CONSTI





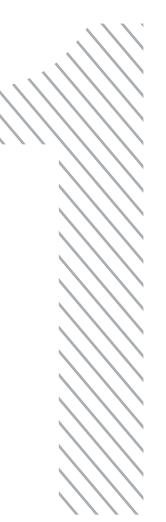


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1 INTRODUCTION



1.1. CONSTIPLC

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

The company's market position is strong especially in the selected growth centres: the Helsinki metropolitan area, Pirkanmaa, Turku and Oulu. In 2020, some 75% of the Group's revenue was formed in the Helsinki metropolitan area, 15% came from Pirkanmaa and 10% from Turku, Oulu and the rest of Finland.

The business operations of the Group are divided into four Business Areas: Housing Companies, Corporations, Public Sector and Building Technology. All business areas also offer maintenance services, the share of which grew slightly in 2020 and was 16% of the Group's revenue.

The parent company of the Group is Consti Plc. The parent company has two subsidiaries that it fully owns: Consti Korjausrakentaminen Oy (Housing Companies, Corporations and Public Sector) and Consti Talotekniikka Oy (Building Technology). At the end of 2020, Consti had offices in Helsinki, Tampere, Turku, Oulu, Lahti, Kuopio and Hämeenlinna. Consti only operates in Finland.

For 2020, the revenue of the Consti Group was some 275 million euros and the average number of employees was 971. The company's headquarters are located in Helsinki.

Consti's strategy for 2021–2023 is based on utilising Consti's customer-oriented organisation structure. Consti's vision is to be "Our customer's number one partner and expert in multiple types of construction".

The strategy emphasises the utilisation of enticing growth opportunities in the company's current business operations and expanding the value created for the customer. Consti wishes to meet the needs of its customers by also offering new construction services on a selective basis. At this stage, possible new construction targets include facilities for industrial, warehouse and office use as well as various public buildings, for example.

Consti wishes to expand its role in the value chain of construction. This means emphasising project development and planning management at the beginning of the value chain and reinforcing maintenance and upkeep services especially when it comes to building services engineering. This value chain thinking also includes the diversity of project types.

Making production more efficient and improving profitability – as well as having the best talent in the business – remain at the heart of the strategy. Consti strives to be the most desirable employer in its field. Furthermore, Consti wishes to be a pioneer of the field in social responsibility and sustainable development.

Strategy work conducted in 2020 resulted in the following responsibility themes for the period 2021–2023:

Customer satisfaction

- Customer insight
- Supporting the customer's climate goals

Supply chain

- Grey economy prevention
- Development of partner cooperation

Occupational safety and well-being

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

Environmental friendliness

- Expertise in climate impacts on properties
- Energy-efficiency of Consti's own operations
- Sorting and recycling of waste

Customer satisfaction is the basic requisite of successful business operations and it necessitates knowing and understanding customer expectations. It is important to ensure that the quality of the products and services meets what has been agreed upon. Consti's customers also appreciate openness in reporting and communication and the contractor's expertise in offering and realising environmentally friendly solutions.

Including the supply chain in social responsibility means utilising Consti's network of partners and the various partnership models more diversely to develop expertise and make the operations more transparent. Supply chain management also includes the prevention of grey economy.

Occupational safety is a constant development target in the construction industry and taking care of occupational well-being is one crucial method in ensuring an expert workforce.

Environmental friendliness means, first and foremost, supporting the customer's climate goals by offering versatile energy-efficiency solutions, for example, but it also means carefully taking environmental factors into account in one's own operations by means such as more efficient energy use and improving the recycling of construction site waste.

"CONSTI WISHES TO BE THE INDUSTRY'S FRONTRUNNER IN SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT."



1.2. RESPONSIBILITY PROJECT 2020 AND STAKEHOLDER GROUPS

Consti has been publishing a separate corporate social responsibility reports since 2014. This report was preceded by work based on the ISO 26000 standard, which resulted in the definition of Consti's most crucial responsibility themes: Health and safety, Working life practices, Environment and Values and ethics.

In 2020, Consti's Responsibility Project surveyed how management, personnel and stakeholder groups saw Consti's operations with regard to corporate social responsibility. As a result of this project, Consti's crucial responsibility themes were updated, the most important development targets regarding responsible operations were identified, a development plan was drafted and work to develop more comprehensive indicators for measuring responsibility was begun.

The responsibility themes and development needs were uncovered using in-house workshops and surveys as well as interviews with stakeholder groups.

A responsibility group comprising of 17 persons from different task areas was selected from among Consti personnel to participate in the Responsibility Project. Together with the project manager this group surveyed the current state of responsibility at Consti, identified development targets and collected improvement ideas. This work made use of the results of existing studies and surveys, such as staff surveys and theses on customer expectations.

The expectations that key customers have regarding the responsibility of Consti's operations were surveyed via phone interviews. Construction students, Consti's trainees in the summer of 2020 and analysts following Consti were sent surveys tailored specifically for them via email. These yielded a total of 80 responses.

The Responsibility Project also considered the effects of socially influential global megatrends (climate warming, urbanisation, population ageing, changes in economic systems and digitalisation) on Consti's operations. The low-carbon road maps published in 2020 by the Confederation of Finnish Construction Industries RT and the association of property owners RAKLI were also consulted when defining the themes and goals.

This work resulted in the definition of responsibility themes essential for Consti's operations, meaning

those areas of the company's responsible business operations that are important to Consti and its stakeholders, socially significant and on which Consti's operations can have an effect.

Consti's most important stakeholder groups are customers (housing companies, public property developers, property investors and other companies), current personnel, future and potential personnel such as construction students, developer consultants, planners, property managers and subcontractors. The company engages in continuous dialogue with stakeholders in customer meetings, cooperative projects, industry seminars, exhibitions and other events, visits to schools and colleges and student events and via various written surveys such as customer satisfaction and personnel surveys.

1.3. LEADERSHIP AND CORPORATE SOCIAL RESPONSIBILITY

Consti's mission is to improve the value of the building stock and people's quality of life. Client and partner satisfaction and the well-being of our employees form the foundation for our operations.

Consti aims to act responsibly in all of its operations. This means being responsible with regard to our own staff and the staff of our partners, our clients and the end users of our facilities as well as the environment

ORGANIZING CORPORATE SOCIAL RESPONSIBILITY





and society at large. By acting responsibly we aim to reduce environmental risks, risks related to the grey economy and other risks related to safety and human rights. Our risk management procedures are discussed more thoroughly in Consti's annual report and on the company website at www.consti.fi/en → Investors → Corporate Governance. At Consti, responsible operations also means openness, honesty and reliability.

Responsibility is an integral part of business management, which is led by Consti's Chief Executive Officer with the help of the company's management group. The essential responsibility themes for the strategy period are decided on by the management group and approved by Consti's board. The management group also defines the guidelines and concrete measures related to social responsibility. The decisions are then enacted by Business Area Directors.

A steering group has been formed to coordinate the work on responsibility with members representing all branches of operations as well as supportive functions. This steering group is tasked with coordinating the work to develop responsibility at Consti, plan the procedures to implement the responsibility themes in practice and monitor the development of corporate social responsibility and the requirements set for companies, among other duties. The steering group meets once every quarter and its term spans the strategy period.

Furthermore, each responsibility theme (E = Environmental friendliness, S = Occupational safety and well-being, G = Supply chain and C = Customer satisfaction) has been assigned a person who coordinates the practical responsibility work in work groups consisting of business area representatives. On the Consti Group level, the operation and coordination of these work groups and reporting on them to the management group is the responsibility of the chair of the corporate responsibility steering group.

The Group's communications specialists participate in the instruction and communication concerning matters of corporate responsibility.

1.4. REPORTING ON RESPONSIBILITY

Consti has been publishing corporate social responsibility reports annually since 2014.

This corporate social responsibility report presents the principles of Consti's responsible business operations and offers information on how everyday

work is conducted responsibly. Reporting on social responsibility has also fostered the development of responsible business operations. This report was created by Consti's communications team according to guidelines from the management group. The previous report was published on 18.6.2020.

In this Corporate Social Responsibility Report for the Year 2020, responsibility is approached via responsibility themes updated in 2020. Work to define indicators related to these new and updated themes continues in 2021. The primary indicators used in this report have been monitored since 2015 and they were created for the previous responsibility themes.

Consti Plc has been listed on the main list of the Helsinki Stock Exchange since December 2015. Companies on the stock exchange list are obligated to report on more than just financial information. The non-financial information companies are required to publish includes information on environmental aspects, corporate social responsibility, personnel issues, adherence to human rights and the prevention of corruption and bribery. This corporate social responsibility report also covers this statutory non-financial information. Furthermore, the non-financial information for the year 2020 has also been reported as part of our Board of Directors' Report.







2.1. OPERATING ENVIRONMENT

Professional renovation has been on a nearly continuous rise in Finland for the last 20 years. In 2020, the market for renovation grew by some 0.5%. Out of all housebuilding, nearly one half was renovation construction in 2020. In other words, the share has not varied significantly in recent years.

COVID-19 postponed decision-making in housing companies

Renovation stems from need and economic conditions are therefore less significant in renovation than in new construction. However, the coronavirus pandemic of 2020 had a greater impact on renovation than new construction as some housing companies, especially larger ones, postponed their decisions on renovation projects. The demand for facility repairs is also estimated to have been reduced as a result of COVID-19, and uncertainty about changes to spatial needs reduces the predictability of the need for repairs in business and office premises once the pandemic is over. Renovation construction of other kinds of facilities is expected to return to its upward trajectory already in 2021.

The need for facade repairs is increasing

The primary driver behind the growing need for repairs in Finland is the age of the building stock. Housing construction was at its most fervent in the 1970s and the building services, facades and structures of buildings from that era are now in need of comprehensive repairs. However, when the value of repairs is analysed in proportion to the net floor area, housing cooperatives built in the 1960s have received the most attention so far.

With regard to renovation, the fastest growing area has been building technology renovations, such as pipeline renovations and heating, air conditioning, cooling and electricity renovations. The share of these renovations has been nearly half of all housing company renovations in recent years. Some 70% of building technology renovations are pipeline renovations.

The second largest repair target is formed by facades and structures, which amount to nearly 40% of the renovations. According to the Finnish Real Estate Federation's renovation barometer, repair needs will be focusing even more on facades in the coming years.

Some one fifth of renovation is formed by maintenance and upkeep repairs.

Megatrends and the age of Finnish building stock increase the need for repairs

The market for renovation is estimated to continue its relatively steady growth. As with new construction, this growth is focused on growth centres.

In addition to the large residential building stock built in the 1970s, the need for renovation is maintained by growth in repairs required by business and office premises. The construction of business and office premises was particularly intensive in the 1980s and also relatively busier than housing construction in the early years of the 1990s and 2000s. The properties built in the 1980s often fail to meet modern requirements and increases in remote work and online sales pose new challenges for the effective use of facilities.

2.2. MEGATRENDS

Global megatrends are macro-level phenomena and development trajectories that are expected to have major impacts on our society. Of the global megatrends categorised by the Finnish Innovation Fund Sitra (2020), the ones that most clearly affect Consti's operating environment and business operations are climate change, urbanisation, ageing population, changes to economic systems and digitalisation.

These megatrends require Consti to procure new expertise, in part, but also offer new and more extensive business opportunities.

Climate change

The Finnish government has set the goal of carbon neutrality by the year 2035 and carbon negativity soon thereafter. The government is committed to the climate policies of the European Union and Finland to limit the rise of average global temperature to 1.5 degrees Celsius. The EU must achieve carbon neutrality before the year 2050.

Construction and the built environment produce approximately one third of Finland's greenhouse gas emissions. Therefore, the emission reduction measures directed towards this sector are indispensable if Finland means to achieve its goal of carbon neutrality. To define and reach these goals, the Confederation of Finnish Construction Industries RT created a report in the summer of 2020 titled "Road Map for Low-Carbon Construction and Built Environments 2020–2035–2050".

The energy efficiency of existing building stock is crucial in the curbing of energy consumption as new construction only grows the Finnish building stock by 1–2% per year. Containing climate change requires, among other measures, that buildings are made more energy-efficient in accordance with the EU Energy Efficiency Directive, which can be promoted via building services and building automation, for example, as well as constructionally through facade renovations and improved insulation. Climate change increases the amount of rain and air moisture in Finland and adapting to these changes requires careful upkeep of facades especially.

Carbon footprint is to be reduced by such means as the reuse and recycling of materials. Circular economy is also seen to provide plenty of opportunities for both business and the curbing of climate change in the property and construction industry.

Urbanisation

Urbanisation is estimated to increase the need for the flexibility and building purpose modifications as old industrial buildings in urban centres are turned into apartments or offices, for example. Densely built cities also create new opportunities for combining projects, of which the group renovation projects of housing companies serve as an example.

At the same time, urbanisation reduces vitality in areas outside of growth centres and leads to a reduction in the prices of properties and apartments in many places. This makes profitable renovation even more challenging in these areas. However, it is worth-

while to analyse the competitiveness of renovation as opposed to new construction in some cases. For instance, the differences in emissions might be larger than the monetary difference.

Ageing population

The ageing of population changes the requirements set for built environments. Apartments, various service buildings, business premises and access routes must be accessible and safe, and the significance of balconies as a venue for outdoor recreation might grow, for example.

Population ageing also increases competition between companies over high-quality expert employees.

Changes to economic systems

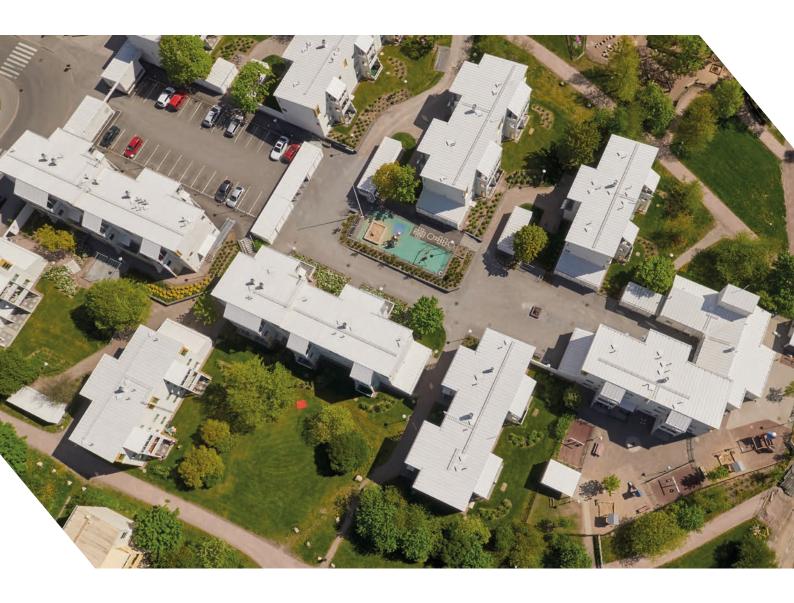
Changes to economic systems can take the form of increased entrepreneurship, changing working methods and the continuous growth of the expertise of both individuals and companies, for example. This is visible in both Consti's own operations as well as the spatial needs of Consti's customers. Circular economy is also a factor here and it can be expected to increase the demand for renovations.

Digitalisation

Technology is developing at a rapid pace and changing production methods and operation models in the field of construction and in society more broadly. As digitalisation progresses, the opportunities for remote work increase and offices are reduced in size or altered to be more flexible. Online commerce is also a factor that affects spatial needs.

Developments in technology bring new opportunities for renovation in terms of project management and customer service, for example. At its best, technology speeds up work and improves quality.





"THE ENERGY EFFICIENCY OF EXISTING BUILDING STOCK IS CRUCIAL IN THE CURBING OF ENERGY CONSUMPTION AS NEW CONSTRUCTION ONLY GROWS THE FINNISH BUILDING STOCK BY 1–2% PER YEAR."







Consti's operations are closely connected to the following sustainable development goals defined by the UN:



Gender equality

- Equal treatment is part of Consti's ethical guidelines
- Realisation of equality is monitored with personnel surveys among other means
- The goal is to increase the share of women among personnel



Decent work and economic growth

- Favouring permanent employment relationships
- Traineeships for students
- Adherence to labour legislation and collective agreements
- Comprehensive occupational health care
- Regular personnel surveys
- Subcontractors as cooperative partners



Sustainable cities and communities

- Renovation increases the lifespan of existing buildings
- Accessibility renovations make everyday life easier for the elderly
- Indoor air quality renovations lead to healthier housing
- · Building technology improves energy-efficiency, safety and living comfort
- Building purpose modifications allow underused facilities to be used more effectively
- Comfort renovations of rental buildings without disrupting tenancy
- Renovation of historical buildings with respect to their architecture



Climate action

- Renovation instead of demolition and new construction
- Renovation and upkeep of facades helps properties withstand the extreme phenomena caused by climate change
- Improving the energy efficiency of customers' facilities
- Energy efficiency and recycling in our own operations



Peace, justice and strong institutions

- Prevention of grey economy: measures combating bribery and corruption
- Transparent tendering
- Responsible employer that takes care of the occupational safety and well-being of its personnel and partners
- Transparent management in accordance with legislation and the requirements set for public companies



4.1. CONTINUOUS IMPROVEMENT OF OCCUPATIONAL SAFETY

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

In addition to risks related occupational safety, personnel in the construction sector also face risks related to the grey economy and the use of illegal labour. In 2020, the industry emphasised preparation for the health risks posed by the COVID-19 pandemic.

Group-level safety operations at Consti are coordinated by our Safety group, which consists of the Group's HR Manager, Personnel Safety Manager, and the business areas' management representatives and occupational safety representatives. Safety matters are discussed monthly in meetings of Consti Group's management group.

Supervising safety at the construction site is one of the crucial daily tasks of supervisors at Consti. Safety management at construction sites begins with a site-specific risk analysis and a separate safety plan is created for each site. If needed, separate safety plans are also created for critical work stages.

The orientation of new employees is an integral part of both occupational safety and becoming familiar with shared operation models. Consti has orientation instructions and materials for all employee groups. The materials take local and unit-specific methods into account while disseminating the same orientation content to all Consti units. The orientation of new employees is the responsibility of their supervisors and they have written instructions for this work. We also organise general orientation days 3-4 times a year. In addition to personal orientation and construction site -specific orientation, Consti also uses the ePerehdytys online orientation method that is commonly used in the industry. The goal is that all of Consti's personnel and everyone working at the construction sites have completed this orientation.

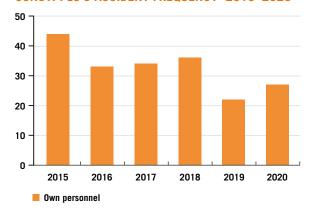
In renovation, the most prominent hazardous exposure agents are dust, fibres, noise and vibration. Quartz dust is a carcinogenic agent and special

attention is paid to its prevention. Dust exposure is prevented with measures defined in the construction site's dust management plan. Weekly maintenance inspections or construction safety measurements are conducted to ensure adequately low dust levels. The epoxy used in the sleeving of drain pipes requires careful personal protections and it is only handled in accordance with protection instructions. Workers protect themselves by such means as using high-quality certified tools appropriate for each task and by taking all the risks into account in the construction site -specific safety plans.

In 2020, there were no confirmed cases of occupational diseases at Consti.

Both Consti staff and third parties are encouraged to report safety deficiencies. Anyone within the sphere of influence of the construction site is able to report safety observations at the techavainto.fi portal. Based on the results of an in-house responsibility survey conducted in 2020, the submission of safety observations has been designated as one of the development targets regarding occupational safety. The goal is that every member of staff makes at least one occupational safety observation per year.

CONSTIPLC'S ACCIDENT FREQUENCY 2015-2020



Consti monitors accident frequency on a monthly basis. The accident frequency describes the relation between accidents and working hours. The frequency is calculated as accidents per one million working hours. As per practices of the construction industry, an accident is included in the accident frequency if it resulted in at least one sick leave day in addition to the day of the accident.

DEVELOPMENT OF HR KEY FIGURES

| AVERAGE ABSENCE RATE OF PERSONNEL | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------------------------|-------|--------|--------|--------|--------|--------|--------|
| Absence % | 4.0 % | 4.2 % | 3.1 % | 3.1 % | 3.3 % | 3.5 % | 5.4 % |
| Sickness absence % | | 3.9 % | 2.8 % | 2.8 % | 3.0 % | 3.3 % | 4.9 % |
| ACCIDENT FREQUENCY* | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Accident frequency | | 26 | 22 | 20 | 19 | 11 | 13 |
| TURNOVER RATE OF REGULAR STAFF | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Exit turnover rate % | | 15.2 % | 19.9 % | 15.4 % | 20.7 % | 17.4 % | 12.9 % |

^{*} Accidents per one million working hours

Occupational safety expertise was bolstered with the establishment of the position of personnel safety manager at the beginning of 2020. In the development of occupational safety, special attention has been paid to working in high places and using hoisting equipment. In recent years, we have striven to improve occupational safety by means such as introducing a practice called accident discussion where the purpose is to discover the reasons that lead to the accident in question in more detail so that similar situations can be avoided in the future.

We also updated our occupational safety card and first aid training practices in 2019. Instead of general occupational safety card training, our training focuses on dangerous situations that are typical for construction sites and the operations of Consti. Everyone who works at our construction sites must also undergo occupational safety card training. The training required for the occupational safety card is conducted at the construction industry's shared Turvapuisto, an occupational safety park where Consti has its own safety area. All Consti employees, including summer employees, visit the park for training.

Our first aid training last for one day and focuses on typical first aid situations at construction sites, such as falls, stopping massive bleeding and electrical accidents. We also train our people to guide emergency care personnel to the injured person as quickly as possible. Approximately one fifth of construction site employees participate in first aid training each year.

The goal is to continuously reduce the number of occupational accidents, sick days and occupational and work-related diseases, preferably down to zero.

Regarding the COVID-19 situation in 2020, we adhered to the recommendations from the authorities and the Confederation of Finnish Construction Industries RT. The changing understanding of the situation and the resulting changes to the rules of

passenger traffic between Finland and Estonia, which changed several times over the year, were especially challenging. The number of infections at Consti was low in 2020 and personnel have taken a responsible attitude towards the matter. The pandemic did increase the number of sick days, however, as personnel were encouraged to stay at home at a low threshold especially with flu-like symptoms. In 2020, the average sick day percentage was 4.9 (3.3).

At Consti, the concept of safety extends beyond employees and also includes the users of the renovation targets as the buildings often remain in use at least partially throughout the renovations. This increased the need for carefulness in coronavirus protection.

Fruitful cooperation with occupational health care and pension insurance companies is important in noticing and preventing problems related to employees' capacity to work. Employees' capacity to work is also fostered by the development of supervisory duties and taking appropriate care of all tools and equipment. The effectiveness of the measures intended to promote capacity to work is monitored by steering groups formed between Consti, occupational health care providers and pension insurance companies.

Occupational health care services are joint activities based on the Occupational Health Care Act that help prevent work-related illnesses and accidents and maintain and promote employee health, safety of the working environment and appropriate operation of the work community. Consti's occupation health care service agreement defines a treatment level that is more comprehensive than the basic level that legislation requires. The same occupational health care services are offered to both permanent and fixed-term personnel.

In recent years, supervisor training has focused not only on shared operation models, but also on main-



taining employees' capacity to work and early intervention in cases where it is observed that an employee's capacity to work has diminished. Consti employs an early support model for which we have created written instructions that have been distributed to the entire staff.

Consti also promotes the well-being of its personnel with exercise and culture vouchers and by supporting the operations of Consti Urheilu Ry, a sports association founded by Consti staff. The goal is to strengthen solidarity among staff through a shared sports hobby.

4.2. STAFF DEVELOPMENT AND SUPPORT FOR EXPERTISE

Expanding and developing the expertise of personnel is crucial for Consti's efforts to reach its growth goals. We want to take care of the operating conditions and comfort of our motivated expert staff. In addition to education and experience in the industry, Consti appreciates developed cooperation skills, punctuality and the ability to take the initiative. A Consti employee keeps their promises.

The essence of Consti is crystallised in the Consti Way operation model, and its methods that are based on Consti's values are introduced to employees during their orientation and in staff events. New employees also go through Consti's ethical guidelines in their orientation.

Based on the personnel survey conducted every two years, Consti employees are more satisfied than average with their salary level, workload and the fair and equal treatment of personnel. Room for improvement has been identified especially in how different units cooperate with each other and in how we develop our operations and allow our personnel to affect this development. Based on previous personnel surveys, we have paid special attention to the development of communications and shared modes of operation. In the survey conducted at the end of 2019, the recommendation percentage of personnel was 3.08. The goal is to raise this to at least 3.3. The response rate was 65% in the previous survey, but we strive to raise this to 80%.

Personnel development is supported by such means as development discussions, which supervisors have been instructed to hold at least once a year. There is a shortened version of the development discussion for construction site workers. All white-collar employees are included in the development discussion policy, while the practice is optional for construction site workers

Consti organises training for its employees to meet both current needs as well as strategic future needs. Separate training plans are created for each business area. Training registers and information on the validity of achieved certificates are maintained in a HR system shared by the entire Consti Group. In 2020, the restrictions on gatherings resulting from the coronavirus pandemic made organising many kinds of training more difficult, so staff training emphasised qualification trainings such as occupational safety and hot work training, for example. To support expertise and staff development, Consti Academy created a qualification track that ensures adequate basic expertise on a job task specific basis.

In 2020, we also continued to unify the functions of personnel management by expanding the use of an electronic work hour logging system to cover the entire Group, for example.

A written employment contract is created for every employment relationship at Consti. In 2020, Consti employed 971 persons on average (1,037 in 2019). Some 58% of personnel were blue-collar and some 42% were white-collar employees.

It is Consti's principle to only enter into non-fixed term **employment contracts**. Some 97% (96%) of employees were employed on a permanent basis at the end of the year, excluding trainees. The goal is to keep the share of fixed-term employment relationships under five percent.

GROUNDS FOR FIXED-TERM CONTRACTS INCLUDE:

- substitutions
- seasonal nature of the job
- project nature of the work tasks
- summer employment
- traineeships
- employee requesting a fixed-term contract

Once again, Consti offered summer jobs or traineeships to one hundred students of the building trade over the course of the year, and we strive to offer permanent positions to those summer employees and trainees who perform well.

The turnover rate of regular staff has developed favourably and was 12.9% (17.4%). 75 new employees were hired over the course of 2020. 43 of them

were white-collar and 32 were blue-collar workers. For the ongoing three-year strategy period we have set the goal of lowering the turnover rate to under 12 %.

Consti employs a performance bonus system for management and white-collar employees with the purpose of committing staff to the company and encouraging them to strive for excellence by rewarding good work performance. The system has been set up for three

occupational groups: regular white-collar employees, construction site white-collar employees and project and installation managers and other comparable managers who are accountable for business results. The incentive scheme is based on both qualitative and financial goals.

The incentive scheme is also complemented by a long-term share-based incentive programme. It offers

WINNERS OF THE CONSTRUCTION SITE OF THE YEAR COMPETITION



First place:

Bonus Inn facelift

Companies, Apartments in the Helsinki area, Building Technology as a subsidiary contractor

Orderer Kiinteistö Oy Pakkalan Kartanokoski 5

The facelift of the Bonus Inn was a lump-sum main contract where all of the hotel's rooms were renewed completely, including bathrooms, furniture, doors and locks. The hallways of the hotel were renovated and kitchen equipment and restaurant furniture were renewed. The project also included building technology updates, the most significant of which was increased cooling. The hotel now operates under the new name Skyline.

Utilisation of takt time production and excellent customer feedback were the distinctive features of the project.

Second place:

Helsinki Upper Secondary School of Media Arts

Housing companies, Facades in the Helsinki area

Orderer City of Helsinki

The renovation of the Helsinki Upper Secondary School of Media Arts was a lump-sum main contract where the exterior shell, roof structures and ventilation of the school building built in 1964 were renewed. The property also received a sealing overhaul.

The building remained in teaching use throughout the renovation work, which is why the project was realised in five stages. Despite the large amount of additional work, the project schedule was not significantly delayed.

Third place:

KOy Helsingin Malminkatu 3

Housing companies, Facades in the Helsinki area

Orderer Kiinteistö Oy Helsingin Malminkatu 3

The renovation of Kiinteistö Oy Helsingin Malminkatu 3 was a lump-sum main contract where the building's exterior shell and structures were overhauled. The business property houses the City of Helsinki's social and healthcare and culture and recreation units, among other users. The orderer and the tenants could continue to use the property throughout the project.

The target was completed three months ahead of schedule and the critical work stages could be completed under favourable conditions. The trust of the site supervisor was earned through high-quality work.

key persons in the target group the opportunity to be awarded Consti share when the annual bonus they receive from the performance bonus system (or half of the bonus) is converted into company share. At the end of 2020, some 70 key persons were included in the share-based incentive programme.

On 17.6.2020, Consti's board decided to implement a new stock-option programme for key persons that encourages them to work on the long term to increase shareholder value. In 2020, options were granted to some 20 members of the management group and other key persons named by the board. This stock-option programme is described in more detail on page 19 of the annual report.

Success is also rewarded on the construction sites. Best sites are rewarded in an annual competition between the sites using the following criteria: quality, safety, customer feedback, staying on schedule and finances. An employee may also receive a personal bonus for best customer feedback.



The aim of the Construction Site of the Year competition is to motivate personnel to develop the operations at construction sites and pay attention to factors that are crucial for the site's success. At Consti, we also think it is important that we receive comparative data to support our development efforts. The competition also serves as an opportunity to highlight success stories.

4.3. EQUALITY AND RESPECT FOR HUMAN RIGHTS

Risks related to human rights in the construction industry generally include at least forced labour, use of employees who do not have work permits, which means salaries are paid under the table without any social security, use of child labour, lacking occupational safety as well as harassment, racism and other inappropriate behaviour.

Human rights risks identified by Consti in its own operations are inappropriate behaviour and the use of illegal labour. Consti adheres to the labour legislation and collective agreements in effect in Finland. All employment contracts are made in writing.

Consti requires that all of its subcontractors are entered into the contractor's liability register. Through

this register, Consti will be automatically notified if a subcontractor has problems with taxes or other unclarities that may have to do with the use of employees without work permits.

Regarding its own foreign employees, Consti has in place an operation model that ensures that each person's residence and/or work permits as well as tax-related matters are taken care of and all the required official notifications are made to the authorities. The tax numbers of all employees have been submitted to the construction industry's public tax number register maintained by the Finnish Tax Administration, and access control at construction sites is handled with the Valtti smart ID card. The chip and bar codes of the Valtti card contain the card holder's information and all employees of Consti and its subcontractors are required to have one.

Equal treatment is included in Consti's ethical guidelines. Discrimination or inappropriate behaviour are not tolerated at Consti. Consti has also created the statutory equality and equitable treatment plans. The equality plan is part of Consti's HR strategy, and the realisation of equality is monitored with staff surveys, among others means. Employee recruitment is always based on the expertise required by the position. Our regular staff also includes many experts who have moved to Finland from abroad.

If a problem situation related to equality, human rights or inappropriate behaviour arises, the employee may turn to an industrial safety delegate, industrial safety officer or shop steward for advice. Inappropriate treatment is not acceptable and we have instructions for both preventing it and solving observed situations.

At the end of the year 11% (11%) of Consti employees were women, which is slightly above the industry average, which is approximately 9% in Finland. Consti aims to increase the diversity of its personnel and grow the share of women employees. A balanced age distribution is a special diversity goal.





5.1. CUSTOMER SATISFACTION

Buildings are renovated when their structures or building technology equipment require it. As we renovate a property, we nearly always also improve its energy efficiency, indoor air quality and comfort of use with regard to accessibility and safety, for example. Preserving or even returning a building's original look and architecture is now becoming a feature of more and more renovation projects. Building purpose modifications mean turning offices into apartments or old industrial buildings into offices, for example. In other words, there are many reasons for renovation.

As a responsible partner, Consti understands the significance of megatrends and other such factors in the customer's business operations. Among other areas, Consti has expertise in spatial alterations and increasing the flexibility of renovation targets. The goal is to increase knowledge of the environmental certificates used by customers in addition to certificates related to renovation.

Based on customer interviews conducted in order to define Consti's responsibility themes, Consti's customers appreciate openness in reporting and communication and the contractor's expertise in offering and realising environmentally friendly solutions. Expertise related to spatial alterations and the ability to assess costs and risks and suggest technical solutions were mentioned as examples. The customers also considered it crucially important that the quality of the products and services meets what has been agreed upon. The responses also highlighted the significance of personal service.

In addition to a shared understanding of what constitutes quality, the use of high-quality and certified building products is crucial for achieving a high-quality end result. Consti's purchasing guidelines and supplier agreements require the use and delivery of only generally accepted and CE marked and/or certified products that are suited for the target building.

To ensure quality, all business areas of the Consti Group have quality certificates and RALA qualifications issued by the RALA Construction Quality Association. Furthermore, the sleeving of drain pipes is conducted using certified methods and materials.



KOy Niittyrinne 7 in Espoo's Suomenoja received a new stylish facade when the entrance canopies and their glass walls and some of the windows were renewed on the west and south facades of the property and the concrete walls were given a new colour. Consti was involved in every stage of the facade renovation project from planning to realisation. The new look was brainstormed together with the orderer and planners, without forgetting cooperation with construction supervisors. The benefits of this cooperation included rapid flow of information and easier decision-making for the orderer as the costs of the different options were available immediately. As the contractor, Consti also had a clear idea of the orderer's goals and hopes right from the start. The project was ordered by Sampo Oyj.

www.consti.fi/consti/ajankohtaista/uutiset/tyylikkyytta-lasirakentamisella-ja-julkisivuhuollolla

Consti Building Technology was issued a national corporate security certificate that demonstrates that our operations fulfil the state administration's requirements even in projects with a security classification.

Consti also aims to improve construction quality and the clarification of responsibilities with new cooperative realisation models that Consti actively participates in. The shared goals, responsibilities and incentives of all parties involved in a project are defined in a cooperation agreement.

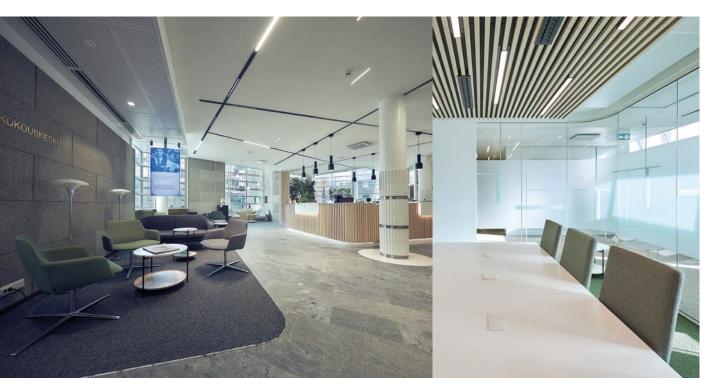
When compared to new construction, renovation requires special expertise in working in people's homes. Offices and business premises also often remain in at least partial use throughout the renovation project. To cater to the individual needs of customers, construction sites have been assigned customer service engineers. Consti also offers housing companies under-

going plumbing renovations a physical tenant folder with instructions related to the renovation project as well as access to the OmaConsti service portal for electronic communication and furniture choices.

As per Consti's customer promise, Consti employees listen to people, do what they say they will do and finish the job properly on the first go. At Consti, we adhere to a customer-centred approach and appreciate reliability, honesty, expertise, experience and eagerness to pick up different work tasks.

Consti's Responsibility Project 2020 identified the collection of customer feedback and its systematic utilisation at different stages of the renovation service as one key development target.

As part of its service development efforts, Consti realised a cooperative project with students from



Comprehensive renovation of Ässäkeskus, SOK's headquarters in Helsinki's Vallila, involved updating the facilities to modern standards in terms of adaptability and improved the property's energy efficiency. Throughout the project some 1,000 S Group employees continued to work in the premises. Noisy work was interrupted for important meetings and demolitions and other noisy work stages were also conducted at night under the watchful eye of security guards.

www.consti.fi/consti/ajankohtaista/uutiset/assakeskuksessa-tyoskenneltiin-myos-oisin



Aalto University in 2020 where housing companies' shareholders and property managers from Helsinki, Espoo, Tampere and Lahti were interviewed about renovation projects that were either about to begin, ongoing or completed. The interviews surveyed Consti's current service level and the needs for development in that regard and resulted in suggestions to improve service.

A development project was conducted with the Metropolia University of Applied Sciences to improve hallway communication during renovation, and the results of this project were piloted in a renovation target. Consti also utilises the results of this project in its in-house development work.

As customer events and meetings came to a halt in the coronavirus spring, development work on the Consti Kodikas (Consti Homely) digital game began with the goal of disseminating information on renovation construction to decision-makers in housing cooperatives in digital form. The game was completed in the spring of 2021.

5.2. SUPPORTING THE CUSTOMER'S CLIMATE GOALS

With regard to renovation, the climate goals of customers highlight the energy efficiency of the facilities. This also came up in the key customer interviews conducted for the Responsibility Project.

Energy efficiency is improved especially with facade renovations and updated building technology. Automation has been used to achieve energy savings of up to 20% in housing blocks. (ROTI 2019).

In addition to expertise in conducting renovations and building technology installations, Consti is also experienced in improving the energy efficiency of buildings. Regular maintenance of the systems is one crucial aspect of achieving benefits through building technology.

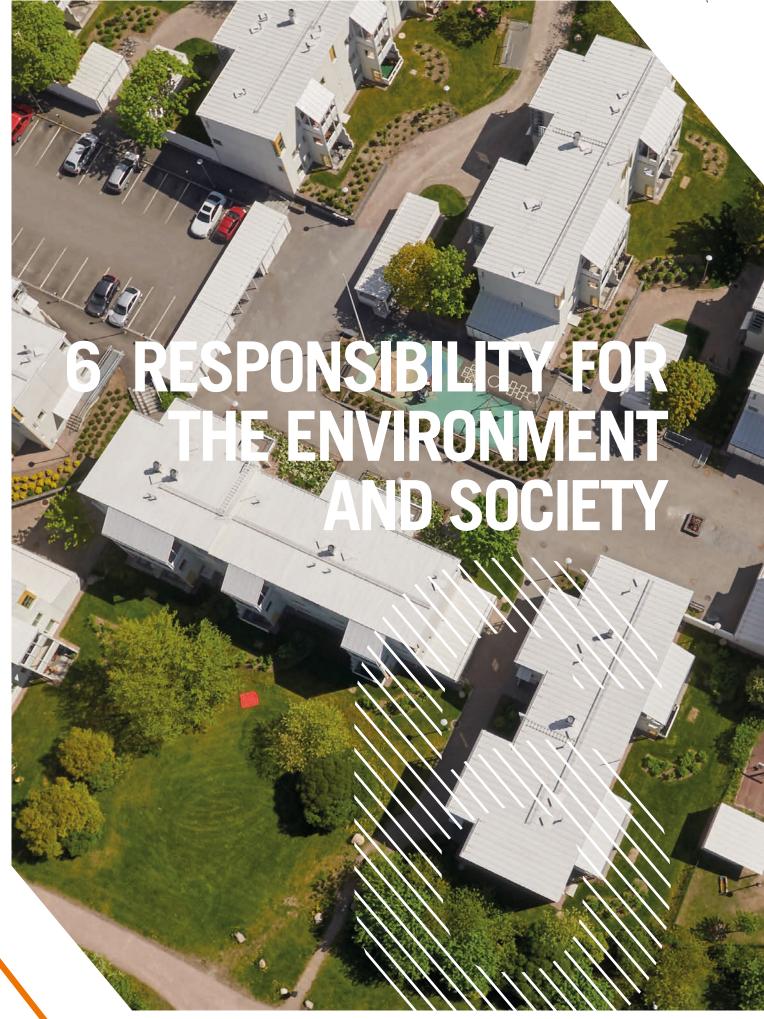
Climate change has been calculated to increase the amount of especially wind-driven rain in Finland, which sets increasing requirements for the moisture resistance of facades, for example. In addition to energy renovations, Consti is developing its maintenance services to better take the demands of climate change into account.



HEKA Kannelmäki

The seven residential buildings and two service buildings of Pelimannintie 15 in Helsinki's Kannelmäki were thoroughly renovated from the basement to the roof. In the first stage, three residential buildings were renovated in 2018–2019. The second stage, which is to be completed in June of this year, contains four residential buildings and a club house. The 150 apartments of the second stage will be completed 11 months ahead of schedule. The project was ordered by Helsinki City Housing Company.

www.consti.fi/consti/ajankohtaista/uutiset/consti-toteuttaa-heka-oyn-vuokratalojen-peruskorjauksen-toista-vaihetta-kannelmaessa





6.1. ENVIRONMENTAL FRIENDLINESS

Expertise in climate impacts on properties

A significant part of the environmental friendliness of Consti's operations is created in customer projects. Renovation nearly always also improves the energy efficiency of the building. The customer might also be aiming for life cycle efficiency.

Customers appreciate the contractor's expertise in offering and realising environmentally friendly solutions.

Buildings make up nearly 40% of Finland's energy consumption. The energy efficiency of existing building stock is crucial in the curbing of energy consumption as new construction only grows the Finnish building stock by 1–2% per year. In fact, according to the Confederation of Finnish Construction Industries RT, most of the emission savings in the built environment result from renovation that reduces the energy consumption of buildings and changes the methods by which the buildings are heated (RT 2020).

In renovation work, energy efficiency is improved especially with facade renovations and updates to building technology. Some 10% of heating energy can be saved simply by implementing smart adjustments. Automation has achieved energy savings of up to 20% in housing blocks without any compromises on living comfort (ROTI 2019).

Consti has expertise in both renovations and building technology. Regular maintenance of the systems is central to achieving benefits via building technology. Consti is also developing its maintenance services to better take the demands of climate change into account.

Energy efficiency of Consti's own operations and recycling

The shorter the completion time of a project is and the better the material planning is, the fewer the harmful environmental impacts of construction in general and renovation in particular tend to be. Material efficiency becomes more important when many important raw materials become more scarce and their availability is reduced. Efficient material use is fostered with thorough planning, reduction of waste and promotion of recycling. Especially in installation work, where the installed equipment and materials are often valuable, waste is reduced by ordering products in small batches at the right times, which means that they will not be left to spoil on the construction site and surpluses are noticed immediately. We strive to use all surplus material in our other targets. Guidelines on material efficiency are included in production planning processes and procedures.

Shortening project completion time is a crucial factor in the development of Consti's competitive strength. We strive to achieve a short delivery cycle with efficient scheduling based on production flow and by using prefabricated components and industrial installation methods as much as possible. A flow-based production model speeds up project completion and improves logistics, which reduces harmful environmental impacts during the project. We have applied this model successfully especially in apartment and hotel renovations.

In 2020, we successfully employed the takt time production method in such projects as the interior renovation of the hotel Skyline (formerly Bonus Inn) situated by the Helsinki-Vantaa Airport, the comfort repairs of HOAS student housing and in a building purpose modification project commissioned by HOAS where a former office building was converted into student housing.

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The EU's waste directive strives to promote the reuse and recycling of materials. Waste legislation is being updated in Finland in relation to the implementation of the waste regulation package approved in the EU in the summer of 2018. The central goals of this reform are to reduce the amount of waste and increase the reuse of materials. According to the regulation package, 70% of construction and demolition waste should have already been recycled in 2020. 65% of all packaging waste must be recycled by 2025 and 70% by 2035. Furthermore, material-specific recycling goals have been set for different kinds of packaging waste.

In 2020, some 49% of construction site waste produced by Consti Korjausrakentaminen Oy and forwarded by Vaihtolavacom Oy in the Helsinki region ended up being utilised elsewhere as raw materials. The same number for Consti Talotekniikka Oy was approximately 29%. In 2021, Consti aims to discover the distribution of waste resulting from its operations and the recycling rate of this waste, as well as to create a national waste monitoring method and set goals for reducing the amount of mixed waste. The goal is to raise the recycling rate of the waste to 70% in the Helsinki area by 2023 at the latest.

Consti has created the statutory energy review of the energy consumption of its offices and warehouses every four years. However, an overwhelming majority of Consti's energy consumption occurs on construction sites. In 2021, we will begin to systematically monitor the energy consumption of construction sites and vehicles in order to define reduction goals and pilot the most suitable method for calculating Consti's carbon footprint.

Environmental risks

The most significant environmental risks in Consti's operations are formed by possible discharges of substances that are harmful to the environment. These discharges may result from the improper treatment of demolition waste or negligence in its disposal, for example. Construction activity may also result in noise, ground vibration and dust that affect the immediate surroundings of the site.

Minimising the harmful environmental impacts of construction sites means especially minimising the amount of noise, dust and waste resulting from construction site traffic, demolition work and the construction work itself, as well as treating hazardous substances carefully and appropriately.

Consti adheres to all legislation, regulations, permit conditions and other official decrees regarding the environment, construction and materials used in construction and their storage, recycling and disposal.

Consti has guidelines in place to ensure adherence to environmental regulations in its operations and the minimisation of harmful environmental impacts. In target-specific environmental plans, we identify the environmental risks of the target and plan preventive measures and prepare to combat harmful impacts. Effective communication is also a way to reduce these impacts.



Hotel Bonus Inn, situated by the Helsinki-Vantaa Airport, was updated using the takt time production method with 13 work packages. This meant that one hotel room could be renovated in 13 work days. The renewed hotel now serves its customers under the name Skyline.



6.2. SOCIETY

The condition of housing and business premises has wide-ranging economic significance not only in terms of energy consumption but also via illnesses and absences due to sickness, for example. The starting point of renovation projects is often the improvement of indoor air quality, especially in public buildings such as schools. Indoor air problems are often the sum of many factors and fixing them requires expertise in both construction and building technology. Consti renovated many schools in 2020 and has developed a comprehensive building technology package for temporary spaces as a new service. We have delivered this new package to the temporary spaces required in the extensive renovations of several schools.

Supply chain

Changes to economic structures is one of the current megatrends. The increasing number of subcontracting chains related to both goods and services and the shifting of roles change the organisation models and structure of the work. As the networked method of operations becomes more common, transparency of the supply chain and the mastering of large entities become highlighted.

In procurement in the construction sector, the focus is on the prevention of grey economy and adherence to legislation, especially labour legislation. Furthermore, the responsibility aspect of material acquisitions must be taken into account when purchasing or managing supply chains, i.e., the origin of the materials must be traceable and their production conditions must be known. Consti strives to favour the Finnish option in material procurement.

Grey economy prevention

Bribery and dealing in receipts are forms that corruption often takes in the construction industry. The uniqueness and temporary nature of building projects and the large sums of money involved may entice some to engage in financial malpractice. Simultaneously, supervision is made challenging by the large number of different work stages, agreements and subcontractors involved in the projects.

At Consti, we do not approve of corruption, bribery or attempts at such actions in any way, shape or form. The prevention of bribery and corruption has been written into Consti's ethical guidelines, which is introduced to employees during their orientation and also brought up in other contexts. Personnel and partners are encouraged to intervene in possible malpractices immediately.

Consti's way of doing business means that all purchases, deliveries, work tasks and services that are significant for an individual project or our business operations as a whole are put out to tender openly and honestly. To effectively identify and avoid risks related to competition law, the company has in-house guidelines in place regarding competition legislation and its application. We aim to cooperate on a long-term basis with our great partners who are committed to excellence. Purchases always require written agreements. We are also striving to fight the grey economy with acceptance procedures.

There were no official decisions or legal actions relating to breaches of competition law, cartels or abuse of a dominant position at Consti in 2020.

Consti adheres to the Act on the Contractor's Obligations and Liability when Work is Contracted Out and is part of Vastuu Group Oy's Reliable Partner programme. Consti requires that its contracting parties and subcontractors also meet equivalent criteria. Consti uses standardised contractual terms which commit the operators in the subcontracting chain to ensuring that they meet their social obligations. This applies especially to obligations concerning salary equality, salary payment, working conditions, employee rights and health care.

The Valtti smart ID card is used for access control at construction sites. The tax numbers of all employees have been submitted to the construction industry's tax number register maintained by the Finnish Tax Administration. As the main contractor and orderer, Consti submits contract information for each construction site to the Tax Administration.

Access control methods and methods defined in the aforementioned Contractor Act help us combat both the grey economy and human rights violations by preventing the use of employees without work permits. Grey economy has also been discussed on page 19 of this report.

In 2020, no problems were observed at Consti regarding adherence to ethical guidelines and there was no need for measures against bribery or corruption.

Consti does not aim to influence political parties and it gave no financial support to political parties in 2020.

Cooperation with partners

Networking means much more than increased subcontracting. More and more often subcontractors are collaborators with whom we can work to improve quality, operating practices and the services offered to customers

As the network of partners expands, we must ensure that everyone adheres to the ethical guidelines and other instructions of the main contractor. Committing subcontractors and other partners to Consti's ethical guidelines and quality goals was defined as a development target in relation to partner cooperation. The goal is that 20% of subcontractors are committed to the ethical guidelines by the end of 2021 and 100% by 2023. Consti also aims to ensure that half of its partners have participated in Consti's quality sessions by 2023.

Consti strives to influence the development of the entire sector by operating in the industry's cooperation networks and actively participating in various joint projects such as those aiming to develop new ways to realise renovation projects. The new cooperative operation models aim to improve the quality of construction and to clarify the distribution of responsibilities. The shared goals, responsibilities and incentives of all parties involved in a project are defined in a cooperation agreement. Partner selection emphasises quality criteria and the negotiations between the client and the renovator.

Consti's representatives can be found in such organisations as the Confederation of Finnish Construction Industries RT and the Finnish Association of HPAC Technical Contractors, which is a sector and employer organisation in the field of HPAC installations. It promotes the operations of its member companies and the building technology industry more broadly.

Consti is also involved in the sector-wide safety group of the Confederation of Finnish Construction Industries RT that focuses on developing occupation safety in construction companies and creating shared occupational safety practices. The group also maintains cooperation with authorities. The construction sector's Zero Accidents project concluded in 2020 but the development of measures promoting safety is continued in the form of other joint development projects, for example. Consti is also a participant in a project beginning in 2021 that aims to improve cooperation between companies and schools and colleges.

In addition to traineeships, cooperation with educational establishments in the construction sector also involves thesis work, lectures held by Consti representatives, training cooperation and joint development projects. Consti also supports student associations.

Consti cooperates with the vocational education provider TTS and certification company Eurofins Expert Services to develop initial vocational training for drain renovators. The specialist training provided by TTS grants those who complete it the right to apply for personal certification. In 2020, Consti also participated in development work in the role of expert.

Consti has already participated in the first RAIN project intended to improve cooperation within the construction industry and is now involved in the threeyear RAIN 2 project that began in 2019. In addition to integration and cooperation, the central themes of the new project are introducing Lean management and the flow production model to the construction sector. Integrated project delivery methods such as alliance models and collaborative contracting aim to improve the work culture in the construction industry and help with managing the risks related to demanding renovation projects. In 2020, Consti was involved in developing new operation models in such projects as the alliance project of KOy Uudenmaankatu 16-20, the expansion and alteration of Terminal 2 of the Helsinki-Vantaa Airport as well as the renovation of the Bonus Inn hotel situated by the airport.

Further information on the RAIN 2 project (in Finnish): http://lci.fi/tutkimus-kehitys/rain2

Good management

Consti's management and leadership is based on the Companies Act and Securities Market Act, the articles of association of Consti Plc and the rules and guidelines of Nasdaq Helsinki Oy. In insider matters, Consti adheres to the EU's Market Abuse Regulation and the statutes issued on the basis of this regulation. Consti also adheres to the corporate governance practices of Finnish listed companies.

Consti adheres to the EU's General Data Protection Regulation and is committed to processing personal data carefully and in accordance with applicable laws and regulations and in a manner that respects and protects the individual's right to privacy. In 2020, there were no reported instances of breaches of customers' privacy protection or loss of customer data at Consti.

Consti drafts its financial reports in accordance with international financial reporting standards (IFRS), the Securities Market Act, the Accounting Act and the instructions and statements issued by the Finnish Accounting Standards Board. The instructions, practices, areas of responsibility and principles of internal supervision and risk management involved in the company's financial reporting process are designed to ensure that the financial reporting produced by the company is reliable and that the company's financial



statement is drafted in accordance with current laws and regulations and the company's principles. Guidelines concerning the publication of financial information and external communication are included in the communication regulation issued by the company's board. The main principles of the communication regulation can be viewed on Consti's website.

Tax footprint

In 2020, Consti Plc's total tax footprint was 59.9 (69.2) million euros. Of this sum, 10.0 (10.3) million euros were tax-like payments related to staff and 16.2 (16.6) million euros related to income tax and other payments withheld from salaries. The share of community income tax was 0.6 (0.0) million euros. The amount of income tax was reduced by Consti's losses in previous years. Without the deduction of losses, a

total of EUR 1.1 million in income taxes would have been paid on the result.

Of the tax-like payments related to staff, employer's pension insurance contribution amounted to 7.8 (8.7) million euros, employer's unemployment insurance contribution amounted to 0.8 (0.9) million euros, employer's social security contribution amounted to 0.8 (0.4) million euros while the remaining 0.6 (0.4) million euros consisted of group life insurance and accident insurance expenses.

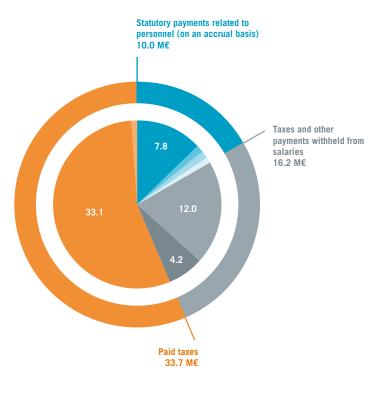
Furthermore, Consti paid 33.1 (42.3) million euros in value added tax.

Consti only operates in Finland pays all of its taxes in Finland.

Consti's tax footprint in 2020

59.9 MILLION EUROS

| Pension insurance payments (employer share) | 7.8 |
|---|------|
| Unemployment insurance payments (employer share) | 0.8 |
| Employer's health insurance payments | 0.8 |
| Payments related to accident insurances and group life insurances | 0.6 |
| Taxes withheld from salaries | 12.0 |
| Other statutory payments withheld from salaries | 4.2 |
| VAT | 33.1 |
| Income tax (cash based)* | 0.6 |
| Total tax footprint (M€) | 59.9 |



7 INDICATORS OF RESPONSIBILITY 2020

The realisation of goals set for the different themes is monitored with theme-specific indicators. In this report the monitoring of the indicators begins with the year 2015.

Accident frequency

13

Accident frequency is the relationship between accidents and hours worked. The rate is calculated as accidents per one million working hours. The smaller the number, the fewer accidents occur. Those accidents that occur at work and require at least one day of sick leave in addition to the day of the accident are counted in the accident rate as per industry practices. Industry practices also dictate that the accident rate also contains the working hours and accidents of subcontractors.

In 2020, Consti's accident frequency figure was 13 (11).

Absences due to sickness and occupational diseases

4.9%

The sickness absence percentage of Consti staff grew in 2020 and was 4.9 (3.3) percent. This number includes all absences resulting from paid sick leave and accidents. There were no observed cases of occupational diseases in 2020.

Turnover rate of regular staff

13%

In the monitoring of exit turnover rate, Consti focuses on the turnover of regular staff. In 2020, 42 (42) percent of Consti staff were white-collar employees and 58 (58) percent were blue-collar employees.

The exit turnover rate contains employment relationships terminated for whatever reason excluding retirement. The turnover rate for regular staff was reduced in 2020 and was now 13 (17) percent.

Number of labour disputes

O pcs

In 2020, there was no labour disputes concerning the termination of an employment relationship at Consti.

Number of fixed-term employment contracts

3.2%

The share of fixed-term employment contracts was reduced slightly and was 3.2 (4.1) percent.

Complaints regarding environmental risks and impacts

0 pcs

There were no reported instances of environmental impacts that lead to a dispute or a complaint from authorities at Consti in 2020.



Number of sanctions issued in industrial safety inspections

0 pcs

No complaints or sanctions were issued in industrial safety inspections in 2020.

Number of events that breached ethical guidelines

O pcs

Consti's ethical guidelines are attached to this report as an appendix. No events that breached these guidelines were reported in 2020.

Personnel survey

Consti monitors the job satisfaction of its personnel every other year. The latest personnel survey was conducted in December 2019. The results of this survey are discussed on page 17 of this report.

Monitoring and goals

The selected indicators measure the development of subject areas that Consti considers important. The indicators are followed on a monthly basis in the management group and the group addresses any observed flaws or deficiencies. A deeper analysis is conducted each year in conjunction with Consti's annual summary and development measures are written into annual plans.

The reporting cycle involves constant development, which means that we are constantly improving our operations and making them more responsible based on the indicators. This also involves reviewing both short and long-term goals. Consti commits to the responsible development of staff policies.

The indicators and their reporting cycles are depicted in Appendix 1.



8 APPENDICES

APPENDIX 1 - CONSTI'S RESPONSIBILITY INDICATORS

| Responsibility theme | Measured issue | Indicator | Measurement frequency | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------------|--|---|--------------------------|-------|-------|-------|-------|-------|-------|
| Health and safety | Number of accidents | Accident fraquency* | 1 kk | 26 | 22 | 20 | 19 | 11 | 13 |
| Health and safety | Number of sick leaves | Sick leave, % | 1 kk | 3.9% | 2.8% | 2.8% | 3.0% | 3.3% | 4.9% |
| Health and safety | Occupational illnesses or other work-related illnesses | Number / year | 1 kk | 2 | 1 | 0 | 0 | 0 | 0 |
| Occupational procedures | Personnel turnover | % of employees leaving (monthly average) | 1 kk | 15.2% | 19.9% | 15.4% | 20.7% | 17.4% | 12.9% |
| Occupational procedures | Employment contract disputes | Number / year | 1 v | 0 | 1 | 0 | 0 | 0 | 0 |
| Occupational procedures | Fixed-term work contracts | % of fixed-term work contracts (annula average) | 1 v | 8.7% | 9.0% | 4.2% | 3.3% | 4.1% | 3.2% |
| Environment | Environmental risks realized | Number / year | 1 v | 0 | 0 | 0 | 0 | 0 | 0 |
| Environment | Reclamations on environmental impacts | Number / year | 1 v | 0 | 0 | 0 | 0 | 0 | 0 |
| Corporate social responsibility | Regional State Administrative Agency sanctions | Number / year | 1 v | 0 | 1 | 0 | 0 | 0 | 0 |
| Corporate social responsibility | Events prohibited in the ethical guideline | Number / year | 1 v | 0 | 0 | 0 | 0 | 0 | 0 |

^{*} Number of accidents per one million work hours.



APPENDIX 2 - CONSTI'S RESPONSIBILITY GOALS AND INDICATORS FOR 2021

| KEY THEMES, GOALS AND NDICATORS | Goals for the strategy period (2021–2023) | Goals for 2021 | Indicators |
|--|---|--|--|
| Customer satisfaction Customer insight Supporting the customer's climate goals | ■ Best customer experience in the industry ■ Trailblazer status in climate-change-proof renovation | Systematising the use of the customer feedback system Development of maintenance services so that they take the effects of climate change into account Collaborative projects that involve the customers | ■ Customer satisfaction surveys for all project worth at least 500,000 euros or for customers who annually commission a significant amoun of smaller targets, and taking the resulting development suggestions into account in our operations. |
| Environmental friendliness Expertise in climate impacts on properties Energy efficiency in our own operations Sorting in demolition work and recycling of materials | ■ Services that support the climate goals of customers ■ Reducing the energy consumption and emissions resulting from our own operations by 20% from 2020 ■ Increasing the utilisation rate of construction site waste (the goal is 70% in the Helsinki area) | Conceptualisation of eco packages for housing companies (e.g., charging stations for electric cars) Indicators and reduction goals for our own energy consumption (construction sites and offices) Indicators and reduction goals for vehicle emissions Calculating the carbon footprint of our own operations Unified monitoring system and reduction goals for construction site waste | ■ Energy package for housing companies that is ready to be offered to customers ■ The distribution of our own energy consumption is known and reduction goals have been set ■ The carbon footprint indicator has been piloted ■ The emissions of vehicles are known and reduction goals have been set ■ The distribution and recycling rate of different waste types are known, a national monitoring method is in place and reduction goals for mixed waste have been set |
| Supply chain Grey economy prevention Cooperation with partners | Reducing grey economy in the construction industry together with other operators in the field Reducing the risks of grey economy in our own operations Developing partner cooperation to improve quality, service level and efficiency | ■ Creation of ethical guidelines for subcontractors (Supplier Cod of Conduct) ■ Zero events that breach our ethical guidelines ■ Programme that bolsters partner participation in the development of quality and services | ■ Events that breach ethical guidelines ■ Functional whistleblower processes ■ 100% of subcontractors are committed to Consti's ethical guidelines in 2023 ■ 50% of partners have participated in Consti's quality sessions |
| Occupational safety and well-being Staff development and support for expertise Equality and respect for human rights Continuous improvement of occupational safety | ■ Offering Consti personnel and the personnel of our partners a safe and equal work environment that encourages the development of expertise ■ Being one of the most desirable workplaces in the industry | ■ Instructions for the use of the occupational safety observation system and goals for the number of submitted observations ■ Reduction of occupational accidents and sickness absences ■ Keeping the personnel exit turnover rate at the level of 2020 at the highest and defining a numerical goal for 2023 ■ No increase in the number of fixed-term employment contracts ■ 100% of new employees have completed e-orientation ■ Balanced age distribution and more balanced gender distribution | ■ Occupational accidents, sickness absences and occupational diseases at zero, or at least reduced ■ Accident frequency < 5% ■ Personnel exit turnover rate < 12% ■ Fixed-term employment contracts < 5% ■ One submitted occupational safety observation/person/year ■ Share of new employees who complete e-orientation 100% ■ Personnel survey response rate of at least 80% ■ Personnel recommendation rate at least 3.3/4 ■ The share of women among personnel is larger than in the previous year |

APPENDIX 3 - CONSTI'S ETHICAL GUIDELINES

Consti Plc and its subsidiaries (hereinafter "Consti") are construction companies that operate responsibly. In all of its operations, Consti strives for a high level of ethics. Responsible and ethically defensible governance is essential to Consti's risk management and provides a foundation for the sustainable development of operations.

These ethical guidelines are based on Consti's current good governance policy and describe the key ethical guidelines that must be followed in all of Consti's operations.

PREVENTION OF BRIBERY AND CORRUPTION

Consti companies and staff may not, under any circumstances, give or receive gifts, payments or other compensations that go beyond regular hospitality and could be assumed to influence business decisions.

With regard to the prevention of bribery and corruption, legislation and current **anti-corruption guide-lines** must be adhered to in all Consti operations. These guidelines are a part of Consti's good governance policy.

BUSINESS TRIPS AND HOSPITALITY

Staff members may only participate in the business trips of partners if they are work-related. These trips are to be agreed upon beforehand with the supervisor and the possible ambiguities must also be discussed. The trip must have an itinerary that is presented to the supervisor.

Business trips and hospitality must adhere to the current **anti-corruption guidelines**.

EMPLOYEE DISCOUNTS

The employee discounts of Consti suppliers may only be used for personal purchases by agreement between Consti and the supplier. Agreed upon practices, such as resale bans, are to be adhered to when using these discounts. The use of the discounts must not result in the formation of any kind of reciprocal commitments.

Business trips and hospitality must adhere to the current anti-corruption guidelines.

CHARITY

Consti primarily supports organisations that promote the well-being of children and youths. Aid is not given to political parties or groups or individual politicians.

All charitable activities must adhere to the current anti-corruption guidelines.

COMPETITION LEGISLATION

Consti adheres to fair and open competition. Actions that are against competition legislation or the spirit of this legislation are prohibited. Such actions include illegal price fixing, market sharing and unethical trading. Competition legislation must also be adhered to in any activities in the industry's cooperation organisations.

Consti's **competition legislation guidelines** must be followed in all Consti operations. These guidelines are a part of Consti's good governance policy.

EQUAL TREATMENT

Staff members are treated equally regardless of factors such as gender, age, sexual orientation, religion or origin.

The same principle applies to clients and other stakeholder groups.

PARTNERSHIPS AND ACQUISITIONS

Principles of honest and transparent operation are adhered to when cooperating with stakeholder groups. Consti only chooses the best operators in the field as its contractual partners and cooperates with them in the development of operation models. Consti also strives to achieve a deeper business relationship with its partners in order to ensure the best possible price level, service level and availability.

When there is no partnership or seasonal contract in place, all significant acquisitions, deliveries, work tasks and services are put out to tender openly and honestly among an adequate number of operators. Acquisitions always require written agreements.



CONFLICTS OF INTEREST

Consti employees will not act in a way that results in a situation where their own personal or financial interests are in conflict with those of Consti's clients or Consti's staff.

When making business decisions (e.g., approving contracts or invoices) and fulfilling their responsibilities, Consti employees should consider only Consti's interests and disregard any personal interests or those of related parties and other stakeholder groups. Consti employees are not entitled to participate in decision-making that concerns their personal interests or those of related parties and other stakeholder groups. The ban applies to, e.g., concluding contracts and approving invoices.

Consti employees must avoid situations and circumstances that could result in a conflict of interest. Employees must immediately notify their supervisor and the Business Area Director of any conflicts.

Concerning conflicts of interest, all employees must adhere to the current **anti-corruption guidelines**.

CONFIDENTIALITY OBLIGATION

Consti personnel commit to keeping secret and not making use of the trade and business secrets of their employer, its employees or its clients during or after their employment relationship in accordance with their non-disclosure agreement.

REPORTING CHANNEL

If a Consti employee notices conduct that does not follow these guidelines, they must report it to their supervisor or next higher level of authority. The report can also be made through the online reporting channel.

ENTRY INTO FORCE

These ethical guidelines have been approved by Consti's management team on the 14th of June in 2021.

REFERENCES

ROTI (2019). Rakennetun omaisuuden tila 2019 [State of the Built Environment in 2019]. Page 12. Accessed on 12.1.2021

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RT (2020) Rakennetun ympäristön hiilijalanjälkeä voidaan huomattavasti kutistaa nopeilla toimilla [The Carbon Footprint of the Built Environment Can Be Shrunk Significantly with Rapid Measures]. Accessed on 20.1.2021

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APPENDIX 4 - GRI TABLE

| GRI index | Reference number | Index content | Place in this report and/or | Additional information |
|--------------------------------|---------------------|---|-----------------------------|--|
| GRI 100 | | | | |
| GRI 102 General Disclosures | 102-1 | Name of the organization | p. 4 | |
| | 102-2 | Activities, brands, product, and services | p. 4 | |
| | 102-3 | Location headquarters | p. 4 | |
| | 102-4 | Location on operations | p. 4 | |
| | 102-5 | Ownership and legal | p. 4, AR p. 87 | |
| | 102-6 | Market areas, business areas | p. 4 | |
| | 102-7 | Scale of the organization | p. 4 | |
| | 102-8 | Information on employees and other workers | p. 16 | |
| | 102-10 | Significant changes to the organization and its supply chain | | No significant changes in 2020 |
| | 102-13 | Membership of associations | p. 28 | |
| | 102-14 | Statement from senior decision-maker | AR p. 7 | |
| | 102-15 | Key impact, risks, and opportunities | AR p. 7 | |
| | 102-16 | Values, principles, strandards, and norms of behavior | AR p. 8-10 | |
| | 102-17 | Mechanisms for advice and concerns about ethics | p. 19, p. 27 | |
| | 102-18 | Governance structure | p. 6-7 | |
| | 102-20 | Executive-level responsibility for economic, environmental, and social topics | p. 6-7 | |
| Stakeholders engagement | 102-40 | List of stakeholder groups | p. 6 | |
| | 102-41 | Collective bargaining agreements | p. 19 | All Consti personnel |
| | 102-42 | Identifying and selecting stakeholders | | Defined by the Group's management group and executive management in 2020 |
| | 102-43 | Approach to stakeholders engagement | p. 5-6 | |
| Reporting practice | 102-45 | Entities included in the consolidated financial statement | AR p. 53 | |
| | 102-46 | Defining report content and topic boundaries | p. 3 | |
| | 102-47 | List of material topics | p. 4-5 | |
| | 102-48 | Restatements of information | | No significant changes |
| | 102-49 | Changes in reporting | | No significant changes |
| | 102-50 | Reporting period | p. 1 | |
| | 102-51 | Date of most recent report | p. 7 | |
| | 102-52 | Reporting cycle | p. 7 | |
| | 102-53 | Contact point for questions regarding the report | back cover | |
| | 102-54 | Reporting coverage in accordance with the GRI Standars | p. 36 | The report has been drafted with reference to the GRI standard (reference level) |
| | 102-55 | GRI contet index | p. 36 | · · · · · · · · · · · · · · · · · · · |
| | 102-56 | External assurance | | This report has not been externally verified |

AR=annual report



| GRI index | Reference number | Index content | Place in this report and/or | Additional information |
|--|---------------------|---|-----------------------------|--|
| GRI 200 | | | | |
| GRI 201 Economic Performance | 201-1 | Direct economic value generated and distributes | AR pp. 26-70 | |
| | 201-3 | Defined benefit plan obligations and other retirement plans | AR p. 32 | |
| GRI 205 Anti- corruption | 205-2 | Communication and training about anti-corruption policies and procedures | p. 27 | |
| | 205-3 | Confirmed incedents of corruption and actions taken | p. 27 | |
| GRI 206 Anti- competitive behavior | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | p. 27 | |
| GRI 207 Tax | 207-1 | Approach to tax | p. 29 | |
| GRI 300 | | | | |
| GRI 306 Waste | 306-1 | Waste generation and significant waste-related impacts | p. 26 | |
| | 306-3 | Waste generated | p. 26 | |
| GRI 307 Environmental Compliance | 307-1 | Non-compliance with environmental laws and regulations | p. 30 | |
| GRI 400 | | | | |
| GRI 401 Employment | 401-1 | New employee hires and employee turnover | pp. 16, 18 | |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | p. 16 | All employees have the same benefits regardless of the type of employment. |
| | 401-3 | Parental leave | | Statutory. |
| GRI 402 Labor/ Managemet Relations | 402-1 | Minimum notice periods regarding operational changes | | Practices based on legislation. |
| GRI 403 Occupational Health and Safety | 403-1 | Occupations health and safety management system | p. 16-17 | All Consti personnel. |
| | 403-2 | Hazard identification, risk assessment, and incident investigations | p. 15 | |
| | 403-3 | Occupational health sevices | p. 16-17 | |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | p. 15-17 | |
| | 403-5 | Worker training on occupational health and safety | p. 15-17 | |
| | 403-6 | Promotion of occupational health | p. 15 | |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | p. 15-16 | |
| | 403-8 | Workers covered by an occupational health and safety management systems | p. 15-16 | |
| | 403-9 | Work-related injuries | p. 16 | |
| | 403-10 | Work-related cases of illness | p. 16 | |
| GRI 404 Training and Education | 404-2 | Programs for updating employee skills and transition assistance programs | p. 17 | |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | p. 17 | |
| GRI 406 Non- discrimination | 406-1 | Incidents of discrimination and corrective actions taken | p. 19 | |
| GRI 418 Customer Privacy | 418-1 | Complaints concerning breaches of customer privacy and losses of customer data | p. 27 | |
| GRI 419 Socialeconomic Compliance | 419-1 | Non-compliance with laws and regulations in the social and economic area | p. 32 | |

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Closer to the customer

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FURTHER INFORMATION ON CORPORATE SOCIAL RESPONSIBILITY

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