

JATKE'S 2023

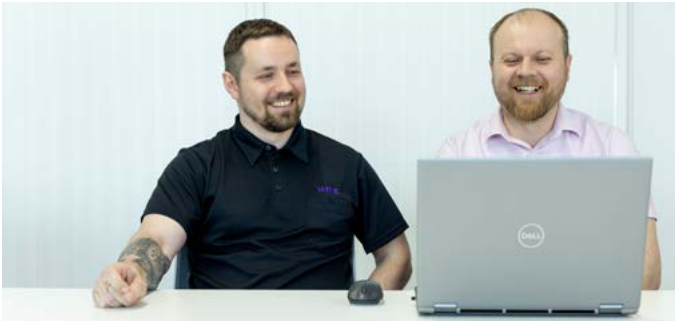
ANNUAL REVIEW AND ESG REPORT



JATKE

Jatke

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WELL-BUILT AND
INSPIRING.



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ABOUT US

Jatke in brief

Jatke is a Finnish, privately owned group operating in the construction sector. We build and renovate homes and workspaces that people feel inspired to be in and live in. We operate in the Helsinki metropolitan area and in the Tampere and Turku regions. We employ approximately 400 construction professionals. Our net sales amounted to EUR 412 million in 2023.

Jatke was founded in 2009 and has grown into one of the largest construction companies in Finland. With our strong project development expertise, we serve our clients in projects related to residential construction, commercial construction and renovation. We are a forerunner in knowledge-driven management and project management. We always deliver on our agreements and adhere to the agreed schedules and costs. For us, responsible business not only means sustainable construction but also the wellbeing of our personnel. We provide our employees with the best employee experience in the industry.

To the reader

This combined annual review and ESG report constitutes Jatke Group's (Jatke) consolidated annual and ESG reports for 2023. It covers all of Jatke's business, and presents the company's 2023 operations through key figures, achievements and ESG themes. Its primary target groups are our customers, personnel and partners. Jatke's reporting period is the calendar year 1 January to 31 December. The annual review and ESG report is published in Finnish and in English on our website, www.jatke.fi, in pdf format. The 2023 report was published on 19 March 2024.

We have taken the EU's ESRS reporting standards into account during the preparation of this annual review and ESG report as applicable. Applicable ESRS data points are described in the table on page 39 of this report. The reported data points do not fully comply with ESRS standards, as our processes and reporting are still under development. The interpretation of ESRS requirements will also be clarified over the coming years as practices become more established.

This annual review and ESG report has not been externally verified, and is not presented as an xHTML document that complies with the European Single Electronic Format (ESEF).



2023 IN BRIEF

Net sales

412

EUR MILLION

Operating profit

9.0

EUR MILLION

Construction backlog

656

EUR MILLION

Net sales by sector 2023

■ Renovation

14%

■ Commercial

44%

■ Residential

42%**%**

Total number of apartments completed in 2023

1,419

■ RS sales

42

■ Investor sales

412

■ Contract construction

965

NPS

69

Net Promoter Score, customer feedback 2023

eNPS

61

Employee Net Promoter Score, personnel survey 2023

Number of employees

402

31 December 2023

Accident frequency

9.9

number / MHW

“

We managed to increase our net sales in line with our strategy. Our self-developed construction accounted for a smaller proportion of our net sales, and a larger proportion came from contract construction. Our customer satisfaction is at an excellent level and we continued to improve our employee satisfaction.

”



GROUP CEO'S REVIEW



Strong construction backlog keeps Jatke on track for growth

2023 was a difficult year for the construction industry. We did, however, manage to increase our net sales in line with our strategy, and our diverse portfolio carried us through the year even if our profit targets were not met. Our self-developed construction accounted for a smaller proportion of our net sales, and a larger proportion came from contract construction. Our construction backlog for the coming years, 2025–2026, is very strong and will help us to bridge the recession.

A long-term approach to customers, HR, and ESG

We succeeded in keeping our customer satisfaction at peak levels and continued to improve our employee satisfaction. The employee net promoter score we received from our personnel is among the highest of all Finnish companies. Our occupational safety has also remained at a good level. We continued to invest in our personnel to ensure the best employee experience in the industry. In 2023, we focused especially on coaching for managers. We created a leadership model for Jatke and launched the Jatke Managers Academy. The Academy is targeted at managers throughout the Group and delves deep into leadership and strengthening Jatke's corporate culture. We continued to take good care of our workplace community and team spirit. We believe that the best employee experience will also be reflected in customer satisfaction.

“

We continued to invest in our personnel to ensure the best employee experience in the industry. In 2023, we focused these investments on coaching for managers. We created a leadership model for Jatke and launched the Jatke Managers Academy. The Academy is targeted at managers throughout the Group and delves deep into leadership and strengthening Jatke's corporate culture.

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Long-term ESG action is becoming increasingly important. During 2023, focused on developing our environmental sustainability reporting and metrics, and principles for responsible business. We also launched a development project for the ISO 14001 environmental management system. This will ensure that Jatke continues to meet both customer demands and increasing regulatory requirements in a manner that suits Jatke's operating environment. We also continued our strategic development programme. Our investments in knowledge-based management, the best procurement system in the sector and quality assurance are reflected in our distinguished customer service and straightforward processes for personnel.

Ensuring profitability is increasingly important

We managed to win some major projects for our construction backlog during 2023. Although our record-breaking construction backlog provides us with opportunities, we still need to ensure that our business remains profitable. The construction market contracted strongly in 2023. These difficulties were particularly evident in residential construction. Rising interest rates are delaying investments and housing sales; and rising costs, inflation and construction industry bankruptcies are further increasing uncertainty.

Residential construction and housing sales will recover from the current downturn – it's just no one seems to know exactly when. An ever-increasing proportion of our business consists of highly competitive contract construction in which success is determined by efficiency. Which means that we have to invest in improving our cost competitiveness. The current crisis in the construction sector provides us with an opportunity to sharpen our own operations.

GROUP CEO'S REVIEW

The current economic climate is hindering the residential construction business. Overall construction has decreased, and both the number of new residential startups and the number of building permits issued have continued to decline in early 2024. This will inevitably be reflected in the number of new homes available. Drastically increased costs are also reducing property owners' net profits. The costs of real estate financing, maintenance and renovation have increased significantly during the past year or so. However, the price level of housing is the key driver for residential construction. Price trends are difficult to predict, but already lowered prices may also affect the outlook for real estate investors. The real estate investment market has weakened and sales volumes are low. The weaker operating environment has increased uncertainty with respect to financing, profitability and the valuation of real estate assets. Although the situation is currently difficult, investors expect the real estate market to improve over the next year. Sales volumes are also expected to increase.

Future outlooks highlight digitalisation and sustainability

In the coming years, the construction industry will encounter not only threats but also opportunities. The sector can thrive by investing in innovation, sustainability and a skilled workforce.

The demands of responsible construction will have even more of an impact on the construction industry than they do today. Sustainable construction is a future trend. Environmentally friendly and sustainable building materials, energy-efficient solutions and climate change mitigation are all part of the sustainable development package that construction companies must consider in their operations.

“

Although our record-breaking construction backlog provides us with opportunities, we still need to focus on ensuring that our business remains profitable. To be successful, we must focus on improving our cost competitiveness and increasing our productivity.

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Increasing urbanisation is still directly affecting the construction industry. It requires new homes, commercial premises and infrastructure. The construction industry must be ready to meet this increasing demand. Renovating and modernising old buildings poses a significant challenge for the construction industry, but also provides opportunities for companies specialising in renovation.

There is already a shortage of skilled labour. Which is why investing in construction industry education is important, and our mission is to make the sector attractive to young people. This is where all of us in the construction industry will play a major role. Summer internships, thesis opportunities and collaboration with educational institutions are important to ensure continuity and development in the construction industry.

Strategy keeps us afloat in a changing operating environment

Jatke has managed to implement its strategy in spite of the changes occurring in our operating environment. Our net sales increased even if our profit targets for 2023 were not met. The year's key themes were profitable growth, moving forward with our strategic development programme, and corporate responsibility. Although our record-breaking construction backlog provides us with opportunities, we still need to focus on ensuring that our business remains profitable. The timetable for recovery in residential construction and housing sales are key questions for future outlooks. If our success is to continue, we must invest heavily in improving our cost competitiveness and increasing our productivity.

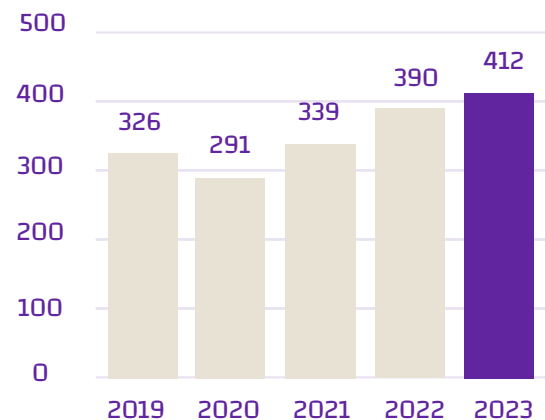
Hannu Anttonen
Group CEO

**WE BUILD HOMES AND
WORKSPACES THAT PEOPLE FEEL
INSPIRED TO BE IN AND LIVE IN.**

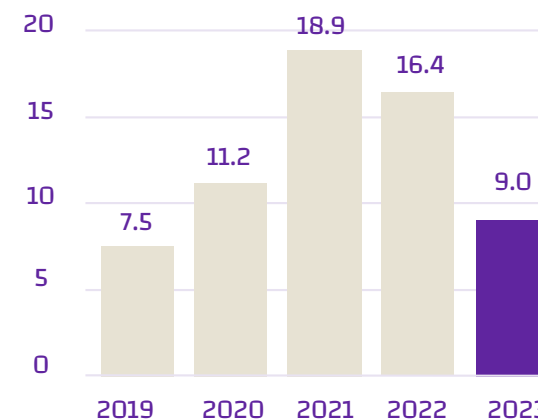
JATKE

KEY FIGURES FOR 2023

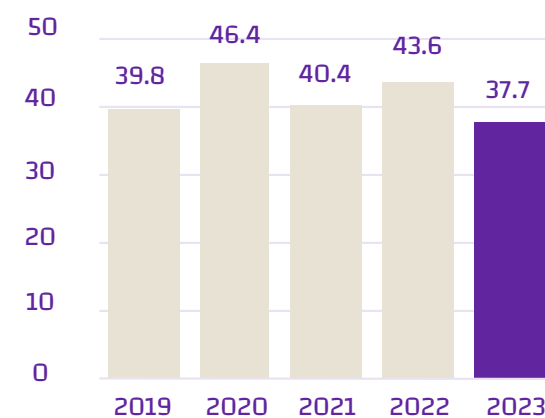
Net sales in 2023, EUR million

412.0

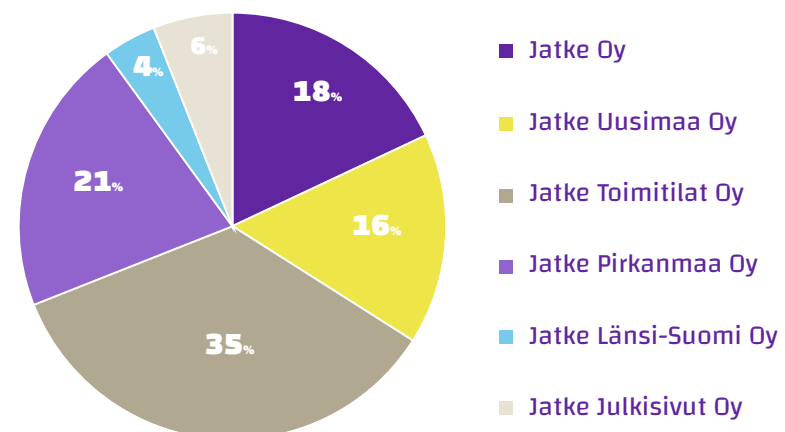
Operating profit in 2023, EUR million

9.0

Equity ratio, %

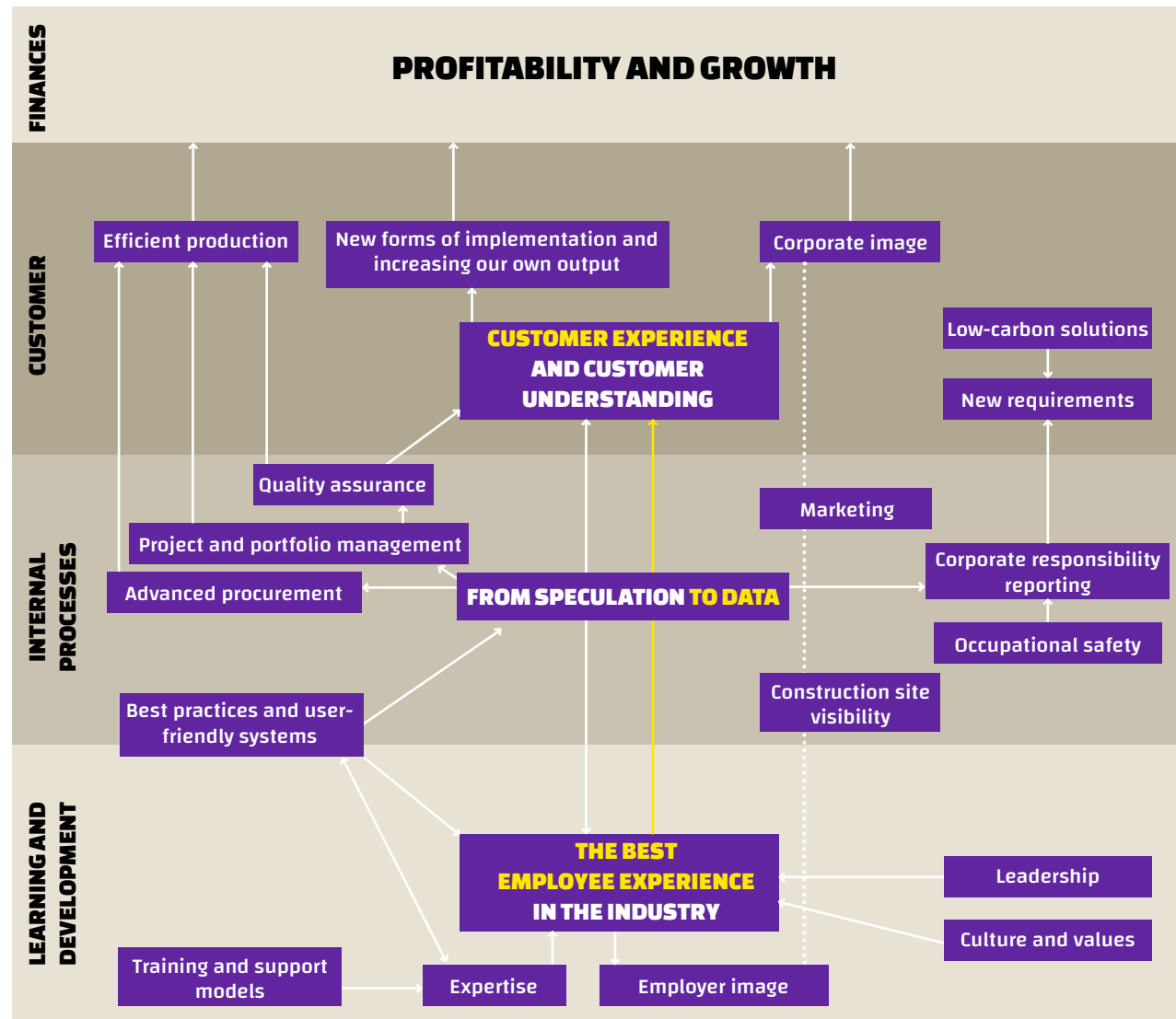
37.7

Breakdown of net sales by company in 2023



STRATEGY

Growth, profitability, expertise and brand image



Our strategy is encapsulated in four simple and interlinked elements: growth, profitability, expertise and brand image. In our 2020–2025 strategy, we are guided by the Jatke 2.0 development programme, which revolves around knowledge-based management and our customer and employee experiences.

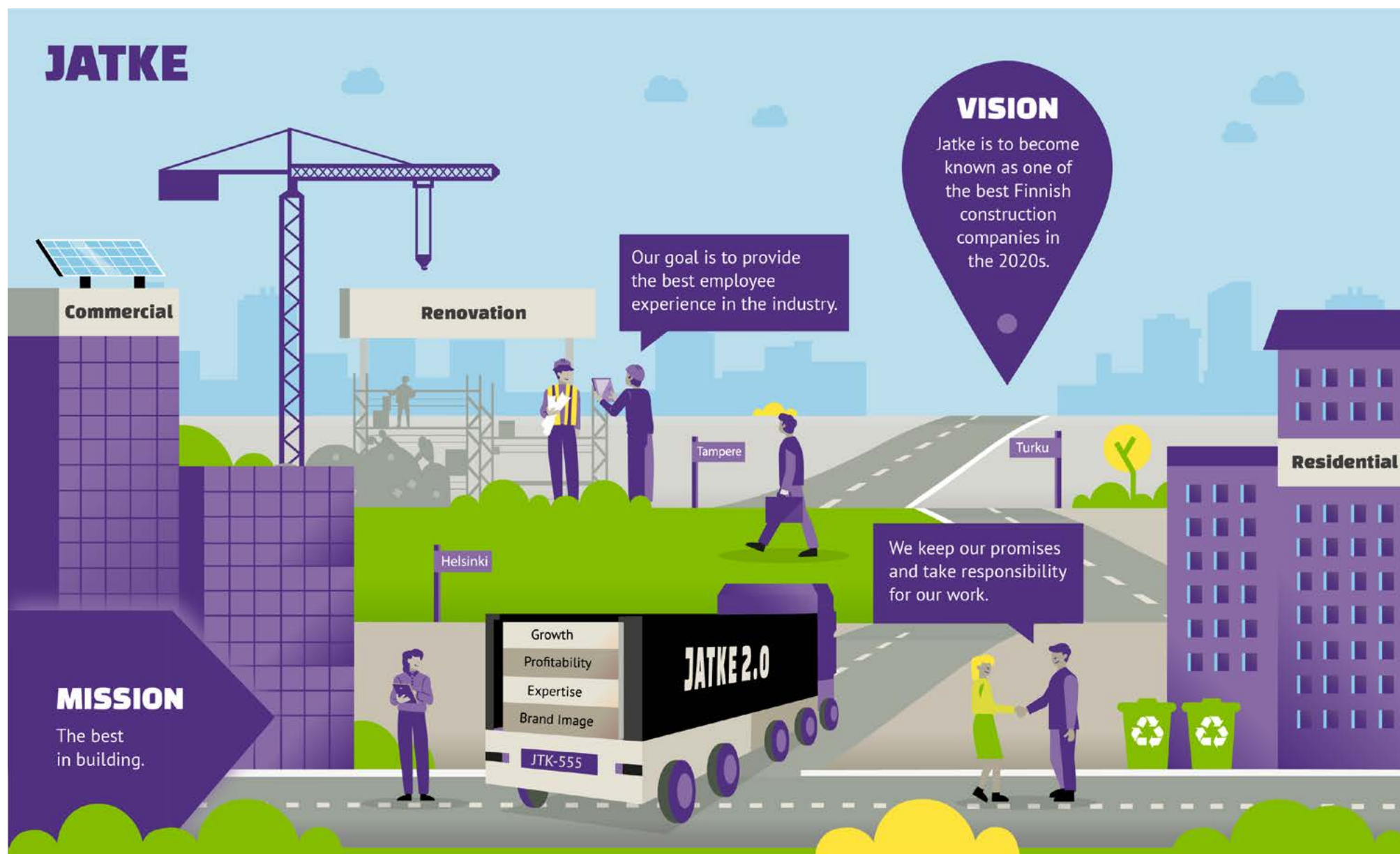
Our key driver is growth, which will enable us to implement even the largest and most demanding projects. We are also improving our profitability, which requires the best talent, practices and technologies in the sector. These come together to form the best employee experience in the industry, thanks to which Jatke is perceived as an extremely attractive employer and partner.

Our customers, our operating environment and legislation all require us to make continuous improvements. We believe that the best employee experience will be reflected all the way down to our customer experience. We are also investing in efficient production, and in addition to increasing our own output we are preparing for new delivery methods.

As a leader in knowledge-based management, we are moving from speculation to data. We are collecting and analysing data about construction quality, procurement, safety and projects, and are using it to create user-friendly, role-based dashboards that support effective leadership and project management. Choosing and tracking the correct metrics also help us to make more comprehensive reports.

Everyone at Jatke has the chance to learn and develop. We have created training and support models, and have invested in competence development and coaching for managers. Best practices, coupled with appropriate and well-functioning systems, help us to maintain a good employee experience in our daily work.

STRATEGY



Mikko Kuusakoski,
CIO



FROM SPECULATION TO DATA **Knowledge-based management** **expanded to construction sites**

Our digital management dashboard concept that we launched in 2022 was expanded to construction sites in spring 2023 after the dashboard had been tailored to project-level work. Site managers gained access to a dashboard that shows key metrics and processes for their site. We also implemented a Group reporting system based on the same data, which enables everyone from construction sites to the Board of Directors to engage in knowledge-based management using shared data. Shared data has improved the quality and up-to-dateness of information throughout the organisation. At the same time, we have established a firm foundation for developing knowledge-based management throughout our entire organisation. We also launched a pilot project for harnessing artificial intelligence in project management, and joined the Aalto Building 2030 – AI in Construction research project to explore the business opportunities afforded by artificial intelligence.

PROCUREMENT

Strategy and advanced reporting

We defined Jatke's procurement strategy and began mobilising it throughout our organisation in autumn 2023. To support this strategy, we also created a joint procurement policy and defined key metrics for our procurement operations. We finalised the introduction of the purchasing system that we had begun in the previous year.

We also integrated analytics into the purchasing system to help us track project progress, performance and processes. This solution also enables us to monitor both savings and forecasts by project and company. We began actively monitoring supplier risks as well – a practice that is integrated into our other processes and systems.

Jani Tuominen,
Executive Vice President,
Procurement



Vili Eilavaara
Quality Manager



QUALITY

Tools for quality assurance

Quality plays a critical role in both the customer experience and the successful implementation of projects. Our employees have also requested consistent operating models and tools to support quality assurance.

During spring 2023, we drew up a quality assurance concept for Jatke with the people responsible for managing Jatke's construction operations. Clear operating models, guidelines and training will make it easy to adopt our key quality assurance objectives and procedures. By harnessing modern technology, we will also enable quality assurance to be measured and managed, so that good ideas also make it from slideshows into the real world.

SERVICES

We build and renovate commercial premises and homes

We build and renovate commercial premises, public buildings and housing in all of our business areas in the Helsinki metropolitan area and the Pirkanmaa and Turku regions. Our clients include property companies and real estate investment companies, cities and municipalities, grocery and logistics companies, and housing companies.

Commercial construction

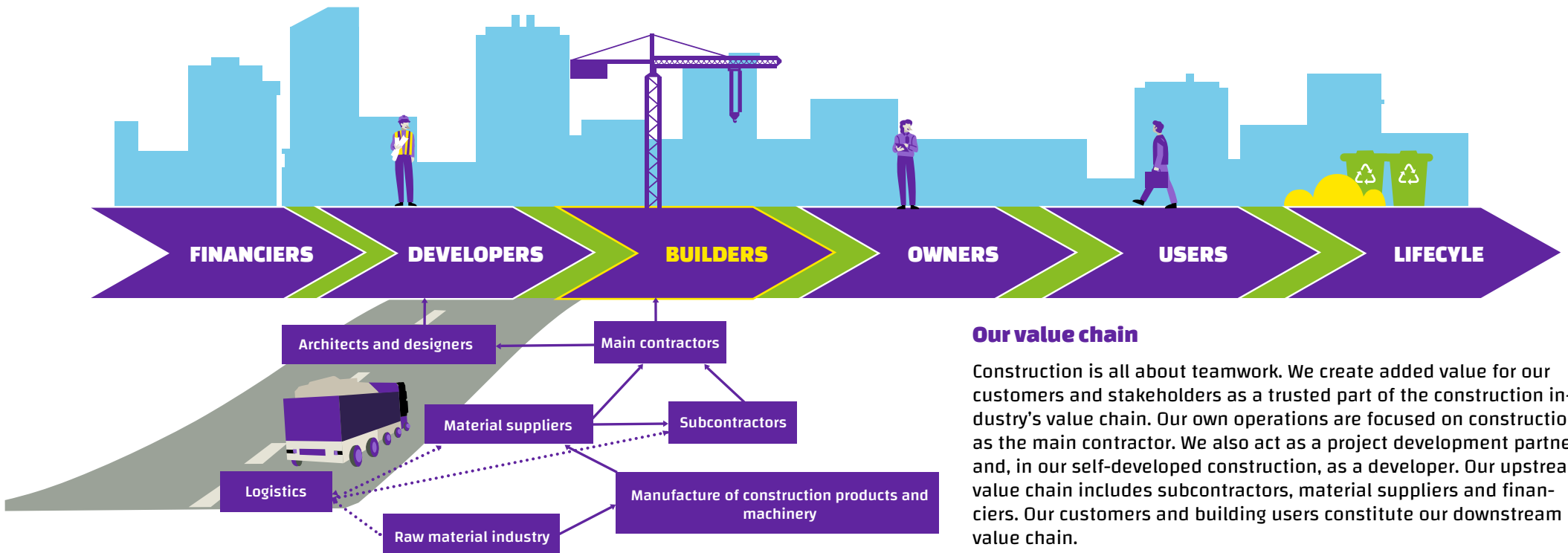
We are a trusted professional in the construction of commercial premises. We build commercial premises for a variety of uses and users, both as a contractor and as a flexible project development partner. Our expertise includes large-scale store complexes, retail and logistics construction, public buildings, and renovation and refurbishment projects for commercial premises.

Residential construction

We build residential projects and homes to meet the needs of all kinds of owners from property owners and investors to private persons. We handle the entire process from plot acquisition, planning and financing to the handover of the finished project.

Façade renovations

For housing companies, we carry out façade renovations and refurbishments, re-new balconies and windows, and repair surface structures.



Our value chain

Construction is all about teamwork. We create added value for our customers and stakeholders as a trusted part of the construction industry's value chain. Our own operations are focused on construction as the main contractor. We also act as a project development partner and, in our self-developed construction, as a developer. Our upstream value chain includes subcontractors, material suppliers and financiers. Our customers and building users constitute our downstream value chain.

STAKEHOLDERS

Stakeholder collaboration

Our key stakeholders are our personnel, customers, owners and partners. We also work with the authorities, society, financiers, the media, educational establishments and joint bodies in the construction industry.

Dialogue with our stakeholders is a central and continual element in the quality and development of our work. We actively engage with our stakeholders on a daily basis at all interfaces of our business – in meetings and through a variety of feedback surveys.

Stakeholder expectations

Our personnel expect us to keep our promise of providing the industry's best employee experience. It consists of elements such as good leadership, a good working environment and culture, and ensuring wellbeing and safety at work. A good

employee experience is also reflected in the customer experience.

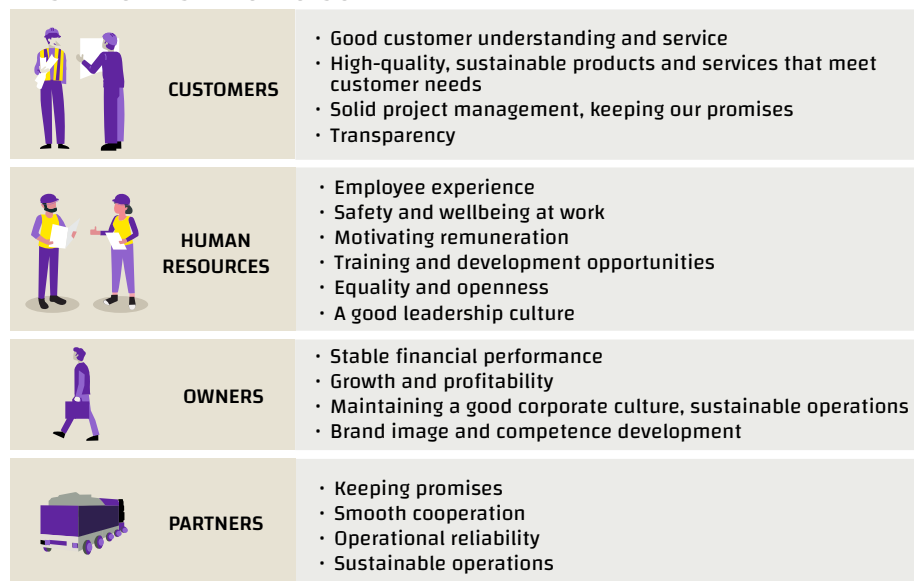
Our customers expect us to deliver high-quality, sustainable construction and solid project management.

Our owners require us to put our strategy into practice: to create growth and profitability, to develop our brand image and expertise, and to maintain our corporate culture.

Our partners also expect us to operate fairly and reliably. In order to work smoothly with our partners, we must take a long-term approach and keep our promises.

Social actors expect us to be open and transparent in our operations, communications and reporting. We are also involved in the joint development of the industry through collaboration with educational institutions and expert networks.

KEY STAKEHOLDERS' EXPECTATIONS OF JATKE



OTHER STAKEHOLDERS' EXPECTATIONS OF JATKE

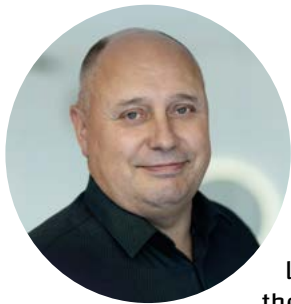
- Responsible and sustainable operations, employment, paying taxes, compliance with legislation and regulations
- Transparent communications and operations
- Minimising harmful effects
- Transparent reporting
- Industry development, promoting shared interests
- Knowledge sharing, job opportunities



*Financiers, educational institutions, trade associations/unions, joint bodies, the media

JATKE TOIMITILAT OY

Large-scale projects will carry us through the recession



Net sales in 2023

EUR 172.6 million

We exceeded our net sales target for 2023. This is largely due to the Keilaniemi

Portti commercial

premises, which we are constructing for Varma Mutual Pension Company. The implementation phase started in June 2023 after the successful completion of the development phase. We fell short of our profit target in spite of good net sales.

Jatke Toimitilat had 22 active construction sites in 2023. We have managed to increase the size of our projects, which makes them easier to control for both employees and management. Our organisation grew during 2023, and it was a year of reorganisation for our renovation business in particular.

Jatke Toimitilat has excellent growth potential. We are an attractive partner with a good financial position. Our

personnel have profound technical expertise and we implement projects using a broad range of delivery methods. We are agile, and can make fast decisions without too much bureaucracy.

A reduction in commercial projects is on the horizon throughout the industry. Commercial construction is in danger of becoming dependent on public-sector construction. However, municipal school and healthcare projects will continue to be implemented. We have had a promising start to 2024. Our ongoing large-scale competitive projects will carry us through the recession. Long-term projects of note include a new location for Vantaa Vocational College Varia, a large warehouse for Posti for use by Transval, the Keilaniemi Portti project, and the Signe office building for the real estate investment company Sponda Oy.

Antti Raunemaa, CEO,
Jatke Toimitilat Oy

Investors expect high quality and good schedule management

Jatke Toimitilat completed a production facility for the energy management company Eaton in Tuupakka, Vantaa in late 2023. This facility provides critical power supply systems and energy reserves. Construction began in summer 2022, and the project comprises 16,500 m² of office, production and warehousing premises. The investor was a fund managed by abrdn.



Factory project reaches construction phase

“We needed a construction company who could provide high quality and tight schedule management. From the fund’s point of view, it was also very important to meet the project’s ambitious environmental targets. Our collaboration with Jatke went smoothly, and we remained on target in spite of the challenging construction environment. Progress reports also flowed easily between the various parties, and both the technical quality and budget for construction were as agreed,” says **Henrik Eskolin**, Head of Transactions Finland at DEAS Asset Management, which manages abrdn’s properties in the Nordic countries.

Unique homes in historic premises

A historic renovation of the Vanha and Uusi Kemia buildings on Bulevardi 31 was carried out in Helsinki. Jatke Toimitilat Oy built 77 new premium Lumo rental homes for Kojamo in the University of Technology’s former chemistry labs and teaching facilities. The apartments were completed in late October 2023.

“When an old, protected building is converted for another use, the main contractor’s competence is even more important than usual. Jatke promised that the project could be completed on schedule and according to plan – and that promise was kept. There were some surprises along the way, as is the case with renovation projects in general. These situations require a rapid response from everyone involved – the client, contractor and designers. Collaboration was always seamless, even in the face of changes,” says **Toni Kankare**, Unit Director, Construction, Kojamo plc.



Unique homes at Bulevardi 31

JATKE PIRKANMAA OY

New projects in the Pirkanmaa region

We exceeded our net sales targets and achieved a good result. The largest project in our history, the G021 commercial property, was completed on schedule and was almost fully leased by the end of the year. The package included the renovation and modernisation of both the Tavara-asema building and the old railway workers' residential building, and this was completed in early 2023. We also moved into amazing premises in the G021 building ourselves. Senate Properties chose us as their implementation partner for a large alliance project.



Net sales in 2023

EUR 102.1 million

“The largest project in our history, the G021 commercial property, was completed on schedule and almost fully leased by late 2023. We also moved into G021's new premises ourselves.”

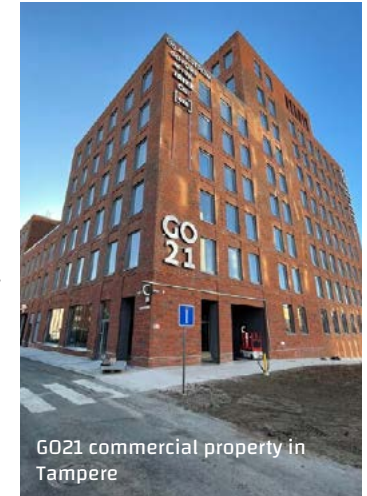
Our construction backlog for 2024 could have been better. Unfortunately, we had to carry out some adjustment measures at the end of the year. But we are still starting 2024 with confidence. I believe our skilled organisation can manage even a tight market situation. We will be able to start up new projects in the Pirkanmaa region in spite of the difficult market situation. We have been one of the largest construction companies in Pirkanmaa for the past two years and would like to further strengthen this position.

Jukka Hannus, CEO, Jatke Pirkanmaa Oy

Certified commercial premises in the heart of Tampere

The largest single project in Jatke Pirkanmaa's history, the G021 commercial property, was completed in Tampere in late 2023. The package also included the renovation and modernisation of the Tavara-asema building and old railway workers' residential building. G021 will be Tampere's first office building with a LEED Platinum environmental certificate.

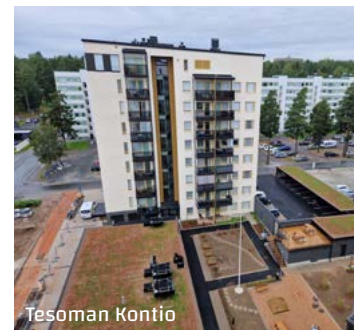
“This great development site met all of our criteria. A strong anchor tenant, a reliable main contractor and a certified, top-quality property in the vibrant heart of Tampere. Collectively, the tenants form a major IT competence cluster. Collaboration with Jatke, the tenants and other stakeholders has been easy and straightforward. In spite of the exceptional times, both the new construction and the renovation of the protected buildings progressed according to plan all the way from the kick-off to acceptance and commissioning,” says **Pia Lindborg**, Director, Real Estate at A. Ahlström, G021's investor and owner partner.



G021 commercial property in Tampere

Tavara-asema wins Cultural Achievement of the Year 2023

The City of Tampere presents an annual award for the cultural achievement of the year. The Cultural Achievement of the Year 2023 was awarded to the old Tavara-asema, which was renovated and converted into an events venue by Jatke. The venue opened in January 2023.



Tesoman Kontio

Responsible rental homes for Tesoma

Jatke Pirkanmaa was contracted to build Tesoman Kontio for Nrep in Tampere. The property and its more than 200 rental homes were completed in August 2023. The apartment building received a LEED Gold certificate, and its construction was steered by Nrep's ambitious sustainability goals. The property was classified as energy class A, and uses geothermal heat and solar panels as energy sources. “We worked with Jatke Pirkanmaa to find ways to implement the solutions that were important to us. We're very pleased with both Jatke's open and honest cooperation and this

smooth-running project,” says **Jesse Pulli**, Project Developer at NREP.

JATKE UUSIMAA OY

A reasonable construction backlog in a difficult market situation



Net sales in 2023

EUR 81.3 million

2023 was a difficult year for Jatke Uusimaa Oy. We were unable to reach our operating profit target. However, we did manage to put together a reasonable construction backlog for 2024 in a very difficult market situation.

Consumer housing sales were sluggish as a result of market conditions. We made determined efforts to launch postponed projects. We finally managed to start up the Espoon Gerinkartano construction site, where we are building more than 200 homes for TA-Yhtiöt. We also finished a major project for the City of Helsinki at Kauppakartanonkatu 16, and Asunto Oy Helsingin Kanttiini in Maunula, an energy-efficient property that was built for the OP-Rental Yield's special investment fund.

We will start this year on a hopeful note. Our company has a good construction backlog with respect to the prevailing market situation and our resources are in balance. Although the housing market is expected to pick up during the current year, trends are difficult to forecast. There is pent-up demand for buying and changing homes, and unleashing it will depend on a number of factors. In addition to interest rates, a recovery in consumer confidence will also play a significant role in returning the housing market to a "new normal".

As Jatke Uusimaa's business is based on new construction, difficulties in the market are quickly and directly reflected in our operations. However, we are still one of the largest residential construction operators in the Helsinki metropolitan area. In the future, we will be seeking growth from self-developed residential construction in particular.

Janne Mökkönen, CEO Jatke Uusimaa Oy

Cost savings through construction-phase collaboration

Jatke Uusimaa is currently building rental apartments for Y-Säätiö in Postipuisto in North Pasila. This energy class A apartment building at Rullakkokuja 14 is scheduled for completion in late 2024.

Starting the contract seemed almost impossible in early 2022 due to uncertainty resulting from Russia's war of aggression. However, contract negotiations led to compromises that helped to get the project up and running.

"Even though we have only had one joint project before this, we managed to create an atmosphere of trust. We worked together to find design changes that would enable us to launch construction. We never made any changes at the expense of quality. We have also managed to cooperate successfully during construction. We have agreed on any necessary revisions together before the start of each phase, thereby avoiding any unnecessary costs. Jatke will be building two other buildings and a shared parking facility at the same time. Good cooperation has also enabled us to coordinate the interfaces between these different contracts," says Pekka Kampman, Construction Director at the Y-Säätiö Group.



In March 2024, the construction site celebrated the casting of the parking facility's deck and 585 accident-free working days.

JATKE LÄNSI-SUOMI OY

Successful construction sites in the Turku region



Net sales in 2023

EUR 21.7 million

Jatke Länsi-Suomi now has a good and skilled organisation. In 2023, its active construction sites progressed excellently according to plan and reached their financial targets. A very successful complex of three apartment buildings was completed on Puutarhakatu in Turku. Occupational safety remained at an excellent level, and no accidents occurred at work. We won three competitive tenders in the second half of 2023.



The difficult market situation is evident in competitive tenders, but we will be able to manage through hard work.



We were, however, unable to meet our net sales target. The construction backlog for 2024 also had room for improvement. The difficult market situation is evident in competitive tenders, but we will be able to manage through hard work. We are focusing on increasing our net sales through competitive tenders in particular.

Jukka Hannus, CEO, Jatke Länsi-Suomi Oy

A complex of three apartment buildings on Puutarhakatu in Turku



An artist's impression of Puutarhakatu in Turku

Jatke Länsi-Suomi Oy completed a complex of three apartment buildings in nautical surroundings near the Port of Turku in November 2023. The complex was built for three different clients at Puutarhakatu 55–59: As. Oy Linnanmalmin Teräs, As. Oy Linnanmalmin Ahjo and As. Oy Linnanmalmin Vasara. Jatke Länsi-Suomi was the turnkey contractor for the project.

This former industrial plot is now home to 211 new apartments with a total floor area of about 10,000 m². The

three apartment buildings are connected by a lush green courtyard with room for parking spaces underneath. The project started in late 2021 with the demolition of the old property and cleaning of the land. Construction work for the new property started in March 2022.

“Considering the fairly new city plan, blending three apartment buildings into the cityscape on a compact plot near the Port of Turku added a bit of spice to the project,” says **Ville Avellan-Martikainen**, Construction Manager at Jatke Länsi-Suomi.

“This project is a very good example of the professional skills of our personnel at Jatke Länsi-Suomi. The joint project for three different clients went according to plan. Work progressed on schedule, and our clients gave us good feedback on our solution-oriented attitude during the project,” says **Jari Seppälä**, Project Development Director, Jatke Länsi-Suomi and Jatke Pirkanmaa.



A very successful complex of three apartment buildings was completed on Puutarhakatu in Turku.



JATKE JULKISIVUT OY

There will always be a need for façade renovations.

We had a strong construction backlog at the end of 2023. We managed to exceed our net sales targets, and this boost in volume helped Jatke Julkisivut to achieve a good operating result. Our projects achieved good results, our construction sites were completed on time and our customers were satisfied. We have an established position in the façade renovation market in our current operating areas, but we also want to strengthen our position in the Pirkanmaa region.

The new year began on a positive note, even though we are being affected by the economic situation in the construction industry. The decline in new construction has brought new operators and contractors into the façade



Net sales in 2023

**EUR
27.4** million

renovation market. This extra competition will be reflected in competitive tenders, and it will take a great deal of effort for us to achieve our budgeted net sales. We will tackle this challenge by boosting efficiency both in construction and throughout our entire process.

There will always be a need for façade renovations. However, inflation, the increased cost of living and rising interest rates are being reflected in prolonged negotiation times and delayed decision-making. Risks include the postponement, cancellation or breaking down of projects into smaller parts. The projected upswing in construction will normalise the market situation, but that will probably not happen for a couple of years.

Timo Mikkola, CEO, Jatke Julkisivut Oy

We managed to exceed our net sales targets, and this boost in volume helped Jatke Julkisivut to achieve a good operating result. The new year started on a positive note.

**A CONSTRUCTION COMPANY
IS ONLY AS GOOD AS ITS
LATEST BUILDING.**

**THAT'S WHY WE BUILD LIKE IT
WOULD BE FOR OURSELVES.**

JATKE

CORPORATE RESPONSIBILITY

ESG in the Jatke Group

In the ESG section of our annual review and ESG report, we take a comprehensive look at the various aspects of Jatke's work on corporate responsibility.

We begin by discussing the ESG impacts, risks and opportunities that we have identified. Impacts in the most important areas have also been noted in Jatke's ESG timeline.

Jatke's material ESG topics were identified in 2021. These were resource-efficient construction, the best employee experience in the industry, and responsible governance. These material topics – including their related metrics, results and more detailed items – are presented on pages 24–25. Our materiality analysis will next be updated in 2024 in accordance with the European Sustainability Reporting Standards

Environmental responsibility

Topics relating to environmental responsibility and resource-efficient construction are addressed on pages 26–27. Here, we provide more detailed information about our carbon footprint calculations, use of zero-emission energy on construction sites, and the LEED and BREEAM

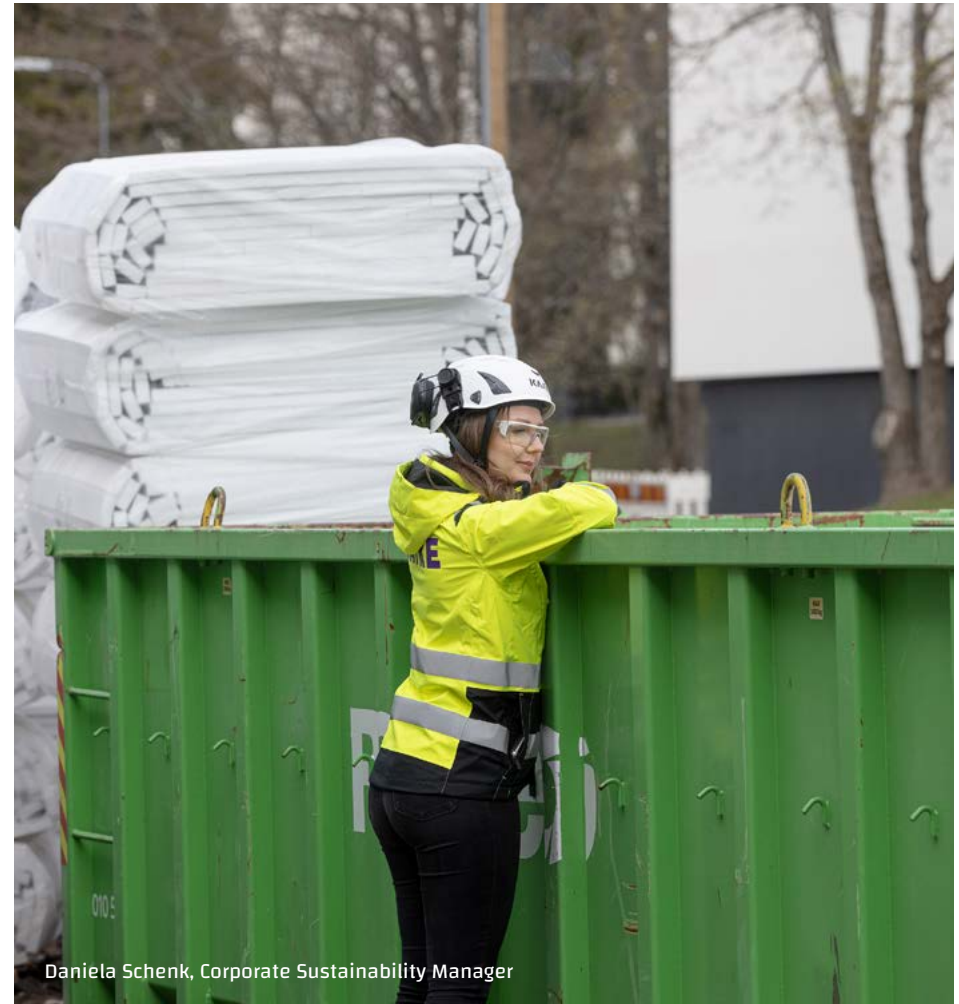
certifications awarded to our projects. We also describe the practical measures we take to reduce waste.

Social responsibility

For us, social responsibility means ensuring safety and providing the best employee experience in the industry. We regularly monitor and measure our success in these areas, and the results have been good. In the HR section, we also explain how we support our employees' wellbeing, leadership skills and competence development. We also want to ensure that the construction industry will continue to be an attractive place to work. In this section, we will say more about the traineeships we offer and our cooperation with educational institutions.

Financial responsibility

For Jatke, financial responsibility primarily means responsible governance. In the section, we will briefly describe our management system, our organisation, and the composition of the Board of Directors and Management Team. We will also describe the policies and guidelines we use to ensure responsible governance and fair and sustainable procurement in our day-to-day operations.



Daniela Schenk, Corporate Sustainability Manager

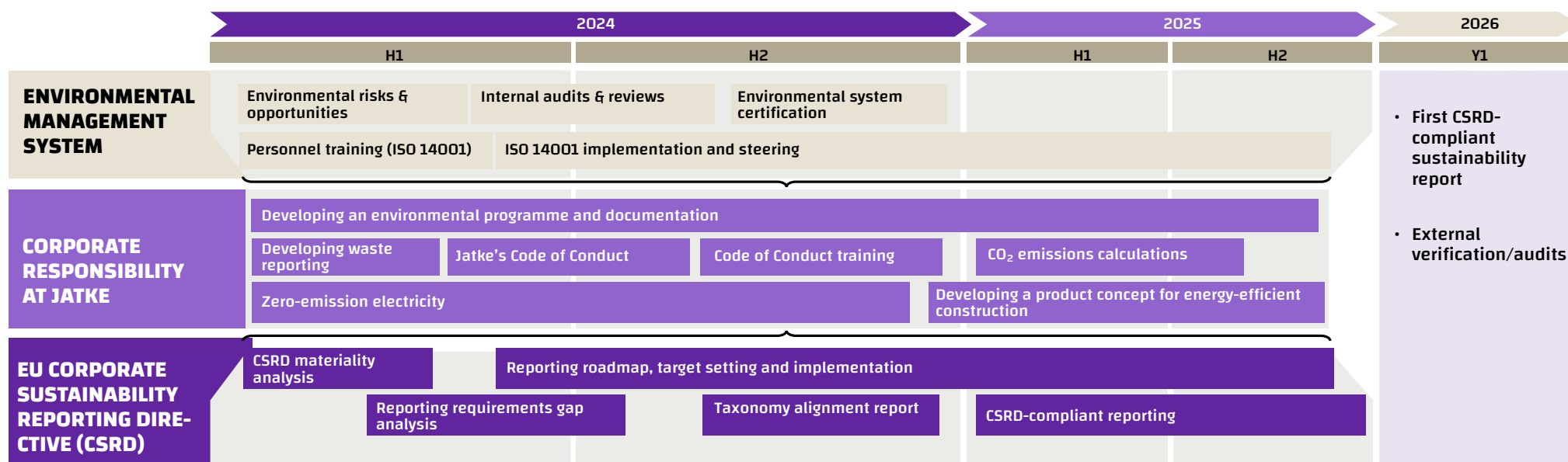
CORPORATE RESPONSIBILITY

Impacts, risks and opportunities

We have identified the most material ESG impacts, risks and opportunities in our operations. The most significant impacts relating to the environment and people include contributing to climate change via energy consumption in the value chain and CO₂ emissions from construction materials, the consumption of natural resources, our employee experience, work-related injuries, and preventing the shadow economy. The broader impacts of our value chain on the environment and people are shown in the infographic on page 21.

The most significant environmental risks in the near and medium term are: meeting both changing regulatory requirements and investors' and clients' increasing environmental demands; reputational damage in the event of environmental accidents, and damage to our brand image if stakeholders feel we are underperforming on climate issues. Long-term risks include the impact of extreme weather phenomena on project schedules and costs, as well as shortages and price fluctuations in raw materials. Opportunities in the near and medium term include a growth in demand for more environmentally friendly products and developing product concepts. Long-term opportunities relate to the effects of warmer winters on construction times and heating requirements, as well as increased demand for housing arising from population migration.

The main risks relating to people and the workforce include occupational safety risks, labour exploitation and working conditions, the shadow economy and corruption, and the long-term availability of an adequate workforce. We are continuously developing procedures to manage these risks and reduce their impacts. We invest in continuous improvements in occupational safety management and situational awareness by developing our occupational safety culture and reporting tools. Our procurement policies and supplier registers support responsible procurement and prevent misconduct. We require all of our partners to realise human rights and comply with legislation. To ensure good governance, we are also introducing our own Code of Conduct. We will start providing training on compliance with this code in 2024.



CORPORATE RESPONSIBILITY

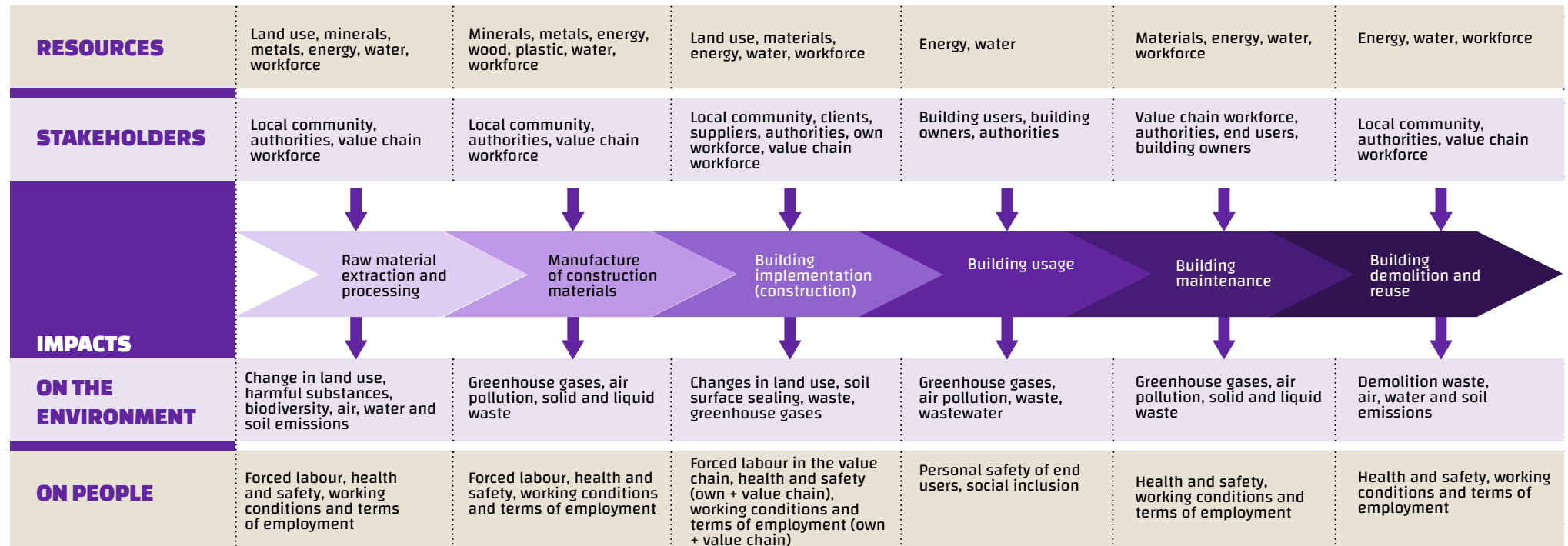
Material sustainability topics

In our strategy work, we address the ESG topics that we have identified as being material to our business. We have already increased our expertise in wood construction and energy-efficient construction. The social topics we have identified as material are occupational health and safety, and training and competence development for our own personnel.

We identified Jatke's most material ESG topics in 2021. Our Group Management Team and an external corporate responsibility expert took part in the materiality analysis. Our material topics were defined on the basis of personnel surveys, stakeholder interviews, benchmarking and the expertise of those involved in the materiality analysis. We will update our materiality analysis in 2024 in accordance with the European Sustainability Reporting Standards.

ESG policies

In addition to providing statutory occupational healthcare and preventive occupational health care to our employees, we also provide our permanent staff with extensive leisure-time accident insurance and medical expense insurance. We invest in competence development by providing a comprehensive training offering in line with our training plan. Our health and safety work is guided by our safety policy, which is based on the Group's strategy, legislative compliance, comprehensive and continuous risk management, and our mission to continuously improve construction safety. Safety management is also guided by an action plan and management-approved safety targets that are updated at least once a year. We require our personnel to follow the Group's Code of Conduct to ensure responsible governance and fair treatment at all times.



**WE KEEP OUR PROMISES AND
TAKE RESPONSIBILITY FOR
OUR WORK.**

JATKE

CORPORATE RESPONSIBILITY

Targets and metrics

Our sustainability principles

Taking care of the environment is an important element of Jatke's business. In our construction, we strive for sustainable and energy efficient solutions and minimise the environmental impact of our operations throughout the building's lifecycle. We treat everyone equally and respectfully, we are a good company to work for, and we ensure a safe working environment for everyone at Jatke's offices and construction sites. Our leadership is based on trust, honesty and transparency. We do not tolerate bribery, extortion or corruption in any form. We promote fair and open competition, and treat all our suppliers fairly and equally. Our sustainability targets steer our ESG action.

Reduction of waste

Material efficiency and waste reduction are key targets for our environmental action. The first step towards resource-efficient construction is to reduce and prevent waste. Carefully planned procurement, well-selected working methods, and the transport, storage and protection of materials on construction sites all affect the amount of waste generated. Our goal for 2024 is to produce less than 10 kg/m³ of waste per cubic metre of building volume at Group level. This target covers all of Jatke's construction sites and includes waste from the construction site phase. In 2024, we will continue planning for the monitoring of waste generated by demolition contractors.

When waste is generated, we aim to send as much material as possible for effective reuse. The waste generated on construction sites is sorted as thoroughly as possible before being removed from the site, and a separate waste management plan is drawn up for each site in collaboration with the waste management contractor. Our goal for 2024 is to direct at least 70 per cent of the waste generated on our construction sites for use as material (material recovery rate, incl. sorting at plant) in collaboration with our waste management contractors. This target includes construction waste generated from our construction site activities, but excludes hazardous waste and any organic or mineral materials removed from the ground. In 2024, we are aiming for a material recovery rate of at least 35 per cent on our construction sites. The construction site material recovery rate does not include any off-site sorting.

Reduction of emissions

We aim to reduce to reduce the carbon dioxide emissions of our own operations and products. Most of the energy consumed on our construction sites is used for heating the site. We take environmental impacts into account when selecting the type of heating used on our construction sites. In 2023, we looked into the use of geothermal heat during the construction phase. Our goal is for 100 per cent of the electricity purchased for our construction sites to come from zero-emission sources as of 2024. Zero-emission sources include renewable and nuclear electricity, and they will be verified using Guarantees of Origin. This target covers only those construction sites whose electricity procurement is Jatke's responsibility.

The energy efficiency of buildings is the key to a sustainable future, as most of the emissions from buildings are generated by energy consumption during occupancy. We always aim for energy-efficient solutions in our self-developed projects, and are increasing our expertise in energy-efficient construction. Our goal is to design all of our self-developed projects so that they meet the EU Taxonomy's energy-efficiency requirements as of 2024.

Design-phase decisions, such as choosing an energy system and what material to use for the frame, have a significant impact on carbon dioxide emissions throughout a building's lifecycle. As of 2022, we calculate the lifecycle carbon footprint of our self-developed projects, which enables us to make more sustainable choices and generate added value for our customers. Our carbon footprint calculation target for 2024 is to have 100 per cent coverage for our self-developed projects. The data obtained from these calculations will support our future target setting.

CORPORATE RESPONSIBILITY

Occupational safety

Ensuring a safe working environment for each employee at Jatke's offices and sites is our top priority. We are committed to developing occupational safety and wellbeing at work. Our target for 2024 is an accident frequency of less than 9.5. This figure includes the reported accidents of both Jatke's own personnel and subcontractors.

Wellbeing at work

We genuinely care about our personnel and work to ensure that our employee satisfaction remains at an excellent level. We develop our systems and practices by listening to our employees, and our goal is to provide the best employee experience in the industry. Our 2024 job satisfaction target is to obtain an employee score of at least 60 in our personnel survey. This target is for Jatke's own employees

Calculation of key figures

We utilise information obtained from both Jatke's own systems and our service providers when reporting key progress indicators for our ESG targets. When reporting metrics, we also mention the site coverage percentage, which indicates the availability of data for that metric. These measurements are not externally verified.

Resource-efficient construction

The material recovery rate gives the percentage of construction site waste (measured by weight) that is recovered as material (that is, is recycled or used in backfilling), but excludes demolition and hazardous waste and any organic or mineral materials removed from the ground. The material recovery rate includes material that is recovered after being sorted off-site. The construction site material recovery rate includes only materials that are recovered during on-site sorting. The data is based on reports from our waste management partners, and covers about 70 per cent of our active sites in 2023. The amount of waste denotes how much construction site waste was generated in our projects during 2023. The metric we use is the specific waste amount,

which is measured in kilograms per cubic metre of building volume. Cubic metres of building volume have been scaled in proportion to the change in the project's degree of completion during the reporting year. This metric is only calculated for construction sites for which there is data available about both waste and cubic metres of building volume. This metric had a data coverage of 60 per cent in 2023.

Zero-emission site electricity denotes the origin of the electricity consumed on the construction site. Zero-emission sources include renewable and nuclear electricity, and they will be verified using Guarantees of Origin. The emission coefficients for site electricity are based on our partners' online reporting, site electricity bills and data reported by electricity producers. The construction site coverage for this metric was 100 per cent in 2023. The calculations cover only those construction sites whose electricity procurement is Jatke's responsibility. The energy-efficiency metric shows the proportion of our self-developed projects that meet the EU Taxonomy's energy rating requirements. It is based on the energy rating at the building permit phase.

Best employee experience in the industry

A standardised calculation method is used to calculate the accident frequency. Our accident frequency is based on data from our internal reporting system. We use a general, statutory definition for determining which accidents are serious.

The score for employee satisfaction is based on the results of Jatke's personnel survey (average score on a scale of 1–5). We measure our employee experience using the net promoter score (NPS)* given by employees in the personnel survey. The response rate for the 2023 survey was 83 per cent. The number of trainees is based on information obtained from the HR system.

Responsible governance

The metric for combating the shadow economy (suppliers admitted to the supplier register) is obtained from Jatke's own supplier register, which is cross-checked with the Vastuu Group's database. The metric for transparent business is the number of suspected cases of misconduct handled by the company. This indicator is based on the reports received through our whistleblowing channel.

*employee Net Promoter Score

CORPORATE RESPONSIBILITY

THEME	SUBJECT	METRIC	RESULT IN 2022	RESULT IN 2023	TARGET FOR 2024
RESOURCE-EFFICIENT CONSTRUCTION	REDUCTION OF WASTE	Material recovery rate (incl. sorting at plant)	64 ⁰ / ₀	58 ⁰ / ₀	≥ 70 ⁰ / ₀
		Construction site material recovery rate	31 ⁰ / ₀	32 ⁰ / ₀	≥ 35 ⁰ / ₀
		Amount of waste	11,4 kg/m ³	8.2 kg/m ³	≤ 10 kg/m ³
	REDUCTION OF EMISSIONS	Zero-emission site electricity	82 ⁰ / ₀	87 ⁰ / ₀	100 ⁰ / ₀
		Energy efficiency	78 ⁰ / ₀	86 ⁰ / ₀	100 ⁰ / ₀
		Calculating the carbon footprint of self-developed projects	3/6	7/7	100 ⁰ / ₀
BEST EMPLOYEE EXPERIENCE IN THE INDUSTRY	OCCUPATIONAL SAFETY	Accident frequency	9.1	9.9	≤ 9.5
		Serious accidents	1	0	
	EMPLOYEE EXPERIENCE	Employee satisfaction	4.3	4.3	
		Employee net promoter score	51	61	≥ 60
	STUDENT COLLABORATION	Number of trainees	48	53	
RESPONSIBLE GOVERNANCE	COMBATING THE SHADOW ECONOMY	New suppliers admitted to the supplier register	206	222	
	TRANSPARENT BUSINESS	Processed cases of misconduct	0	0	

ENVIRONMENT

Energy efficiency is the key to a sustainable future

Our environmental policy steers us towards resource-efficient solutions that reduce the strain on the environment. Buildings cause more than one-third of Finland's carbon dioxide emissions and use almost 40 per cent of all the energy consumed in Finland. Construction industry operators play an important role in reducing the sector's carbon dioxide emissions.

We aim to reduce carbon dioxide emissions from our own operations and products. The energy efficiency of buildings is the key to a sustainable future, as most of the emissions from buildings are generated by energy consumption during occupancy. We always seek energy-efficient solutions in our self-developed projects, and we are increasing our expertise in various areas of energy-efficient construction. Design-phase decisions, such as choosing an energy system and what material to use for the frame, have a significant impact on carbon dioxide emissions throughout a building's lifecycle. Since 2022, we have been calculating the lifecycle carbon footprint of our self-developed projects, which has enabled us to make more sustainable choices and generate added value for our customers. We are also working to reduce carbon dioxide emissions in our construction site operations and have set a target to acquire 100 per cent of the electricity consumed on our sites from zero-emission sources.

Certificates received

In 2023, we had (in cooperation with our clients) a total of 14 ongoing projects that are applying for BREEAM or LEED certificates. Five of these were Jatke's self-developed projects. More than 50 per cent of our self-developed projects that were under construction last year were aimed for BREEAM Very Good, LEED Gold or better. The first projects aiming for EU Taxonomy compliance were also launched in 2023.

Projects completed in 2023

TYPE	TYPE	CERTIFICATE	LEVEL ACHIEVED
G021	Commercial	LEED	Platinum
Tammisto Budbee	Logistics	LEED	Gold
Tesoman Kontio	Residential	LEED	Gold
Vuorikatu 24	Hotel	LEED	Gold
Pirkkala Warehouse	Logistics	BREEAM	Very Good

Ongoing projects in 2023

TYPE	PROJECT	CERTIFICATE	TARGET LEVEL
Mannerheimintie 14	Commercial	LEED / EU Taxonomy / Well	Platinum (Well Gold)
Hyrylä business and service centre	Retail	LEED	Gold/Platinum
Eaton	Production facility	BREEAM	Excellent
Furniture business	Logistics	BREEAM	Excellent
Keilaniemi Portti	Commercial	BREEAM	Excellent
KOy Kaikukatu 3	Commercial	LEED	Gold
Tammisto Marketplace 7 C	Retail	LEED / EU Taxonomy	Gold
Kiinteistö Oy GC Log 2	Logistics	BREEAM	Very Good
Transval Järvenpää	Logistics	BREEAM / EU Taxonomy	Very Good

Resource use and the circular economy

Resource-efficient construction is a significant objective that drives our operations. At Jatke, this means cutting down the amount of waste from building materials and improving our processes for sorting and recycling. We manage and monitor waste management at our construction sites as part of the ISO 14001 environmental management system that we are in the process of developing. We follow resource-efficient construction policies on all of our construction sites. We also expect our subcontractors to help us sort and reduce waste.

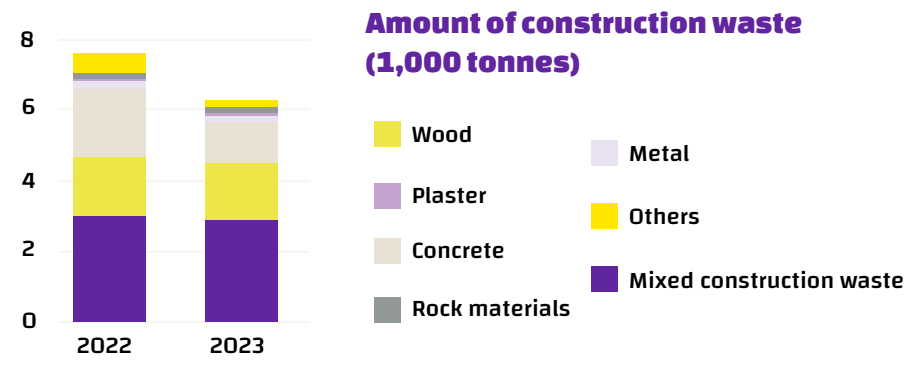
“Cooperation with our waste management partners continued in 2023. We visited our waste management partner’s advanced recycling facility, which enables mixed construction waste to be further sorted after sorting at source. Our waste management partners provide waste training and help construction sites to develop waste management plans.”

Our 2023 quality assurance development project aims to ensure that things are done right the first time round, thereby reducing the need for repairs during occupancy. This will also reduce waste from rework and alterations. In 2023, we also developed our own waste reporting tool to help our construction sites monitor and control their waste management more effectively. This reporting tool is based on data from our waste management partners, and we developed it in close collaboration with them. In 2024, we will introduce this waste reporting tool on all construction sites that order waste management from our partners.

Our material-efficiency and recycling targets are described on page 25. Our targets are related to waste management and preventing waste, that is, reducing our use of raw materials. In the waste hierarchy, the objectives relate to reducing the volume and harmfulness of waste, recycling, and other ways of reusing waste. Our material-efficiency targets for construction and demolition waste support the

Government Decree on Waste’s nationwide goal for 70 per cent of construction and demolition waste (by weight) to be recovered for use as material.

Construction site waste totalled 6,443 tonnes in 2023. Non-recycled waste accounted for 85 per cent, or 5,468 tonnes, of total waste. The reported waste data is based on data reported by our waste management partners and covered 70 per cent of our active construction sites in 2023.



		2023	2022
Total construction site waste, tons		6,443	7,578
Waste sent elsewhere after disposal, %		48.5	49.5
Ordinary & hazardous waste, %	Preparations for reuse	No data available	
	Recycling	15.4	9.0
	Other recovery operations	32.9	40.5
Waste sent for disposal, %		51.5	50.5
Ordinary & hazardous waste, %	Incineration	48.1	37.7
	Landfill	0.1	3.5
	Other forms of disposal	3.4	9.3

OCCUPATIONAL SAFETY

Onboarding and analytics support long-term occupational safety

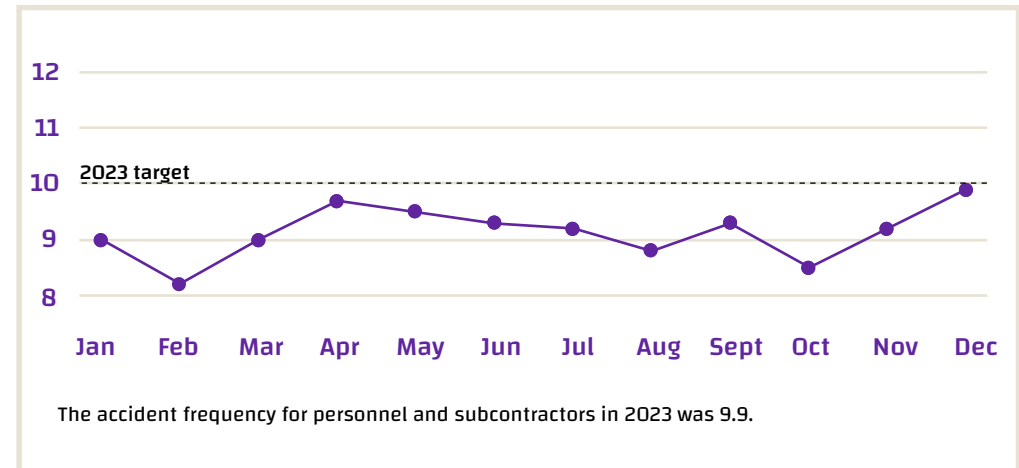
Favourable trends were seen in occupational safety during 2023. 28 minor work-related injuries occurred on Group companies' construction sites, but serious accidents were avoided. The most common accidents were slipping, tripping and cuts. The Group's accident frequency (accidents leading to absence from work per million hours worked) was 9.9. This figure includes the reported accidents of both Jatke's own personnel and its subcontractors. The target for 2024 is to reduce the accident frequency to at least 9.5. We will pay even more attention to accident prevention during construction site onboarding, so that even minor accidents can be prevented in the future.

In addition to the accident frequency, we use TR and MVR measurements, fall protection and third-party safety observations as metrics for occupational safety. We monitor occupational safety observations through the digital dashboards of both management and construction sites, so that our situational awareness is always



Accidents can be transparently recorded, tracked and prevented with the aid of an app. Pictured: Jari Korpisaari, Safety Manager, Jatke Group.

Rolling 12-month accident frequency 2023



up-to-date and we can quickly react to any changes. Analytics provide excellent support for both monitoring our operations and engaging in long-term safety development work.

We piloted several remote systems for construction site onboarding during 2022. Jatke's needs were best met by Raxalle.com's remote onboarding, which we introduced as an optional Group-wide tool in 2023. Remote onboarding will be available to all Jatke construction sites in 2024. Compared to verbal onboarding, remote onboarding saves site personnel's time. The language versions provided with the aid of Raxalle.com's translation service enable new site employees to receive onboarding in their native language, thereby increasing their understanding of the requirements.

The highlights of the year were Jatke Länsi-Suomi's completely accident-free year and the swift response of Jatke Uusimaa's site manager when an accident occurred. Prompt resuscitation saved the life of a subcontractor who was working on an adjacent site.

"Occupational safety plays a key role in ensuring a good corporate image and transparent business. Our customers also require safe and responsible construction. I'm very pleased that Jatke invests in safety to the extent that its importance requires," says **Jari Korpisaari**, Safety Manager, Jatke Group.

HUMAN RESOURCES

Creating the best employee experience in the industry



Siru Rinne, HR
Director

Our personnel are our company's most important capital. Which is why we want to provide the best employee experience in the industry for everyone at Jatke. Ensuring a good employee experience requires long-term effort. We continuously assess and develop our employee experience in our daily work.

The best employee experience is built on many factors: good leadership and managerial work, clear roles and responsibilities, opportunities for personal development and the ability to influence your own work, a good working environment and corporate culture, and remuneration and benefits.

We take a goal-oriented approach to training and supporting our personnel in leadership and managerial work. The Jatke Managers Academy, which was launched in 2023, focuses on leadership and strengthening Jatke's corporate culture. The Academy will continue with coaching for Jatke's foremen in 2024. The Academy's next topics will include preventive working capacity management and wellbeing at work. We also offer our employees a comprehensive range of training in occupational safety, procurement and construction management.

A broad range of employee benefits

Our broad range of employee benefits support wellbeing. A lunch benefit is available to all of our employees, and the Virike benefit enables all personnel to choose from a variety of sports and culture services or massage and dental treatments. We encourage Jatke personnel to exercise and take care of their wellbeing, which is why we also offer company bicycles and organise sports-related events and hobby groups.

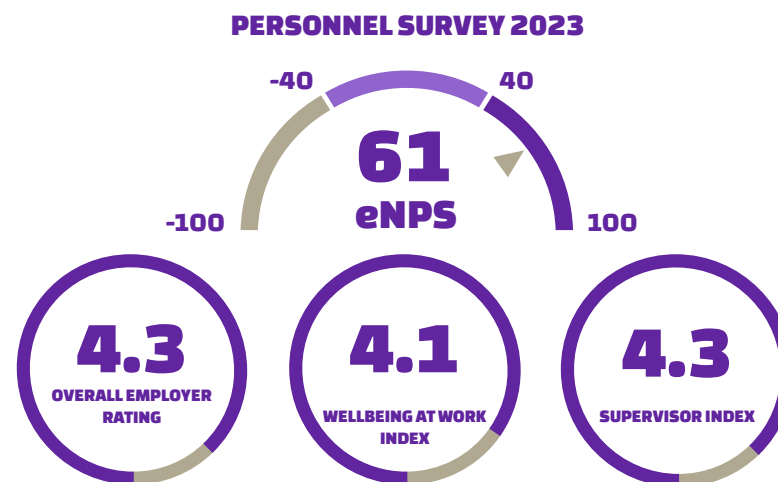
Our permanent staff have access to comprehensive leisure-time accident insurance and comprehensive medical expense insurance to supplement their occupational healthcare.

Preventive measures for wellbeing at work

Our occupational healthcare partner, Mehiläinen, conducted a health survey of all our employees in autumn 2023. The survey focused on psychosocial stress factors in particular. The results indicate that working capacity is at a good level at all Jatke companies. Stress factors included being busy or rushed, time and cost pressures, and the importance of managerial work. Based on the results of the health survey, we can focus on minimising stress factors and ensuring that everyone has access to support and care when required.

A high level of employee satisfaction

Employee satisfaction continued to rise at Jatke in 2023. A record-breaking eNPS* of 61 was obtained from the personnel survey for manual workers, and our eNPS rose in all personnel groups and at all Jatke companies. The overall employer rating remained the same as last year at an excellent 4.3 (on a scale of 1–5). The results highlight satisfaction with managerial work in particular. Managerial work received a superb score of 4.3 for activities such as communication, feedback and



* employee Net Promoter Score

HUMAN RESOURCES

HR review

consideration for others. The wellbeing at work index measures meaningful work, working conditions and success at work, and it stood at 4.1.

The number of people working for Jatke has continued to grow steadily. Jatke already had a total of 402 employees by the end of 2023: 354 employees and 48 manual workers. 331 were men and 71 were women, and the percentage of women grew slightly.

*Jatke Oy incorporated its commercial construction and renovation businesses into Jatke Toimitilat Oy as of 1 January 2022. The number of people employed by Jatke Toimitilat has continued to rise since its incorporation. The incorporation is reflected in the diagram "Number of personnel by company" as a fall in the number of people employed by Jatke Oy from 2022 onwards.

THERE ARE 402 OF US WORKING AT JATKE

MEN
331



WOMEN
71



EMPLOYEES
354

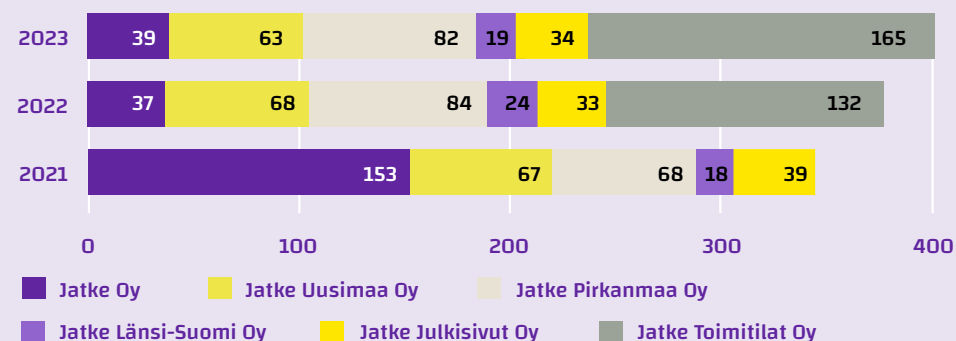


MANUAL WORKERS
48

Number of personnel by employee group



Number of personnel by company



HUMAN RESOURCES

Employee engagement through the best employee experience in the industry

Jatke's promise to provide the best employee experience in the industry is an ambitious one. Ensuring good employee experience requires continuous investments in employee wellbeing, opportunities for personal development, a good working environment and functional tools. In 2023, we focused these investments on coaching for managers. The effort put into creating a good employee experience is reflected in the excellent results of our personnel survey.

Managerial work plays a key role in employee motivation

Leadership and management play a key role in employee satisfaction. We want everyone at Jatke to enjoy good and consistent leadership that supports Jatke's strategy. In 2023, we launched the Jatke Managers Academy, which is targeted at managers throughout the group and delves deep into leadership and strengthening Jatke's corporate culture. Eezy Flow (a professional research, consulting and



In 2023, we launched Jatke's Supervisor Academy, which is targeted at all supervisors in the Group.

coaching company) supported us in the planning and implementation of our Managers Academy. Almost 100 Jatke managers have completed the coaching, and coaching for foremen will begin in spring 2024.

"People deserve better leadership. Studies show that managerial work plays a key role in employee engagement and motivation. At Jatke, developing managerial work was boldly considered to be an investment, and they were willing to invest both time and money in it. There's also a lot of talk about leadership and managerial work at Jatke. This reflects senior management's commitment to HR development and improving the employee experience," says **Juri Röhr**, who leads coaching and business design at Eezy Flow and is passionate about leadership.



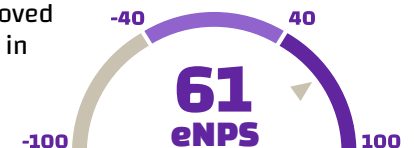
Juri Röhr

Personnel survey results among the best in the industry

Every year, we conduct a personnel survey to ensure that we are developing our employee experience in the right direction. This survey is conducted by our partner Innolink. The results have improved year after year in spite of Jatke's growth and changes in the industry.



Etta Partanen



"Jatke's results are some of the best I've seen in my career at Innolink. This year was no exception – their results have been good year after year. When publicising the results every year, I say that maintaining the current level is a realistic goal. Yet they have not stopped at this, as the results have continued to improve. In 2023, Jatke achieved the highest eNPS in its history: 61. This figure is in its own category in Innolink's comparison database, as the eNPS comparison figure for personnel surveys conducted by Innolink is only 13. So it is considerably above average. Jatke gets significantly better results than others, and particularly in terms of investing in personnel wellbeing and making employees proud of their company," says **Etta Partanen**, Research Manager at Innolink.

HUMAN RESOURCES

Summer employees appreciate Jatke

Every summer, we welcome a large number of trainees who want to learn about our business and work in the construction industry. In summer 2023, 53 people were working as trainee foremen, office interns or construction assistants. Two out of five summer employees were familiar faces from previous years. At the end of the summer, we conducted a summer job survey in which the young people were able to share their experiences and provide their assessment of Jatke as an employer. Respondents rated their summer job with an excellent 4.8 on a scale from one to five. The NPS (net promoter score) was an excellent 96 (on a scale of -100 to +100).

**JATKE HAS
A REALLY
GREAT VIBE.**

**- Feedback from
the summer job survey**



We support local youth

What does it take to succeed? For a young athlete, at least a tremendous amount of motivation, dedicated training, goal-oriented coaching and financial resources – that is, money. The careers of many promising sportspeople come to an end when they have insufficient funds to cover the expenses of their hobby. Jatke sponsors talented young people, and supports athletes at the beginning of their careers along their path to the top. We also support many kinds of sports clubs, and are involved in helping young people to exercise in the Helsinki, Tampere and Turku regions.

Students involved in development

A variety of final projects and theses are completed in various fields with Jatke's support every year. We offer interesting topics for final projects that will truly benefit our business, as well as support for thesis supervisors. Students will be able to develop Jatke's operations and put theory into practice in a real business environment. A dozen different theses were completed at Jatke in 2023. They examined the effects of construction legislation, quality assurance, the implementation of wet spaces in residential building projects, the use of geothermal heating during construction, procurement, and the visual appearance of construction sites.



Getting to know the construction industry

We work with educational institutions and student organisations, and visit educational establishments to showcase career paths in the construction industry.



The University of Tampere's club for construction and construction economics students (TRATTA ry) visited our Helsinki office in November 2023.

Summer internship provides practical lessons

Jere Handolin, who is studying construction technology at the University of Tampere, joined Jatke as a construction assistant in summer 2022 after his first year of study. He also spent the following summer at Jatke, but this time as a foreman trainee. "The best thing about Jatke is the pleasant working atmosphere, which not only helps you move the project forward, but also enables you to learn from more experienced people. I can heartily recommend Jatke as an internship for others as well. I've always been made to feel welcome, and I've been given help and a suitable amount of responsibility," says Jere.

HUMAN RESOURCES

Jatke's Employee of the Year is a seasoned project management professional

We present an annual Employee of the Year award. Jatke's Employee of the Year is someone whose knowledge and attitude has a positive impact on Jatke's business and culture. Project Director **Rauno Kulmala** from Jatke Pirkanmaa was Jatke's Employee of the Year 2023. The selection criteria described Rauno as a seasoned project management professional who doesn't like to blow his own trumpet, but who will keep the whole project well under control and makes sure things get done. Rauno is a valued and trusted member of Jatke, both in his own organisation and among stakeholders and customers. As an experienced and recognised construction industry professional, Rauno has a strong network of contacts that he always employs to benefit the projects he is involved in. Rauno is a great guy to work with. The latest success story in Rauno's career was the completion of the G021 commercial project, which was successfully finalised in Tampere in late 2023. "This award is a unique way to highlight the importance of employees' input. Personally, it's always great to be appreciated for my long-term efforts. However, we work as a team that requires everyone's input," says Rauno.



Hannu Anttonen, Group CEO, presented the Jatke Employee of the Year award to Rauno Kulmala.



Piia Iivonen, Project Manager

From site manager to project manager

We support our employees' career development and provide opportunities for advancement. **Piia Iivonen** started at Jatke Uusimaa in 2018 in site manager roles. After two demanding projects, Piia was offered the position of project manager, and she decided to accept the challenge. Piia, who has been working as a project manager since early 2023, thinks that her career path makes sense: "A project manager should be able to support construction sites. This requires an understanding of how sites work, and someone who became a project manager after working as a site manager will have this kind of understanding," says Piia. Attending the Managers Academy has helped Piia master her new role. Piia primarily sees a manager as a coach – as someone who enables others to grow in their own roles. "Jatke takes care of people and leadership is people-centric," says Piia.

From doer to supporter

Julia Sirén joined Jatke towards the end of her studies in 2017. After part-time and summer work, Julia continued her career at Jatke Pirkanmaa as a production engineer in various apartment building and hall projects. These days, Julia works as a quality and development engineer for both Jatke Pirkanmaa and Jatke Länsi-Suomi.

"I've always boldly the chance to try new things – a move that has provided a great deal of support for my career development! We all have a wealth of insights and expertise that we're happy to share. Opportunities for career advancement are openly discussed, and the way our job description evolves is monitored throughout the year, not only in development discussions. Switching from doer to supporter has occasionally been quite demanding. However, it's been great to see that my input has a positive impact on both my coworkers' days and our unit's operations," says Julia.



Julia Sirén, quality and development engineer

ORGANISATION

Pictured: Jatke's Group Management Team 2023:

Back row: Janne Mönkkönen, Timo Mikkola, Hannu Anttonen, Jesper Lindgren, Antti Raunemaa, Jukka Hannus

Front row: Petteri Pousi, Sakari Aaltonen

ORGANISATION

Jatke Group's Board of Directors 2023



Juha Pekka Ojala born 1963, Civil Engineer
Chair of the Board, 2021–
Vice Chair of the Board, 2020–2021



Petteri Pousi, born 1976, MSc (Econ)
CFO, Jatke Oy
Vice Chair of the Board, 2021–
Member of the Board, 2014–



Tero Lehtonen born 1978, DSc (Tech)
CEO, JLL Finland
Member of the Board, 2022–



Eero Saastamoinen born 1950, MSc (PolSci)
Retired (former Property Manager, Deputy CEO,
VVO (now Kojamo))
Member of the Board, 2019–



Hans Sten born 1972, MSc (Econ)
CFO, Dovre Group
Member of the Board, 2018–

Jatke's Group Management Team



Hannu Anttonen
Group CEO



Janne Mönkkönen
CEO,
Jatke Uusimaa Oy



Jukka Hannus
CEO,
Jatke Pirkanmaa Oy and
Jatke Länsi-Suomi Oy



Timo Mikkola
CEO,
Jatke Julkisivut Oy



Antti Raunemaa
CEO,
Jatke Toimitilat Oy



Petteri Pousi
CFO



Jesper Lindgren
Property Director



Sakari Aaltonen
Executive Vice
President,
Development

ORGANISATION

Jatke Group's organisation 2023



GOVERNANCE

Responsible governance

Whistleblowing channel for handling suspected cases of misconduct

Jatke has an online reporting channel that enables both its own personnel and external parties to report any suspected or observed cases of misconduct in the company's business. This whistleblowing channel enables people to make a report either under their own name or anonymously. Jatke's channel has been implemented in cooperation with an external service provider (WhistleB). A process has been defined for handling reports received through the whistleblowing channel, and all reports are first processed by a third party who is independent of Jatke. This ensures that anyone who may be the subject of a report cannot receive reports about themselves. If the report has been made anonymously, this procedure also safeguards the anonymity of the whistleblower.

All personnel were informed about the whistleblowing channel when it was introduced. Jatke's intranet provides comprehensive guidance on the protection of whistleblowers and the possibility of making anonymous reports

through the channel. There are separate guidelines for those making reports via the channel, and they also describe the protection of whistleblowers as required by law.

If any suspected cases of misconduct, corruption or bribery are brought to the company's attention, either through the whistleblowing channel or otherwise, and they require an investigation by a third party, we have a contract with Tvenda Oy that allows us to use their services to investigate these suspicions promptly, independently and impartially.

Anti-corruption and bribery policy

Jatke's current hospitality policy defines the legitimate recipients and acceptable forms of hospitality (such as entertaining customers, travel, business gifts). This policy expressly prohibits bribery and corruption. Hospitality must not be directed at anyone prohibited from receiving it. No cases of corruption or bribery were detected at Jatke.

The detection of corruption or bribery would primarily occur through our financial department's processes, as all invoices must always be approved by the invoice sender's manager, and invoices are also checked by our financial administration before being paid.

The investigation of potential cases of corruption or bribery will, to the applicable extent, follow the same process as for the whistleblowing channel: we will use a third party when necessary, and the investigators will be both independent of Jatke and outside the chain of command in question. Reports made via the whistleblowing channel, and any action taken on the basis of these reports, will be reported to Jatke Group's Board of Directors twice a year.

Jatke has published a Code of Conduct that unequivocally prohibits corruption and bribery in all of its forms. Personnel will receive training in the Code of Conduct and its contents as part of our new onboarding process.

None of the Jatke Group's companies or employees have been convicted of violating anti-corruption or anti-bribery laws.

Corporate Governance Code steers operations

Jatke's Board of Directors has established a Corporate Governance Code for the company that describes, among other things, the company's internal control and risk management procedures. The Corporate Governance Code is similar in content to the Corporate Governance Code for listed companies issued by the Securities Market Association. The basic principles

described in the Corporate Governance Code have been expanded upon in Jatke's hospitality policy and Code of Conduct, which both categorically prohibit corruption and bribery. Financial management processes (including invoice review and approval policies) and close and regular cooperation with auditors are our two main ways of preventing corruption and bribery, as they will reveal any potential cases. We are constantly developing our financial processes in collaboration with our auditors in order to minimise the potential for misconduct.



Tuukka Hämäläinen, General Counsel

PROCUREMENT

Responsible procurement

We are a fair and reliable partner to our subcontractors and suppliers. Our procurement activities are guided by our procurement policy, which aims to ensure cost-effective and responsible procurement. Our Group-level policy for payment terms and conditions ensures that we make payments within the agreed timeframe.

We follow a standardised procurement procedure for managing supplier relations. We maintain our expertise by providing training for our procurement personnel. We make use of our supplier register and procurement system in our procurement process. Our supplier register contains a total of more than 7,000 suppliers. We require all our partners to comply with both applicable legislation and official regulations and international human and labour rights. Each of our suppliers accepts these terms and conditions when registering in our supplier management system. We do not purchase or acquire materials from sanctioned countries. Jatke's subcontractor programme for procurement agreements requires contractors to comply with economic sanctions. When a contractor signs in to Jatke's supplier register, they must acknowledge their mandatory acceptance of economic sanctions.

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We require all our partners to comply with both applicable legislation and official regulations and international human and labour rights.

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We pay attention to social criteria when choosing suppliers. We only work with companies whose contractor's liability compliance is in order. In order to combat the shadow economy, we have also banned light entrepreneurs from working on our construction sites unless they are operating through Eezy. Our procurement takes environmental criteria into account according to our clients' wishes and requirements. In principle, we select Finnish products when their price and quality are equal to international products. This helps us to support the Finnish economy and reduces both transport distances and the risks associated with long supply chains.

Equal treatment for all contractors

Construction is all about teamwork. We are a reliable partner and treat our suppliers fairly and equally. Jatke's standard payment terms are at least 30 days net for all supplier groups. 52 per cent of invoices were paid within 30–44 days in 2023. The average payment time in 2023 was 27.8 days. Jatke does not have any pending litigation due to payment delays.



A development day for procurement, calculations and design control was held in October 2023.

DATA POINTS

ESRS data points

We have taken the EU's ESRS reporting standards into account during the preparation of this annual review and ESG report where applicable. Applicable ESRS data points are shown in the table below. The reported data points and review structure do not fully comply with ESRS standards, as we are still developing our processes and reporting.

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JATKE

THE BEST **IN BUILDING.**

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