan.	201,286	1,907	203,193
Increases	507	17	524
Decreases	0	-920	-920
Impairments	0	0	0
Carrying amountt, 31 Dec.	201,793	1,003	202,796

SRV Yhtiöt Ltd. sold the share capital of its subsidiary SRV Russia Oy in 2023. The divestment had a EUR 3,947 thousand impact because the impairment made in 2022.

Other shares and holdings consist mainly of shares of unlisted companies. Decrease of the financial year 2023 EUR -920 thousand is a repayment of subordinated debt.

11 Subsidiary companies

	Domicile	2024	2023
SRV Rakennus Oy	Espoo	100	100
SRV Infra Oy	Kerava	100	100
SRV Voima Oy	Espoo	100	100
SRV Ehituse AS	Tallinna	100	100
SRV Joensuu Oy	Espoo	100	100
SRV Ream Oy	Helsinki	100	100
International RE Oy	Espoo	0	100

The share capital of International RE Oy has been sold in 2024.

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12 Long-term and short-term receivables

EUR 1,000	2024	2023
Long-term receivables		
From Group companies		
Loan receivables	2,700	2,700
From others		
Other receivables	0	1,200
Deferred tax receivable	17,729	15,455
Long-term receivables Total	20,429	16,655
Short-term receivables		
From Group companies		
Accounts receivable	58	44
Loan receivables	0	12,858
Other receivables	0	0
Accrued receivables	198	3,003
Total	256	16,906
From others		
Accounts receivable	7	6
Other receivables	0	0
Accrued receivables	2,616	4,490
Total	2,624	4,496
Short-term receivables, total	2,879	20,402

13 Accrued receivables

EUR 1,000	2024	2023
Accrued receivables:		
Appropriations	0	3,000
Fair value of currency forward	1,603	3,512
Other	1,212	978
Total	2,815	7,490

14 Changes in equity

EUR 1,000	2024	2023
Share capital 1.1.	3,063	3,063
Share capital 31.12.	3,063	3,063
Share premium reserve 1.1.	310,219	310,219
Share Issue	0	0
Share premium reserve 31.12.	310,219	310,219
Retained earnings 1.1.	-220,988	-230,958
Transfer between items	0	0
Purchase/sell of own shares	-91	-96
Retained earnings 31.12.	-221,080	-231,054
Net profit for the financial year	-12,689	10,065
Unrestricted shareholders' equity total	76,451	89,231
Equity 31.12.	79,513	92,293

15 Calculation on the distributable equity

EUR 1,000	2024	2023
Share premium reserve	310,219	310,219
Retained earnings	-221,080	-231,054
Net profit for the financial year	-12,689	10,065
Total	76,451	89,231

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16 Provisions

The company did not have other provisions during the financial year or the comparison period.

17 Long-term liabilities

EUR 1,000	2024	2023
To other companies		
Hybrid Bond	57,109	57,109
Other loans	586	0
Total	57,694	57,109
To Group Companies		
Other loans	230	230
Long-term liabilities total	57,924	57,339

In June 2022, the company's EUR 100 million senior unsecured callable fixed-rate notes (of which EUR 21.1 million was outstanding on 31 Dec. 2024) and EUR 75 million senior unsecured callable fixed-rate notes (of which EUR 36.0 million was outstanding on 31 Dec. 2024) were converted into hybrid and convertible bonds by means of a written procedure. Conversion into convertible bonds was executed by amending the terms and conditions of the notes with the inclusion of a special right to convert the notes into shares pursuant to the Companies Act if the company does not redeem them before 30 June 2026.

The hybrid bonds are recorded as equity in the consolidated balance sheet at the assumed market value (60% of nominal value) at the time of recognition, and their value in equity on the balance sheet as of December 31, 2024, was EUR 33.5 million. SRV Yhtiöt Plc has recorded the loans as long-term liabilities with a nominal value of EUR 57.7 million.

Hybrid bonds have an annual coupon rate of 4.875 per cent. The hybrid bond has no maturity dates at which the holder of the loan can demand repayment of the loan. The hybrid bond is unsecured and subordinated to other debt instruments. The hybrid bonds do not confer shareholders' rights to bondholders.

The maximum number of shares for the conversion right of hybrid bond would be 14,277,165 shares, which corresponds to 44.5 per cent of all shares and the number of votes. A member of the board of SRV Group Plc, a person or company related party would

own 881,125 shares with conversion rights, which corresponds to 2.7 per cent of all shares and the number of votes.

18 Short-term liabilities

EUR 1,000	2024	2023
To Group Companies		
Accounts payables	0	0
Accrued expenses	7	0
Other liabilities	122,210	128,714
Total	122,217	128,714
To other companies		
Loans from financial institutions	0	0
Accounts payable	765	420
Accrued expenses	4,035	3,137
Other loans	579	431
Total	5,380	3,988
Short term liabilities total	127,597	132,701

19 Accrued liabilities

EUR 1,000	2024	2023
Accrued liabilities		
Salaries including social costs	2,406	1,621
Interest and other financial expenses	1,514	1,516
Taxes	0	0
Other	391	38
Total	4,309	3,175

20 Derivative financial instruments

By means of interest rate swap contracts, protection is sought from market interest rate changes during the financial year. Interest rate swap contracts have been handled as hedges and they mature during the financial year 2025

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EUR 1,000	2024	2023
Derivative financial instruments:		
Interest rate swaps		
- Fair value positive	1,603	3,512
- Fair value negative	0	0
- Nominal value of underlying instruments	100,000	100,000

Fair value hierarchy of financial instruments:

Fair value hierarchy of financial instruments is described in Note 29 Financial risk management in SRV Group notes. Changes in the value of derivatives recognised in the income statement are presented in Note 6. More detailed information on derivatives, their valuation and use is provided in Note 29 to the consolidated financial statements.

21 Risk management

The Group has a systematic and structured approach to risk management across business operations and processes. There are no separate or individual risk management policies or procedures for the Parent company. Risk management is described in the Report of the Board of Directors and in Note 29 in Consolidated Financial Statement.

22 Leasing and other rent agreements

EUR 1,000	2024	2023
Leasing liabilities		
Payable in less than a year	105	118
Payable later	52	135
Total	157	254
Rental lease liabilities		
Payable in less than a year	2,143	1,259
Payable later	18,869	21,193
Total	21,011	22,452

23 Other liabilities

EUR 1,000	2024	2023
Other liabilities		
Guarantee obligations given on behalf of Group companies	182,431	210,372
Investment commitments	19,586	19,586
Corporate cards, amount in use	14	6

Other liabilities

Through its subsidiary SRV Voima Oy, SRV has a holding in Voimaosakeyhtiö SF, the main owner of Fennovoima, which had prepared the Hanhikivi 1 nuclear power plant project. SRV has also made an investment commitment to Voimaosakeyhtiö SF concerning the construction of the nuclear power plant. SRV has the same rights and obligations as other Voimaosakeyhtiö SF shareholders. In May 2022, Fennovoima announced that it had terminated the Hanhikivi 1 nuclear power plant delivery agreement made with Rosatom and cancelled the construction permit application for the plant project. Due to the higher project risk, SRV's holding in Fennovoima was written down in its entirety in 2022. After this write down, the investment commitment to Voimaosakeyhtiö SF amounts to a maximum of EUR 18.7 million. That said, the realisation of this investment commitment is unlikely due to the status of the Hanhikivi 1 project.

Credit facility

In April 2024, the company agreed with the syndicate banks on utilizing the one year extension option on the current EUR 40 million committed project financing facility tied to sustainability targets. Furthermore, the minimum EBITDA covenant measure was replaced by net debt / EBITDA covenant. In accordance with the extension option the committed project financing matures in April 2026.

The interest margin of the new revolving credit facility is tied to three of SRV's key sustainability objectives: carbon dioxide emissions from the operations of the company and its partner network and the lost time injury frequency (LTIF). The key performance indicators of the sustainability targets are presented in Corporate Sustainability part of the annual report.

EUR 10 million of the company's EUR 40 million committed revolving credit facility had been allocated as a committed overdraft facility by the end of the review period, and it remained unused at the end of the period. Of the remaining EUR 30 million, EUR 1 million was in use and EUR 29.0 million was unused.

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24 Related party transactions

There were no related party transactions which would not been carried out under ordinary commercial terms or which would be necessary to provide in order to give a true and fair view of the transactions. SRV Group Plc has granted its subsidiary SRV Infra Oy a loan of EUR 2.7 million, which matures on December 31, 2026. Annual interest is paid on the principal of the loan.

EUR 1,000	2024	2023
Itemisation of management salaries and employment-based benefits		
Salaries and other benefits	1,893	2,632
Total	1,893	2,632
Salaries and other benefits of President&CEO		
President and CEO, Saku Sipola	580	596
Rewards and benefits of the members of the board:		
Rewards and benefits:	297	325

In the 2024 financial year, the remuneration paid to members of the Board consisted of an annual fee approved by the Annual General Meeting plus attendance-based meeting fees. In accordance with the Annual General meetings's resolution, the annual fee was paid in both SRV shares and in cash, with about 40 per cent being paid in shares. The total amount of the fees paid in cash and SRV shares is presented in the table above.

The 2024 paid statutory occupational pension insurance of the President and CEO and Deputy CEO was 138 thousand euros (142 thousand euros in 2023).

At the end of the financial year, SRV had two long-term incentive plans for key personnel of the Group:

- Performance Share Plan 2023 (President & CEO, Corporate Executive Team and other key employees)
- Cash-based reward plan (key employees excl. President & CEO)

Descriptions of the incentive plans are provided in Note 7 in Consolidated Financial Statement

Proposal for the distribution of profits

The parent company's distributable funds on 31 December 2024 are EUR 76,450,504.85 of which net profit for the financial year is EUR -12,689,036.68. The Board of Directors proposes to the General Meeting that no dividend be paid for the 2024 financial year.

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- 1) These financial statements are prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and of the companies included in its consolidated financial statements.
- 2) The report of the Board of Directors includes a fair review of the development and performance of the Group and of the companies included in its consolidated accounts, together with a description of the principal risks and uncertainties and the financial position of the Company.
- 3) The sustainability statements included in the Report of the Board of Directors have been prepared in accordance with the reporting standards referred to in Chapter 7 of the Finnish Accounting Act and Article 8 of the Taxonomy Regulation.

SIGNATURES TO THE FINANCIAL STATEMENTS AND REPORT OF THE BOARD OF DIRECTORS

Espoo, 3 March 2025

Ari Lehtoranta
Chair

Heli Iisakka

Tuomas Kokkila

Matti Ahokas

Hannu Leinonen

Saku Sipola
President and CEO

AUDITOR'S NOTE

Our auditor's report has been issued today

Helsinki, 3 March 2025

PricewaterhouseCoopers Oy
Authorized Public Accountants

Jukka Torkkeli
Authorised Public Accountant (KHT)

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Report on the Audit of the Financial Statements

Opinion

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 to the Audit Committee.

What we have audited

We have audited the financial statements of SRV Yhtiöt Oyj (business identity code 1707186-8) for the year ended 31 December 2024. The financial statements comprise:

- the Consolidated income statement, Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and notes, which include material accounting policy information and other explanatory information
- the parent company's income statement, balance sheet, cash flow statement and notes.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in Note 5 to the Financial Statements.

Our Audit Approach

Overview



- Overall group materiality: € 5 200 000, which represents approximately 0.7 % of group's revenue
- We performed an audit of SRV Group's parent company and its subsidiaries that are most significant based on the financial position and result.
- Revenue recognised from construction contracts over time
- Valuation of deferred tax assets

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from

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material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

Overall group materiality

€ 5 200 000 (previous year € 4 500 000)

How we determined it

Approximately 0.7% of groups revenue

Rationale for the materiality benchmark applied

We chose revenue as the benchmark because, in our view, it is the benchmark against which the performance of the group is most commonly measured by users and it is a generally accepted benchmark. We chose 0.7 % which is within the range of acceptable quantitative materiality thresholds in auditing standards.

How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the SRV Group, the accounting processes and controls, and the industry in which the group operates.

The SRV Group is operating in construction business primarily in Finland. Since a significant part of the operations are in Finland, the focus of the audit has been the parent company and the most significant Finnish subsidiaries based on their financial position and results.

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.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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Key audit matter in the audit of the group	How our audit addressed the key audit matter	Key audit matter in the audit of the parent company	How our audit addressed the key audit matter
<p>Revenue recognised from construction contracts over time</p> <p>Refer to Accounting policies for consolidated financial statements and Note 3</p> <p>Revenue and costs of construction contracts are recorded over time as revenue and costs on the basis of the percentage of completion where the outcome of the construction contract can be estimated reliably. The percentage of completion is calculated on the basis of the estimated total cost of a contract and the cumulative costs at the balance sheet date.</p> <p>Management judgment has a significant impact on the estimate of total cost of construction contracts and on revenue and result of those contracts. Therefore revenue recognised from construction contracts over time is considered as a key audit matter in the audit of the group financial statements.</p>	<p>Our procedures included the following procedures, among others:</p> <ul style="list-style-type: none"> • We updated our understanding of processes of revenue recognition and total cost estimation of contracts. Also, we tested the effectiveness of selected key controls. • On selected construction contracts we performed substantive audit procedures, of which the main ones are described below. • We read construction contracts and assessed the appropriateness of applied revenue recognition accounting principles. • We compared the estimated revenue of the projects with the terms of the construction contracts. • We monitored the progress of the projects and changes in the total cost estimates by reading the minutes of project meetings and discussing with management and responsible personnel. • We assessed the accuracy of management's estimates by comparing the total cost estimates of uncompleted projects included in the previous financial year's financial statements to their actual outcome in the current financial year. • We tested the mathematical accuracy of the spreadsheets used to determine the percentage of completion as well as the revenue and cost that was recognised based on that. 	<p>Valuation of deferred tax assets</p> <p>Refer to Accounting policies for parent company financial statements and Note 12</p> <p>Deferred tax assets in the parent company's balance sheet amounted to 17.7 million euros. Deferred tax assets consist mainly of confirmed tax losses.</p> <p>Deferred tax assets are recognized to the extent that it is probable that they can be utilized against taxable profit in the future. The valuation of deferred tax assets requires estimates by management, including the future operating profitability of operations.</p> <p>Valuation of deferred tax assets are considered as a key audit matter due to the management judgment involved.</p>	<p>Our procedures included the following procedures, among others:</p> <ul style="list-style-type: none"> • We updated our understanding of the process related to the recognition of deferred tax assets. • We evaluated the appropriateness of the accounting principles applied for recognition of deferred tax assets. • We evaluated the forecasts prepared for the utilization of deferred tax assets, e.g. forecasted profitability. • We assessed the accuracy of management's estimates by comparing the estimates to their actual outcomes • We tested the mathematical accuracy of the spreadsheets used to determine the usability of deferred tax assets
<p>There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.</p>			
<p>Valuation of deferred tax assets</p> <p>Refer to Accounting policies for consolidated financial statements and Note 19</p> <p>Deferred tax assets in the consolidated balance sheet amounted to 36.9 million euros. Deferred tax assets consist mainly of confirmed tax losses.</p> <p>Deferred tax assets are recognized to the extent that it is probable that they can be utilized against taxable profit in the future. The valuation of deferred tax assets requires estimates by management, including the future operating profitability of operations.</p> <p>Valuation of deferred tax assets are considered as a key audit matter due to the management judgment involved.</p>	<p>Our procedures included the following procedures, among others:</p> <ul style="list-style-type: none"> • We updated our understanding of the process related to the recognition of deferred tax assets. • We evaluated the appropriateness of the accounting principles applied for recognition of deferred tax assets in comparison to IFRS Accounting Standards. • We evaluated the forecasts prepared for the utilization of deferred tax assets, e.g. forecasted profitability. • We assessed the accuracy of management's estimates by comparing the estimates to their actual outcomes • We tested the mathematical accuracy of the spreadsheets used to determine the usability of deferred tax assets • We evaluated the appropriateness of the disclosures related to deferred tax assets. 	<p>Responsibilities of the Board of Directors and the Managing Director for the Financial Statements</p> <p>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.</p> <p>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 to cease operations, or there is no realistic alternative but to do so.</p>	

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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 these 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with 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**Appointment**

We were first appointed as auditors by the annual general meeting on 26 March 2014. Our appointment represents a total period of uninterrupted engagement of 11 years.

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.

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 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, excluding the

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sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

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. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 3 March 2025

PricewaterhouseCoopers Oy

Authorised Public Accountants

Jukka Torkkeli

Authorised Public Accountant (KHT)

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We have performed a limited assurance engagement on the group sustainability report of SRV Yhtiöt Oyj (business identity code 1707186-8) 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 reporting period 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 SRV Yhtiöt Oyj has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability report in accordance with Chapter 7, Section 22, of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement 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 Authorised Group 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.

Authorised Group Sustainability Auditor's Independence and 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.

Our firm applies International Standard on Quality Management ISQM 1, which requires the 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 SRV Yhtiöt 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
- 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.

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Inherent Limitations in the Preparation of a Sustainability Report

In reporting forward-looking information in accordance with ESRS, management of the Company is required to prepare the forward-looking information on the basis of assumptions that have been disclosed in the Sustainability report about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Responsibilities of the Authorised 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.

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 example the following:

- We interviewed the company's management and the individuals responsible for collecting and reporting the information contained in the group sustainability report at the group level as well as at different levels of the organization to gain an understanding of the sustainability reporting process and the related internal controls and information systems.
- We familiarised ourselves with the background documentation and records prepared by the company where applicable, and assessed whether they support the information contained in the group sustainability report. We performed site visits at the company's head office in Finland and Laakso hospital construction site.
- We assessed the company's double materiality assessment process in relation to the requirements of the ESRS standards, as well as whether the information provided about the assessment process complies with the ESRS standards.
- We assessed whether the sustainability information contained in the group sustainability report complies with the ESRS standards.
- Regarding the EU taxonomy information, we gained an understanding of the process by which the company has identified the group's taxonomy-eligible and taxonomy-aligned economic activities, and we assessed the compliance of the information provided with the regulations.

Helsinki 3.3.2025

PricewaterhouseCoopers Oy

Authorised Sustainability Auditors

Jukka Torkkeli

Authorised Sustainability Auditor

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Group Key Figures (EUR million)	2024	2023
Revenue	745.8	610.0
Operative operating profit	10.3	1.1
Operative operating profit, %	1.4	0.2
Operating profit	12.0	-6.8
Operating profit, %	1.6	-1.1
Profit before taxes	5.7	-15.7

Order backlog (EUR million)	2024	2023
Business construction	923.1	936.6
Housing construction	129.7	111.9
Group, total	1,052.8	1,048.6
of which sold-%	976.2	971.1
of which unsold-%	76.6	77.5

Order backlog, housing construction in Group (EUR million)	2024	2023
Negotiation and construction contracts	53.1	34.5
Under construction, sold	0.0	0.0
Under construction, unsold	46.3	46.3
Completed and unsold	30.3	31.1
Housing construction, total	129.7	111.9

Housing construction, Group (units)	2024	2023
Housing sales	4	145
developer contracting	4	7
sold to investors	0	138
Developer contracting		
start-ups	0	0
completed	0	85
recognised as income	4	7
completed and unsold	95	99
Under construction	520	239
contracts and negotiated contracts	520	101
sold to investors	0	138
developer contracting	0	0
sold, %	— %	— %
unsold, %	— %	— %

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SRV's reporting package for 2024 includes the annual review, Report of the Board of Directors, Financial Statements, Corporate Governance Statement and Remuneration Report 2024. In the 2024 Annual Report, SRV describes its sustainability in accordance with CSRD and ESRS. All of these publications are available on SRV's website at <https://www.srv.fi/en/srv-as-a-company/investor/>.

General Meeting

The 2025 Annual General Meeting of SRV Group Plc is planned to be held on Thursday, 27 March 2025, starting at 4 pm. More information is available on the company's website at <https://www.srv.fi/en/srv-as-a-company/investor/>.

The key tasks of investor relations

The key principles of SRV's investor communications are the accuracy, transparency, consistency, timeliness and impartiality of information with respect to all parties. It is the task of SRV's investor communications to ensure the correct price formation for SRV's share or other financial instruments by providing accurate, up-to-date and sufficient information about SRV and its business. The aim is to strengthen investor confidence in the company both in Finland and abroad. The target group for investor communications consists of shareholders, institutional investors, analysts, portfolio managers, investment bankers, and the financial media.

Reporting on results in 2025

SRV will publish four interim reports in 2025:

- The 2024 financial statement release was published on 6 February 2025 at 8:30 am
- The interim report for January–March will be published on 30 April 2025 at 8:30 am
- The half-year financial review for January–June will be published on 8 August 2025 at 8:30 am
- The interim report for January–September will be published on 23 October 2025 at 8:30 am

Interim reports are published in Finnish and English, and are available on SRV's website at <https://www.srv.fi/en/srv-as-a-company/investor/>. SRV observes a silent period of 30 calendar days before the publication of results.

Information about SRV's share

Listing: Nasdaq Helsinki
Listed since: 12 June 2007
No. of shares: 16,982,343
Trading currency: EUR
Ticker symbol: SRV1V
ISIN code: FI0009015309

Analysts that follow SRV

Olli Koponen, Inderes
Atte Jortikka, Evli

Contact details

CFO
Jarkko Rantala tel. +358 (0)40 674 1949
jarkko.rantala@srv.fi

Senior Vice President, Communications and Marketing
Miia Eloranta
tel. +358 (0)50 441 4221
miia.eloranta@srv.fi

Senior Vice President, Development (Lifecycle-wise solutions, sustainability and development)
Miimu Airaksinen
tel. +358 (0)40 770 4832
miimu.airaksinen@srv.fi

investor.relations@srv.fi

Derby Business Park
Tarvonsalmenkatu 15
02600 Espoo, Finland
tel. +358 (0)20 145 5200
www.srv.fi



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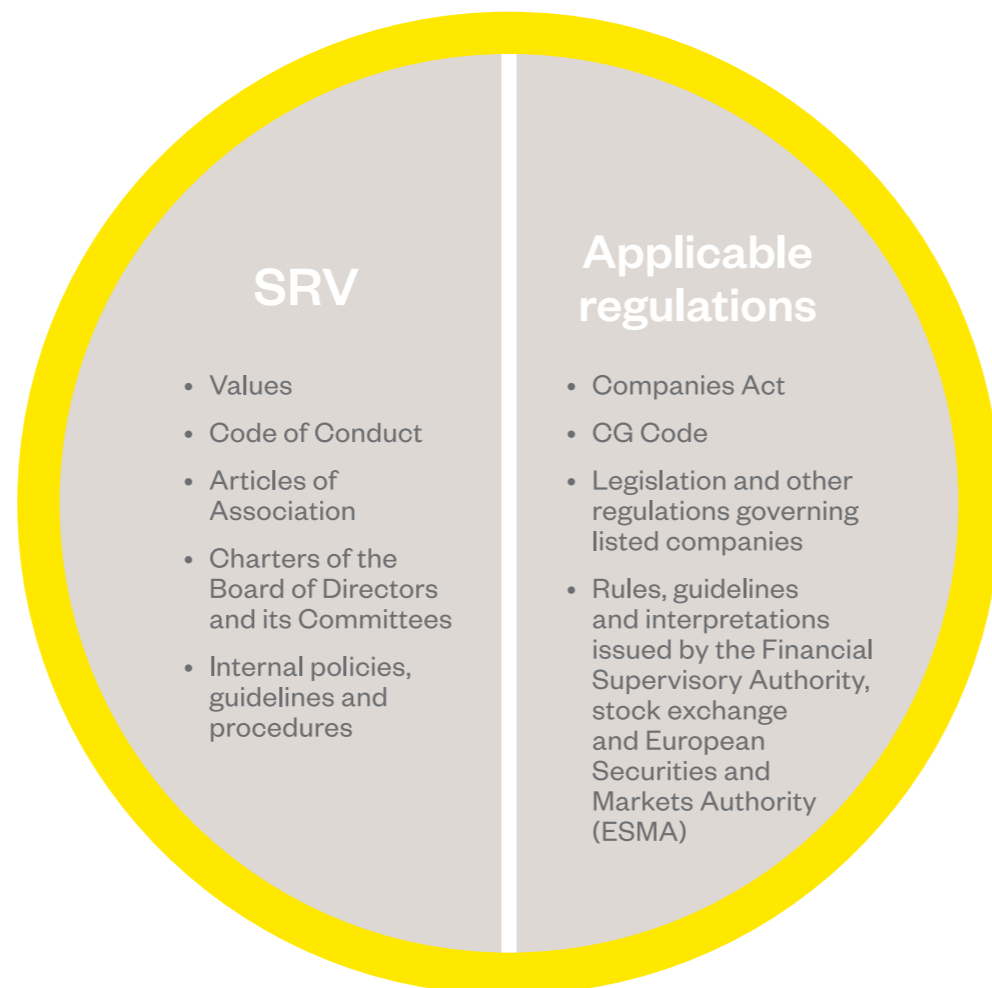
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SRV Group Plc (**SRV** or the **Company**) complies with the Finnish Corporate Governance Code 2025 (**CG Code**) adopted by the Securities Market Association and all of its recommendations. The CG Code is publicly available on the Securities Market Association's website at www.ogfinland.fi.



Introduction

SRV's Corporate Governance Statement (CG statement) for the financial year 20234 has been prepared in accordance with the reporting section of the CG Code. SRV issues its CG Statement as a separate report from the Report of the Board of Directors. The CG Statement is available on the Company's website in the Investor section under Governance (www.srv.fi/en/srv-as-a-company/investor/governance). The CG Statement is also included as a separate section in the Company's 2024 Annual Report.

The Board's Audit Committee reviewed the CG Statement at its meeting of 4 February 2025. The Company's auditor, PricewaterhouseCoopers Oy, has verified that the CG Statement has been issued and that the description of the main features of the internal control and risk management systems of the financial reporting process is consistent with the financial statements of the Company.

Descriptions concerning corporate governance

Governance structure and environment

SRV is a Finnish public limited liability company, whose shares are listed on Nasdaq Helsinki Ltd. SRV's decision-making, administration and operations are guided by its values and Code of Conduct. In addition to the CG Code, SRV complies with current legislation, SRV's Articles of Association, the charters of SRV's Board of Directors and its committees, the Company's policies and guidelines, and the rules and guidelines issued by parties that regulate and supervise Finnish listed companies.

SRV's administration, management and supervision are divided between the General Meeting of Shareholders, the Board of Directors, and the President and CEO. The internal audit unit, reporting to the Board of Directors, is responsible for internal auditing, and external auditing is carried out by auditors. The President and CEO attends to line operations with the assistance of the Corporate Executive Team.

General Meeting

SRV's highest decision-making body is the Company's General Meeting of shareholders. The Annual General Meeting (AGM) is held once a year by the end of June on a date determined by the Board of Directors. An Extraordinary General Meeting (EGM) shall be held when the Board of Directors deems it necessary or when required by law.

SRV's AGM of 2024 was held on 25 March 2024 in Espoo. The AGM was participated by 38 shareholders either by voting in advance or being present at the meeting. The

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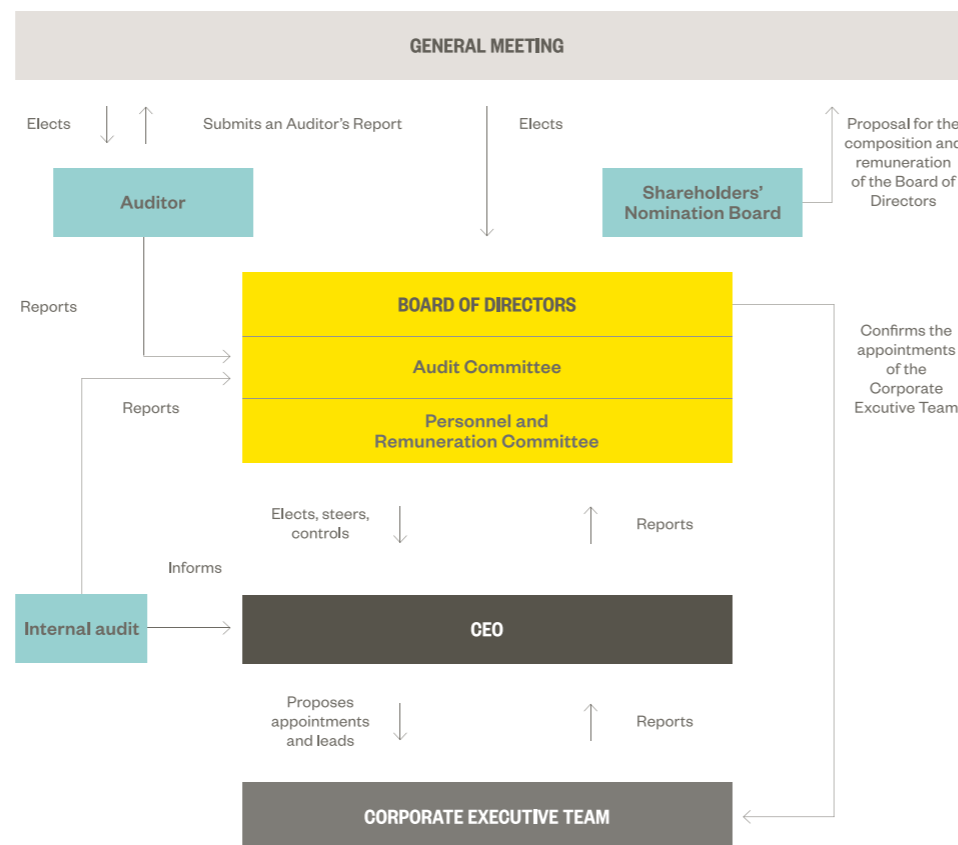
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participants represented approximately 64.42% of the company's shares and votes. All decisions at the meeting were made without voting. The minutes of the AGM are available on the Company's website at <https://www.srv.fi/en/srv-as-a-company/investor/governance/annual-general-meeting/annual-general-meeting-2024/>.



Shareholders' Nomination Board

SRV's 2020 AGM resolved to establish a Shareholders' Nomination Board, whose task is to prepare proposals concerning the composition and remuneration of the Board of Directors for the General Meeting.

The Shareholders' Nomination Board consists of four members. The Company's three largest shareholders (as per 31 August of each calendar year) are each entitled to appoint one member. The Chair of the Board of Directors will be the fourth member of the Board. The members of the Shareholders' Nomination Board will elect a Chair at their first meeting. The Group's General Counsel will act as the Secretary of the Shareholders' Nomination Board.

The charter of the Shareholders' Nomination Board describes the Board's tasks, meeting practices and member election process in more detail. The charter of the Shareholders' Nomination Board is available on the Company's website at www.srv.fi/en/srv-as-a-company/investor/governance/shareholders-nomination-board/. The Shareholders' Nomination Board is quorate when all of its members are present. The Shareholders' Nomination Board shall make unanimous decisions.

On 31 December 2024, the Shareholders' Nomination Board consisted of the following members¹:

- Ilpo Kokkila, Chair (M)
Main occupation: Pontos Oy, Chair of the Board of Directors
- Vesa Aho (M)
Main occupation: Executive Financial Director, OP Financial Group
- Mikko Mursula (M)
Main Occupation: Chief Investment Officer, Ilmarinen Mutual Pension Insurance Company
- Ari Lehtoranta (M)
Main Occupation: Board Professional
Chair of the Board of Directors, SRV Group Plc

The Shareholders' Nomination Board convened four (4) times in 2024 with an attendance rate of 94 %.

¹ (M)=male/(F)=female

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The Shareholders' Nomination Board prepares a proposal on the composition of the Company's Board of Directors for presentation to the General Meeting. The General Meeting decides on the number of Board members and elects the Chair and other members of the Board for a term of office that begins at the General Meeting at which they are elected and ends at the close of the next Annual General Meeting. There are no provisions in the Articles of Association regarding any special order of appointment for members of the Board of Directors. The Board of Directors shall elect a Vice Chair from among its members.

When preparing its proposal on the composition of the Board of Directors, the Shareholders' Nomination Board takes into account the CG Code's requirements for members' independence, the results of annual assessment of Board activities, the diversity principles for the Board, and any other applicable legislation and regulations. According to SRV's Articles of Association, the Board of Directors may have 5–8 members. There is no limit on the number of terms that a member may serve on the Board of Directors, and no maximum age has been set for Board members.

The 2024 AGM elected five (5) members to the Board of Directors. Matti Ahokas, Heli Iisakka and Hannu Leinonen were re-elected to the Board. Ari Lehtoranta and Tuomas Kokkila were elected as new members of the Board. Timo Kokkila and Tomi Yli-Kyyny had informed that they are no longer available for re-election. The AGM elected Ari Lehtoranta as Chair of the Board of Directors, and the Board elected Heli Iisakka as Vice Chair from among its members. The Board members' personal details, main occupation and SRV shareholdings on 31 December 2024 are presented in the table.

Independence of the Board members

The Board of Directors conducts an annual assessment of the independence of its members on the basis of the CG Code's recommendations and any other factors and conditions that should be taken into account in the overall evaluation. Each Board member submits sufficient information for this purpose and also self-evaluates their independence. The Board of Directors then evaluates the independence of its members and announces which of its members have been deemed to be independent of the Company and of its major shareholders.

In its organising meeting on 25 March 2024, the Board of Directors evaluated that, of its members, Matti Ahokas, Heli Iisakka, Ari Lehtoranta and Hannu Leinonen are

independent of both the Company and its major shareholders. Tuomas Kokkila is not independent of the Company as he has been employed by SRV Group Plc until 31 July 2023. He is also not independent on the Company's major shareholders, as he is a Member of the Board of Pontos Oy, which has authority in the major shareholder of the company, AS Pontos Baltic.

Member of the Board	Member since	Gender	Born	Education	Main occupation	SRV's shares at 31 December 2024 ¹
Ari Lehtoranta Chair	2024	male	1963	MSc. (Tech.)	Board Professional	5,951
Heli Iisakka Vice Chair	2021	female	1968	MSc. (Econ.)	Colliers International Finland Oy, CFO	34,7770
Matti Ahokas	2023	male	1972	MSc. (Econ.)	Mandatum Group, CFO	6,393
Tuomas Kokkila (including share ownership in a company under his control Tungelin Investments Oy)	2024	male	1993	MSc. (Real Estate Develop- ment)	Slättö AB, Investment Director	786,732
Hannu Leinonen	2020	male	1962	MSc. (Tech.)		48,752
Total²						882,598

¹Shareholdings include the shares and share-based rights owned by the Board member and any shares and share-based rights owned by a company under their control. Board members do not own shares in any other company that is part of the same group as SRV.

² Tomi Yli-Kyyny's and Timo Kokkila's membership of the Board of Directors ended in the AGM of 2024 after they had informed that they are no longer available for the re-election.

Diversity of the Board of Directors

The Board of Directors has drafted diversity principles for the Company's Board. Diversity among the Board of Directors seeks to promote the Company's business and its development, strengthen Board work and decision-making, and increase open discussion. Diversity assessments take into account the eligibility of Board members with respect to the requirements of the Company's current position. Sufficient diversity will be assessed on the basis of factors such as Board members' experience, education and knowledge of the Company's various businesses, and the Board's age and gender distribution.

Diversity targets require Board members to have a range of different areas of expertise that support the achievement of the Company's current strategic objectives. In addition to expertise in the field of industry, these areas of expertise include finance and funding, digitality, business management, strategy development and management, and

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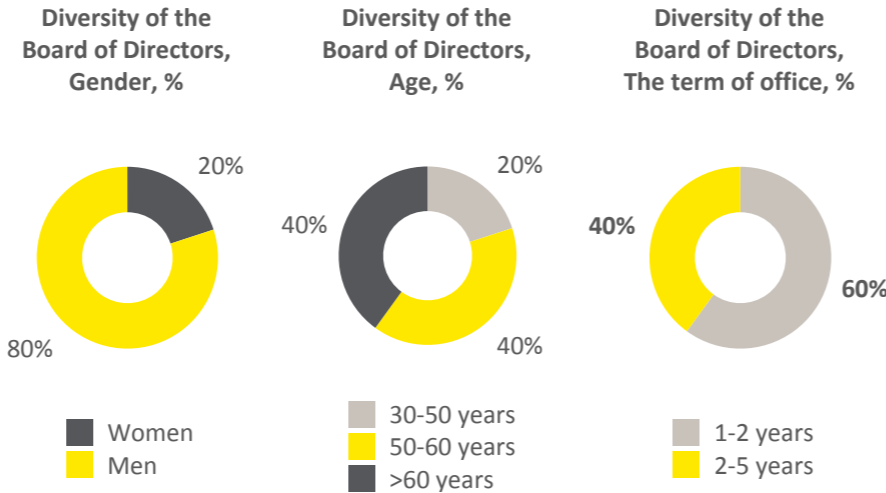
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international business operations. Board members must have sufficient education that supports the Company's operations and achievement of objectives.

The diversity targets for the Board have been well met, and the Board has a good balance of the various competencies defined in the Company's diversity principles. All members of the Board have a university degree in either technology or finance, as well as experience in business management, strategic management and strategic development. The members of the Board hold, or have previously held, management and board positions at both listed and unlisted companies in sectors that are relevant to SRV's business. The Board has professional expertise in construction, investments, finance and economics, and international business. The ages of Board members range from 31 - 62, and both genders are represented. In future, the Company will seek to ensure a more gender-balanced Board taking into consideration for example requirements followed by enactment of the directive concerning gender balance in the management bodies of listed companies both in legislation and in the CG code. This target is taken into consideration in addition to the competences required from Board members, but also in the preparation of the Board candidate proposal.



The Board of Directors' tasks and activities

The Board's task is to organize, lead and supervise the Company's management and proper operations in accordance with the Companies Act, SRV's Articles of Association, and any other applicable legislation and regulations. The Board of Directors has prepared a written charter for its activities, specifying the key tasks and operating principles of the Board and its Chair. The Board's charter is available in their entirety on the Company's website at www.srv.fi/en/srv-as-a-company/investor/governance/board-directors/

The Board of Directors meets regularly according to a preset schedule, and also when necessary. The President and CEO and General Counsel participate in Board meetings; the former presents matters to the Board and the latter acts as the secretary of the Board. Other members of the Corporate Executive Team may attend Board meetings at the invitation of the Board.

The Board of Directors conducts an annual assessment of its activities and working procedures, and develops its activities based on the results. In 2024, this assessment was carried out as self-evaluation.

Attendance at meetings

The Board of Directors convened 14 times in 2024. Meetings were held at the Company's headquarters in Espoo, remotely, and also two (2) times without convening. The average attendance rate at Board meetings was 99 per cent.

The attendance record of Board members at Board meetings is shown in the table below:

Member of the Board	Attendance/no. of meetings	Attendance %
Ari Lehtoranta, Chair since 25 March 2024	10/10	100
Heli Iisakka, Vice Chair	14/14	100
Matti Ahokas	14/14	100
Tuomas Kokkila since 25 March 2024	10/10	100
Hannu Leinonen	14/14	100
Tomi Yli-Kyyny Chair of the Board until 25 March 2024	4/4	100
Timo Kokkila Vice Chair of the Board until 25 March 2024	3/4	75

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The Board of Directors has established two committees from among its members: an Audit Committee and a Personnel and Remuneration Committee. The committees operate in accordance with their charters approved by the Board of Directors, and report to the Board. The committees do not have independent decision-making power. Their task is to enhance the effectiveness of the Board of Directors by preparing matters for decision by the Board and the General Meeting.

Audit Committee

The Audit Committee assists the Board of Directors in its role in the preparation of financial and sustainability reporting and supervision tasks as well as audit-related matters. The Audit Committee follows and assesses the company's financial reporting and prepares matters concerning the Group's financial situation and financial reporting, internal audits and risk management for the Board.

In order to discharge its tasks, the Audit Committee follows trends in SRV's financial position, asks questions of the auditors, reviews drafts of the financial statements, interim reports and half-year reports, and monitors and assesses the effectiveness of internal control, internal auditing, risk management systems, and principles and processes of related-party transactions. In addition, the Audit Committee prepares a proposal on the choice of auditor and the auditor's fees, and also monitors and assesses both the independence of the auditor and the non-audit services provided by the auditor. The Audit Committee's charter is available on the Company's website at www.srv.fi/en/srv-as-a-company/investor/governance/board-directors/board-committees.

The Audit Committee is comprised of three members whom the Board of Directors elects from amongst its number. The majority of the Committee's members must be independent of the Company, and at least one member must be independent of the Company's major shareholders.

During the period 1 January–31 December 2024 the Audit Committee consisted of Heli Iisakka (Chair), Hannu Leinonen and Matti Ahokas.

The Audit Committee convened five (5) times in 2024 with an average attendance rate of 100 per cent.

The attendance record of Audit Committee members at committee meetings is shown in the table below:

Committee member	Attendance / no. of meeting	Attendance %
Heli Iisakka, Chair	5/5	100
Matti Ahokas, Member	5/5	100
Hannu Leinonen, Member	5/5	100

Personnel and Remuneration Committee

The Personnel and Remuneration Committee prepares the Board's proposal to the General Meeting on remuneration policy and report; matters related to the appointment and remuneration of the President and CEO, the Deputy CEO and other management; and matters related to remuneration and incentive schemes for personnel. The Committee assesses the activities of senior management and successor planning, plans competence development for management and personnel, and monitors company culture and workforce management. The Personnel and Remuneration Committee's charter is available on the Company's website at www.srv.fi/en/srv-as-a-company/investor/governance/board-directors/board-committees/.

The Personnel and Remuneration Committee comprises of three members whom the Board of Directors elects from amongst its number. The majority of the members of the Personnel and Remuneration Committee must be independent of the Company.

During the period 1 January – 25 March 2024 Personnel and Remuneration Committee consisted of Tomi Yli-Kyyny (Chair), Hannu Leinonen and Timo Kokkila. During the period 25 March – 31 December 2024 the committee consisted of Ari Lehtoranta (Chair), Tuomas Kokkila and Hannu Leinonen.

The Personnel and Remuneration Committee convened five (5) times during 2024 with an average attendance rate of 100 per cent.

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The attendance record of Personnel and Remuneration Committee members at committee meetings is shown in the table below:

Committee member	Attendance / no. of meetings	Attendance %
Ari Lehtoranta Chair since 25 March 2024	3/3	100
Hannu Leinonen	5/5	100
Tuomas Kokkila Member since 25 March 2024	3/3	100
Tomi Yli-Kyyry Chair until 25 March 2024	2/2	100
Timo Kokkila Member until 25 March 2024	2/2	100

President and CEO

The President and CEO's task is to manage and develop SRV's business and handle the routine management of the company. The President and CEO is responsible for preparing matters to be dealt with and decided by the Board of Directors, implementing the Board's decisions, and ensuring that any goals set by the Board are attained. The President and CEO ensures that the Company's bookkeeping complies with applicable legislation, and that funds are managed in a reliable manner. The President and CEO also serves as the Chair of the Corporate Executive Team. The Board of Directors appoints the President and CEO and Deputy CEO and relieves them of their duties.

Saku Sipola (b. 1968) has been serving as President and CEO of SRV Group Plc since 1 September 019. The holdings of the President and CEO are disclosed below, along with the holdings of Corporate Executive Team members.

Corporate Executive Team

The Corporate Executive Team assists the President & CEO in operational planning, line management, and decision-making. The team also prepares matters to be dealt with by the company's Board of Directors, and handles matters concerning business operations and operational control and development. The duties of the Group's Corporate Executive Team are based on the Company's management system, and the Group's Corporate Executive Team has no authority grounded in law or the Company's Articles of Association.

The Corporate Executive Team consists of the President and CEO as the Chair plus other members appointed by the Board of Directors. Each member of the Corporate Executive Team has his or her own area of responsibility.

The composition and responsibilities of the Corporate Executive Team on 31 December 2024¹:

Name	Gender	Born	Education	Area of responsibility	SRV shares 31 December 2024 ²
Saku Sipola	male	1968	MSc. (Tech.)	President and CEO	141,434
Miimu Airaksinen	female	1972	DSc. (Tech.)	Senior Vice President, Development (Lifecycle-wise solutions, sustainability and development)	12,500
Miia Eloranta	female	1973	MSc. (Pol.)	Senior Vice President, Communications and Marketing	25,000
Jouni Forsman	male	1969	MSc. (Tech.)	Senior Vice President, Business Premises, Helsinki Metropolitan Area and Infrastructure	13,200
Tero Karislahti	male	1983	MSc. (Tech.)	Senior Vice President, Regional Units and Building Services Engineering	—
Kimmo Kurki	male	1960	BSc. (CE)	Senior Vice President, Counting and Procurement	13,306
Hannu Lokka	male	1963	B. Eng.	Senior Vice President, Strategic Project Development	3,000
Jarkko Rantala	male	1986	MSc. (Econ.)	CFO	12,967
Jorma Seppä	male	1981	B. Eng.	Senior Vice President, Housing, Helsinki Metropolitan Area	12,551
Kristiina Sotka	female	1968	MSc. (Econ.), MSc. (Pol.)	Senior Vice President, Human Resources	1,000
Total					234,958

¹ Changes in the Corporate Executive Team: General Counsel Anu Tuomola left the company on 27 November 2024. The company announced on 1 October 2024 that Master of Laws Liisa Krogerus has been appointed as Senior Vice President, General Counsel and member of the Corporate Executive Team. Liisa Krogerus started in her role on 1 January 2025.

² Shareholdings include the shares and share-based rights owned by the Corporate Executive Team member and any shares and share-based rights owned by a company under their control. Corporate Executive Team members do not own shares in any other company that is part of the same group as SRV.

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SRV engages in risk management, both to protect itself against factors that might hinder its business operations and to recognise new opportunities. The Company improves the profitability and stability of its operations by identifying and reacting to strategic and operational risks in time. Risk management supports the Company's values and strategy, and the attainment of its earnings objectives.

To this end, SRV ensures that it has a systematic and comprehensive approach for identifying and assessing risks, and also for reporting on operations and implementing any required risk management measures. Risk management is part of the Company's management system. SRV's risk management principles and framework are described in the Company's Risk Management Policy. This policy is supplemented by more detailed guidelines and procedures for different areas.

SRV's Group-level risk management process, which is linked to the strategy process, comprises the identification of material risks related to the Company's operations and an assessment of their significance, the planning of measures to eliminate risks or mitigate their impacts, and the appointment of personnel to take responsibility for risk management. Continuous risk management is planned and implemented on a function- and site-specific basis for SRV's various functions, development projects, construction projects and investments. Any key risk management measures that must be complied with during construction projects are included in the process diagrams and other aids contained in SRV's operating system. The Company also uses certified ISO-standard systems for quality assurance, environmental management, occupational healthcare and safety.

Overall responsibility for risk management lies with the Company's Board of Directors and the President and CEO. The Board ensures that risk management is taken into account at both a strategic and operational level and is reported on in accordance with regulations. The Board of Directors' risk management work is supported by the Board's Audit Committee, which regularly discusses SRV's operational risks and uncertainties, and makes reports to the Board.

Line management is in charge of implementing, leading and supervising day-to-day risk management for both business in general and individual projects. The Group's

risk management function supports the application of risk management principles and develops Group-wide ways of working.

General description of internal control

SRV continuously monitors its functions to ensure the reliability of its operating result. Internal control seeks to ensure that the Company's operations are efficient and productive, reporting is reliable, and applicable laws and regulations are complied with.

SRV's operations are guided by the Company's strategy and values, SRV's Group-wide Code of Conduct, the internal decision-making powers approved by the Board of Directors, and other internal policies, guidelines and procedures. Internal control is also built on a healthy corporate and management culture, clarity in the responsibilities and authority assigned to different functions and roles, and specified reporting and the rationale behind it. In particular, internal control is based on financial reports, management reports, risk reports and internal audit reports.

Financial control

The Group's internal control system is the responsibility of SRV's Board of Directors and the Board's Audit Committee, the Corporate Executive Team, the executive teams of SRV's business areas, and financial administration. Management's monthly financial reporting is a key control process in ensuring the accuracy of the Group's financial reporting. It includes analyses of deviations between actual results, budgets and continuously updated forecasts. An external auditor audits financial reporting on a regular basis and reports directly to the Board's Audit Committee.

The internal control system applied to business operations is the responsibility of the executive teams of SRV's business areas and the Group's controller function, in accordance with SRV's Group policies and instructions. Monthly financial reporting is a key control process in ensuring the effectiveness and efficiency of operations. It also includes analyses of deviations between actual results, budgets, and continuously updated forecasts for overall financial performance and individual construction projects.

Financial management and operational control are supported and coordinated by the Group's financial administration and SRV's controller function. SRV has drafted Group-level reporting models for standardising the financial reporting of its business functions. Their reports seek to ensure that control covers all the major aspects of

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SRV's business operations. This ensures that any deviations from financial objectives are identified, communicated and reacted to efficiently, in a harmonised and timely manner.

An important part of the forecasting process for construction projects is the project-specific identification, assessment and reporting of risks and opportunities, along with action plans to address any issues. These activities are coordinated by the controller organisation. Financial control measures also include management's continual business control procedures. Financial reports define key control indicators that aim to measure and support business efficiency and consistency, and to monitor progress towards the attainment of SRV's objectives.

Reliability of financial reporting

The monitoring of financial reporting reliability is based on the principles and guidelines SRV has defined for the financial reporting process. The interpretation and application of financial statement standards, including compliance with these standards, are centralised in the Group's financial administration, which is supervised by the Board's Audit Committee. Budgeting and reporting processes are based on SRV's internal instructions. The Group's financial administration is responsible for drafting and maintaining these instructions centrally. These principles are applied consistently throughout the Group.

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The internal audit is part of SRV's internal control framework. The instructions for carrying out SRV's internal audit define the key tasks of the audit, as well as its purpose, position and authority within the Company. The internal audit involves independent and objective assessment, verification and consulting work that aims to generate added value for the organisation and support the development of the Company's business.

The internal audit supports the achievement of SRV's objectives by carrying out audit assignments on the basis of the Company's strategy and risks, and to promote the development of good corporate governance, internal controls and risk management. This function carries out independent audits of business functions, Group companies, processes and especially of selected targets to ensure the functionality of internal control.

It operates under the supervision of the Board's Audit Committee and reports on its observations to the Audit Committee, which in turn reports to the Board of Directors. An annual plan for internal audits is drawn up for the Audit Committee to verify and approve.

Internal audits were carried out in 2023 in accordance with the annual plan for internal audits.

Related-party transactions

SRV's Board of Directors has defined principles for monitoring and assessing related-party transactions within the Group, and these have been included in SRV's related-party guidelines. The guidelines define SRV's related parties and stipulate principles and processes for identifying and making decisions on related-party transactions. SRV maintains a register of related parties and has identified ordinary business situations in which related-party transactions may occur.

Related-party transactions must always be carefully and transparently prepared to ensure that market conditions are met and the transaction is in the best interests of the company. The assessment of whether a transaction meets market conditions and falls within the scope of ordinary business will take into account generally accepted contractual and market practices and the commercial terms and conditions of any comparable agreements with the Company's customers and other partners. Related-party transactions that meet market conditions and form part of ordinary business must be implemented and approved in accordance with the Company's internal guidelines. If a transaction does not meet market conditions or form part of ordinary business, the transaction must either be submitted to SRV's Board of Directors for approval or not be executed. Decision-making must comply with the disqualification provisions laid down in the Limited Liability Companies Act.

Related-party transactions and their assessment criteria are reported to the Board of Directors' Audit Committee. The Audit Committee monitors and assesses compliance with principles and procedures for related-party transactions within the Group. SRV regularly reports related-party transactions as part of its financial reporting and publishes related-party transactions as required by the regulations.

In 2024, the Company had no related-party transactions that deviated from standard business or otherwise deviated from market terms.

Insider administration

The Company complies with the insider guidelines approved by the Company's Board of Directors. This insider policy describes essential rules, instructions and procedures concerning market abuse and, in particular, the prohibition on market manipulation and using insider information.

According to the Market Abuse Regulation (MAR), the Company's management consists of the members of SRV's Board of Directors, the President and CEO, and the CFO. Management and their close circle must report all business transactions involving the Company's securities to both SRV and the Financial Supervisory Authority. The Company will issue a stock exchange release on all such transactions.

SRV's management may not trade in the Company's securities (either in person or through a third party) during a 30-day "closed window" before the publication of each of the Company's financial statement bulletins or interim reports, and not on the date of publication of the Company's interim reports or financial statement bulletins.

The Company maintains and updates a register of those who regularly receive unpublished financial information via their position or authorisations ("those who participate in the preparation of financial reviews"). The closed window and its obligations also apply to these individuals.

The Company establishes project- or event-specific registers of insiders for the effective management of project-specific insider information. These registers contain information about the people who are involved in the projects in question. They are not allowed to trade financial instruments related to the company during an insider project.

SRV recommends that, in the case of management and others involved in the preparation of financial reviews, trading be restricted to situations in which the market is in possession of the most comprehensive information about factors affecting the Company's securities, that is, after the publication of a financial statement bulletin or interim report. Insider policy forbids the aforementioned individuals from engaging in short-term trading

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and speculative activities with securities belonging to or related to the Company. SRV's insider administration organisation consists of the General Counsel, the person responsible for insiders, and the insider register custodian. The insider administration function is responsible for routine administration and ensuring compliance with the MAR and other insider rules. SRV's insider administration function cooperates with the Company's communications function, which handles the publication of management's business activities.

Audit

The auditor is elected at the AGM to a term of office that ends at the close of the next AGM following the auditor's election. The Company's auditor must be a firm of Authorised Public Accountants approved by the Finnish Patent and Registration Office, and the chief auditor must be an Authorised Public Accountant.

The AGM of 25 March 2024 elected PricewaterhouseCoopers Oy, Authorised Public Accountants, as the Company's auditor with Authorised Public Accountant Jukka Torkkeli as chief auditor. The auditor was paid auditing fees of 266.4 thousand euros in 2024. The auditor was paid an additional 106.0 thousand euros for other services including also a CSRD assurance (including all the companies belonging to the same group or chain).

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Ari Lehtoranta

b. 1963, MSc. (Tech.)
Board Professional
Chair of the Board (2024 -)
Chair of the Personnel and
Remuneration Committee (2024 -)



Heli Iisakka

b. 1968, MSc. (Econ.)
CFO, Colliers Finland Oy
Vice Chair of the Board (2024 -)
Member of the Board (2021 -2024)
Chair of the Audit Committee (2021 -)



Matti Ahokas

b. 1972, MSc. (Tech.)
CFO, Mandatum Group
Member of the Board (2023 -)
Member of the Audit Committee
(2023 -)



Hannu Leinonen

b. 1962, MSc. (Tech.)
Member of the Board (2020 -)
Member of the Audit Committee
(2020 -)
Member of the Personnel and
Remuneration Committee (2021 -)



Tuomas Kokkila

b. 1993, MSc. (Real Estate
Development)
Investment Director, Slättö AB
Member of the Board (2024 -)
Member of the Personnel and
Remuneration Committee (2024 -)

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Saku Sipola

b. 1968, MSc. (Tech.)
President and CEO
Employed by SRV since 2019



Miimu Airaksinen

b. 1972, M.Soc.Sc.
Senior Vice President, Development
(Lifecycle-wise solutions, sustainability
and development)
Employed by SRV since 2021



Tero Karislahti

b. 1983, MSc. (Tech.)
Senior Vice President, Regional Units
and Building Services Engineering
Employed by SRV since 2024



Jouni Forsman

b. 1969, MSc. (Tech.)
Senior Vice President, Business
Premises, Helsinki metropolitan area
and Infrastructure
Employed by SRV since 2021



Jorma Seppä

b. 1981, B.Eng.
Senior Vice President, Housing,
Helsinki metropolitan area
Employed by SRV since 2021



Liisa Krogerus

b. 1977, LL.M
Senior Vice President, General Counsel
Employed by SRV since 1 January 2025



Jarkko Rantala

b. 1986, MSc. (Econ.)
CFO
Employed by SRV since 2012



Miia Eloranta

b. 1973, M.Soc.Sc.
Senior Vice President, Communications
and Marketing
Employed by SRV since 2021



Kimmo Kurki

b. 1960, Civil Engineer
Senior Vice President, Counting and
Procurement
Employed by SRV since 1998



Hannu Lokka

b. 1963, Construction Engineer
Senior Vice President, Strategic
Project Development, (acting until 31
January 2024) Regional Units and
Building Services Engineering
Employed by SRV since 2023

MATINKYLÄN LUKIO

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Remuneration 2024 in brief

1. Annual fee of the members of the Board of Directors remained the same compared to the year 2023
2. In the year 2024 remuneration of the President and CEO consisted of fixed components, such as base salary and fringe benefits and of variable components, such as short-term and long-term incentives and other financial benefits.
3. The focus of the President and CEO in short-term incentive plan (performance bonus) were operational-financial targets of the Company as well as targets related to occupational safety. No personal targets were set for the year 2024. The President and CEO's realised earnings from the performance bonus for 2024 were confirmed 56 per cent of the maximum bonus allowed.
4. In the year 2024 one new performance period of the long-term share-based incentive plan was started. The performance criteria of the new plan include commercial and responsibility targets. The performance criteria of the new plans include commercial and responsibility targets.

Introduction

This Remuneration Report provides information on the remuneration of the Board of Directors and the President and CEO of SRV Group Plc (SRV or the Company) during the 2024 financial year. The Remuneration Report has been drawn up in accordance with the recommendations of Securities Market Association's Corporate Governance Code 2025 and current legislation. The Corporate Governance Code is publicly available on the Securities Market Association's website: www.cgfinland.fi.

The Remuneration Report was drawn up by the Board of Directors' Personnel and Remuneration Committee, and the Board has approved it for presentation and adoption at the 2025 Annual General Meeting. The Annual General Meeting's decision on the Remuneration Report is advisory.

SRV's Remuneration Report is published annually alongside the company's Financial Statements, Report of the Board of Directors, and Corporate Governance Statement. The report will be available on SRV's website www.srv.fi/en/srv-as-a-company/investor//governance/remuneration for a period of 10 years from publication. The Remuneration Report is also included as a separate section in SRV's 2024 Annual Report. The Company's auditor has checked that this report has been issued.

Remuneration for members of SRV's governing bodies is based on the Remuneration Policy adopted by the Annual General meeting of 25 March 2024. This Remuneration Policy will remain in force until the 2028 Annual General Meeting.

In line with SRV's Remuneration Policy, the remuneration paid to the members of the company's governing bodies seeks to align the objectives of SRV's shareholders with those of its governing bodies, with the aim of increasing the company's values and operating profit and strengthening the President and CEO's commitment to the company. The principles of remuneration applicable to the President and CEO are mainly based on the same principals, which are applicable to the remuneration and the company's terms and conditions of employment observed in connection with other personnel of the Company. However, compared to other personnel, the principles for remuneration of the President and CEO place a greater emphasis on long-term commitment and the opportunity for an increase in earnings in line with an increase in shareholder value.

The remuneration paid to members of the Board of Directors, and the President and CEO during the 2024 financial year complied with the company's approved Remuneration Policy. No remuneration was reclaimed or restated during the financial year.

In the 2024 financial year, the remuneration paid to members of the Board consisted of an annual fee approved by the Annual General Meeting plus attendance-based meeting fees. In accordance with the Annual General meetings's resolution, the annual fee was paid in both SRV shares and in cash, with about 40 per cent being paid in shares.

In the financial year 2024, the President and CEO's remuneration consisted of a fixed base salary and fringe benefits plus variable components, such as short-term and long-term incentives.

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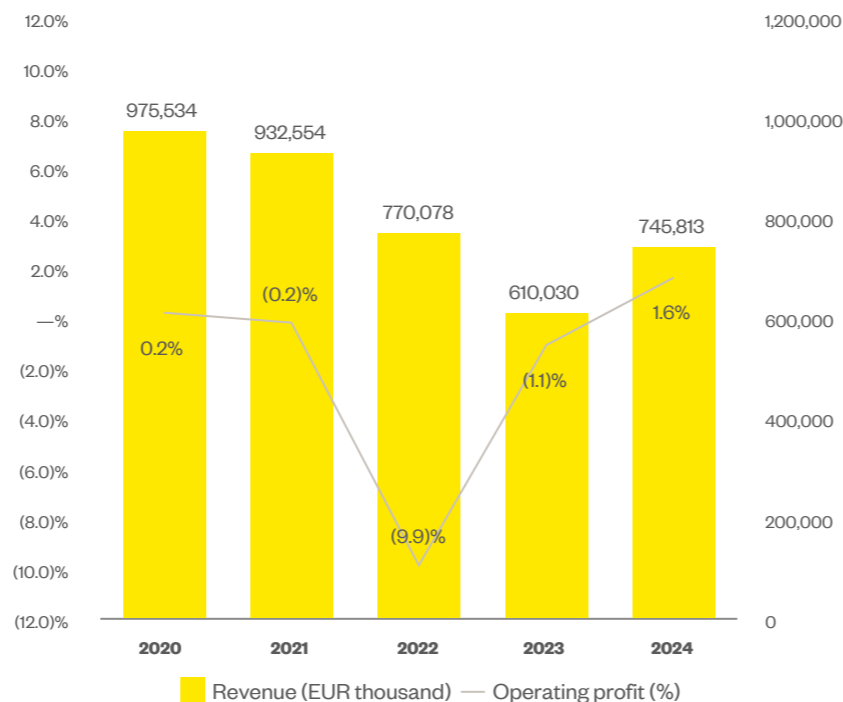
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Development of remuneration and company result over the previous five financial years

In addition to changes in the operating environment, SRV's development in recent years has been affected by the extensive measures taken to strengthen the company's performance and financial position and to improve profitability. In the year 2024 the revenue and operating profit increased compared to the year 2023, simultaneously the order backlog of the Company grew and operational controllability improved. As a consequence of earlier taken measures the Company's balance sheet is strong and financing is in order.

Development of business operations



Remuneration paid (EUR 1000)

	2020	2021	2022	2023	2024
Chair of the Board	86	84	115	88	85
Vice Chair of the Board	77	77	86	63	61
Other Board members, average	67	55	78	58	50
President and CEO ¹	645	605	631	596	580
Deputy CEO ²	200	231	224	0	0
Average salaries and bonuses paid to SRV employees ³	59	60	64	72	72

¹ The table takes into account the fixed and variable remuneration of the President & CEO (short- and long-term incentives) during each financial year. The figures for 2020 do not take the notice period salary and severance pay of the previous CEO into consideration.

² The company had a Deputy CEO until December 2022.

³ The development of the average employee salary is based on personnel costs excluding social security costs (as given in the Financial Statements) and the remuneration paid to the President & CEO and Board of Directors divided by the average number of employees during the year. The Company's personnel costs related to business activities in Russia are taken into account until the sale of SRV Russia Ltd on 1 August 2023.

Remuneration of the Board of Directors in the 2024 financial year

The General Meeting decides on the remuneration paid to members of the Board of Directors.

The remuneration of the Board of Directors as per the resolution of the 2024 Annual General Meeting:

Annual fee (EUR)	Payment method (for the annual fee)	Meeting fee
Chair	72,000	About 40 per cent in shares, the remainder in cash. The Company is responsible for any share acquisition costs and transfer fee. The shares are not subject to a commitment period or any other transfer restrictions.
Deputy Chair	48,000	
Chair of the Audit Committee (unless also the Chair or Vice Chair of the Board of Directors)	48,000	EUR 700 / Board and Committee meeting. Paid in cash.
Member of the Board	36,000	

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Member of the Board	Annual fee (EUR) of which			Total remuneration (EUR)	Number of shares acquired as part of the annual fee
	in shares (EUR)	in cash ¹ (EUR)	Meeting fees ² (EUR)		
Ari Lehtoranta (since 25 March 2024)	72,000		7,700	79,700	5,834
Heli Iisakka	28,802	43,198			
	48,000	13,300		61,300	3,890
	19,205	28,795			
Matti Ahokas	36,000		13,300	49,300	2,916
	14,396	21,604			
Tuomas Kokkila (since 25 March 2024)	36,000		7,700	43,700	2,916
	14,396	21,604			
Hannu Leinonen	36,000		16,800	52,800	2,916
	14,396	21,604			
Timo Kokkila (until 25 March 2024)	-		4,200	4,200	-
	-	-			
Tomi Yli-Kyyry (until 25 March 2024)	-		5,600	5,600	-
	-	-			
	228,000				
Yhteensä	91,196	136,804	68,600	296,600	18,472

¹ The cash portions of the annual fee consists of payments made in April 2024 in accordance with the resolution of the 2024 Annual General Meeting.

² Meeting fees include 7,000 EUR of 2023 meeting fees that were paid in January 2024. 7,700 EUR of 2024 meeting fees have been paid in January 2025 and are not included in the numbers.

Any travel expenses arising from Board-related work were paid according to the Company's travel policy.

Members of the Board of Directors are not employed by the Company or its subsidiaries, do not act as advisors to the Company, and are not covered by any employment-based remuneration plans. They are not covered by SRV's incentive plans either. Members of the Board have not received any financial or other benefits from the company in addition to the remuneration mentioned in this report.

Remuneration paid to the President and CEO in the 2024 financial year

SRV's Board of Directors decides on the remuneration paid to the President and CEO.

The President and CEO's remuneration consists of fixed components, such as a base salary and fringe benefits, variable components, such as short- and long-term incentives and other financial benefits. These other financial benefits may consist of additional insurance or one-off payments, separate bonus for safeguarding the company's interests under special circumstances. The share of one-off payments is half of the fixed annual salary in maximum. The Company has not made any supplementary pension or insurance payments to the President and CEO in the year 2024.

Remuneration paid to the President and CEO in the 2024 financial year:

President and CEO (EUR)	
Fixed base salary	467,635
Fringe benefits	14,313
Short-term incentives ¹	97,766
Long-term incentives	0
Other financial benefits	0
Total remuneration	579,714
Ratio of fixed and variable components	80% / 20%

¹ Short-term incentives are recorded in the table on the basis of when they were paid. The total sum includes a performance bonus that was paid in April 2024 on the basis of the 2023 short-term incentive scheme.

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Short-term incentives for the President and CEO

The Board makes an annual decision on the criteria for the President and CEO's short-term incentive plan (performance bonus). The main emphasis will be on financial objectives, but some of the objectives can also be non-financial. The Board assessed the President and CEO's performance in relation to these criteria at the end of the review period. The review period is the financial year. In accordance with the company's Remuneration Policy, the performance bonus paid under the short-term incentive plan may account for no more than two-thirds of the President and CEO's fixed annual compensation.

In the 2024 financial year, the company's Board of Directors specified the criteria for the President and CEO's performance bonus and their weighting with regard to development of the company's operating profit (50%), order backlog (30%) and accident frequency rate (20%). The President and CEO's earning opportunity under the 2024 performance bonus plan was equivalent to eight months' fixed base salary.

In February 2025, the Board of Directors assessed the President and CEO's performance in relation to the criteria set for the performance bonus. The President and CEO's realised earnings from the performance bonus for 2024 were confirmed 56 per cent of the maximum bonus allowed.

The 2024 performance bonus for the President and CEO will be paid in cash, which is in line with market practice and the Securities Market Association's Corporate Governance Code 2025. The performance bonus will be paid in April 2025.

Long-term incentives for the President and CEO

In the financial year 2024, the President and CEO participated in one long-term incentive plan of which one performance period started in January 2024. The President and CEO's earning opportunities under the incentive plan as per the situation on 31 December 2024 are shown in the table.

Long-term incentive plan 2023 ¹	Earning opportunity	Acquisition price/performance criterion	Usage/pay-out year	Achievement
Performance period 2023-2024	25,000 shares (gross)	Value and structure of order-backlog	2025	
Performance period 2023-2025	45,000 shares (gross)	Operating income, repayment of the hybrid loan and share of lifecycle-wise construction	2026	
Performance period 2024 - 2026	65,000 shares	Cumulative operating income, repayment of the hybrid loan and value and structure of order-backlog as well as share of lifecycle-wise construction	2027	

¹ In accordance with the terms of the share plan the President and CEO of the company is obliged to hold 50% of net shares paid to him until the number of value of his shareholding corresponds to his annual gross salary. The shareholding amount must be held as long as the position as the President and CEO continues.

Deputy CEO

The Board of Directors has not appointed a Deputy CEO.



MORE INFORMATION

Contact details

CFO

Jarkko Rantala

Tel. +358 (0)40 674 1949

jarkko.rantala@srv.fi

SVP, Communications and Marketing

Miia Eloranta

Tel. +358 (0)50 441 4221

miia.eloranta@srv.fi

SVP, Development

(Lifecycle-wise solutions,
sustainability and development)

Miimu Airaksinen

Tel. +358 (0)40 770 4832

miimu.airaksinen@srv.fi

viestinta@srv.fi

Address: Derby Business Park,
Tarvonsalmenkatu 15,
02600 Espoo, Finland

Tel: +358 (0)20 145 5200

Internet: www.srv.fi

