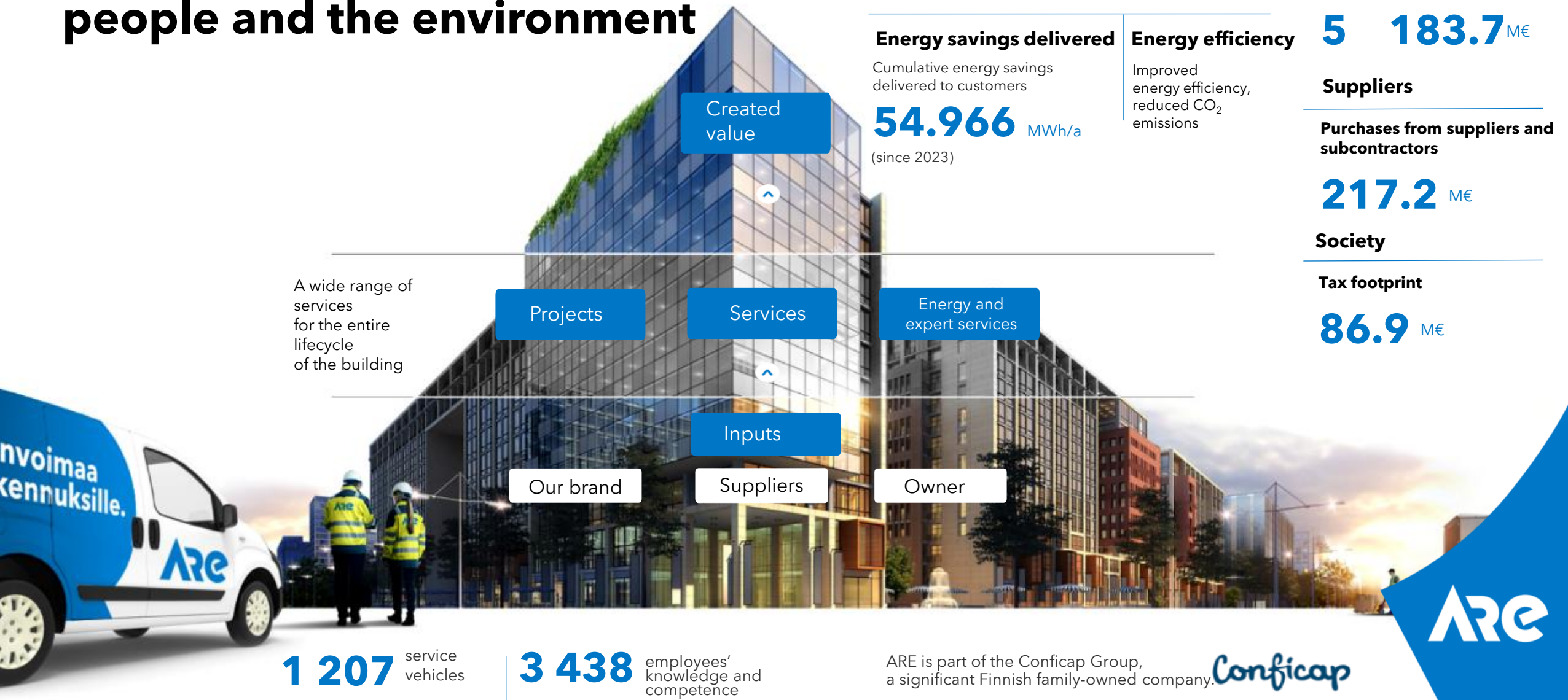




Sustainability Yearbook 2024

We create value for society, people and the environment



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Carbon footprint

We have continued to reduce the emissions generated by our own operations.

22

Employee experience

Committed and highly competent ARE employees enable our success.

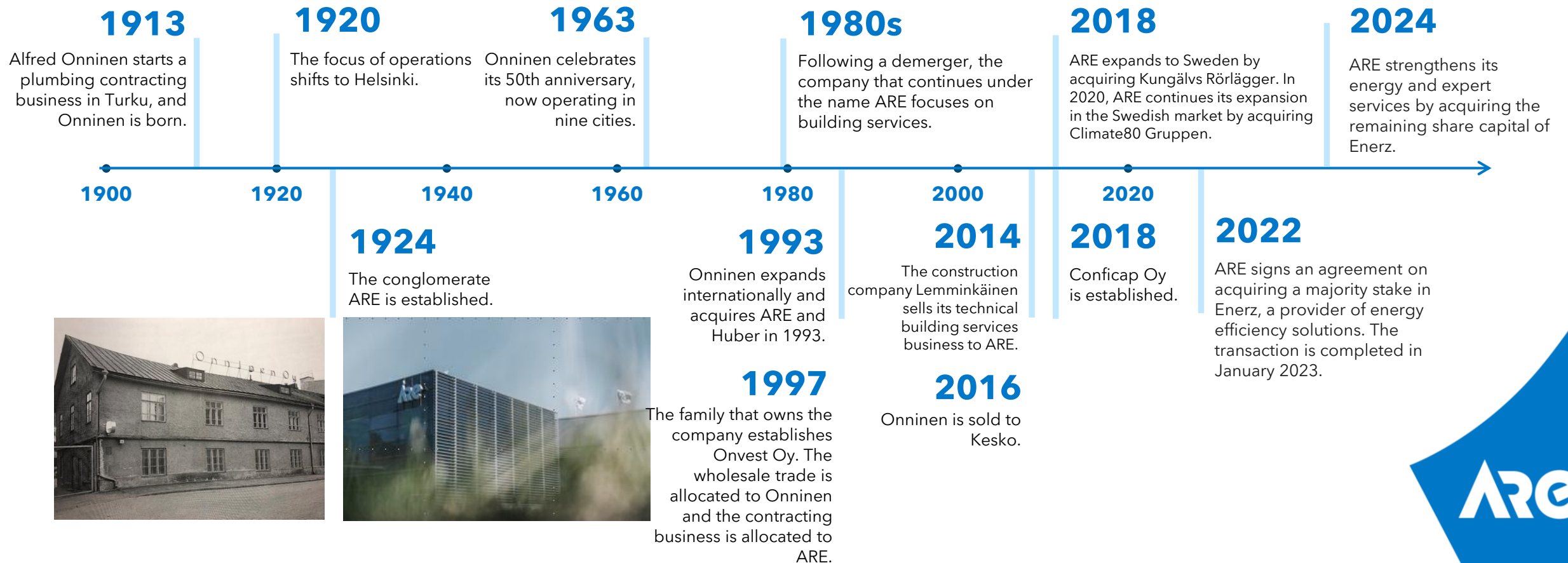
27

Ethical conduct

We observe the principles of sustainable development and ethical business in our operations and maintain a workplace atmosphere characterised by high moral standards.

ARE

ARE is always moving forward – over 110 years of building services



Sustainability highlights in 2024

Q1

New strategy for 2024-2028 is published.

Sustainable properties from generation to generation.

The energy and expert services business begins.

A new business alongside the service and project business to drive the green transition in properties.

The safety performance reward system is changed to a sustainability reward system.

The aim is to promote sustainability actions and sustainability culture at all levels of the organisation.

Q2

Our sustainability observations are nominated as the best sustainability action in working life.

ARE is a finalist in the Sustainable Workplace community.

Preparations for stricter sustainability reporting requirements.

We carried out a double materiality analysis and calculated the indirect (Scope 3) GHG emissions of our value chain.

Q3

ARE celebrates its centenary.

A book about the company's history (*Aina rohkeasti eteenpäin - ARE ja modernisoituva Suomi 1924-2024*) is published late in the year.

The Häme project unit wins a safety award.

The *Golden Helmet* prize is awarded for a visor solution that improves on-site safety and the efficiency of work.

A new diversity group is established.

ARE joins a peer learning group on DEI (Diversity, Equity and Inclusion) themes organised by UN Global Compact Finland.

Sustainable ARE Sponssi sponsorship programme.

The sponsorship programme covers over 50 beneficiaries. The selection criteria are focused on support and cooperation candidates that are relevant to the company's business and sustainability targets, such as physical activity and well-being among children and young people.

Q4

ARE employees are involved in the development of circular economy expertise.

We participate in the piloting of the Open Badges for Circular Economy initiative of the Ministry of Economic Affairs and Employment and provide feedback on it.

Energ becomes fully owned by ARE.

We strengthen our energy efficiency services and Energ expands its operations to Sweden.

We spread Christmas cheer with an intangible gift.

ARE employees voted for Save the Children Finland as the recipient of a charitable donation to mark Christmas for the third consecutive year.



Sustainability as part of our operating culture

In 2022, we published ARE's [sustainability programme](#), and we have continued its purposeful implementation. Our sustainability programme emphasises responsibility for the environment and people, as well as ethical conduct.

Sustainability is an integral part of our strategy. We comply with the UN Guiding Principles on Business and Human Rights, and we engage our employees' commitment to development efforts by various means, including sustainability observations and related rewards.

Environmental responsibility is realised through day-to-day actions, and we are proud to say that sustainability has become an established part of the daily life of ARE employees and our operating culture. Sustainability observations are one example of this. Last year, more than 3,400 ARE employees made as many as over 33,000 negative and positive observations related to safety and the environment.

Non-discrimination and fairness are the cornerstones of sustainability for our company. We added depth to this commitment through our participation in a peer learning group on DEI (Diversity, Equity and Inclusion) themes organised by UN Global Compact Finland. We also conduct regular pulse surveys to measure the implementation and progress of development measures.

As a Finnish family-owned company, we want to operate sustainably, and we want the added value generated by our work to help our customers achieve cost savings and reductions in their adverse environmental impacts. Together with our customers and stakeholders, we engage in important work as we create sustainable properties from generation to generation.

Maiju Nupponen

Senior Vice President, HR,
Communications and Sustainability

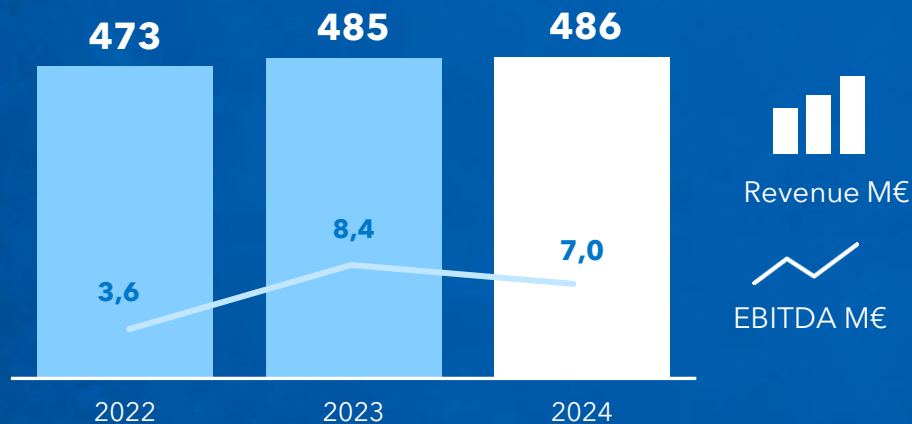


Key financial figures 2024

ARE had a moderate year in 2024 in spite of the challenging market situation. Revenue was on a par with the previous year in all of the company's businesses.

- Are Oy's revenue came to EUR 372.1 million (EUR 371.1 million in 2023).
- Are Oy's operating profit increased to EUR 10.4 million (EUR 7.3 million in 2023).

Group's revenue and EBITDA



In 2024,
The total number of ARE employees
was

3 438

Offices

44

Revenue by country (M€)



ARE's strategy 2024-2028

MEGATRENDS

Sustainability

Digitalisation

Urbanisation



MISSION

Sustainable properties
from generation to
generation

FOCAL POINTS



Employee satisfaction and occupational safety



Customer satisfaction and growth



Productivity of operations



Consistent culture and standardised
processes



Sustainability

VISION

The best service
across your property's
life-cycle

VALUES



COLLABORATION

We work together



PROFESSIONALISM

We are experts



PARTNERSHIP

We are here for our customers



Double materiality analysis

During the period, we carried out a Group-wide double materiality analysis. We use the results of the assessment to develop our capability to produce the necessary information for our parent company's CSRD reporting and update our sustainability programme. We developed our carbon footprint accounting and surveyed the emissions impacts of our operations even more comprehensively than before.

Key findings and actions:

- Our total carbon footprint for 2023 was 88,505 tCO₂e, most of which is attributable to purchased materials and services.
- We have monitored our Scope 1 and 2 emissions for several years, and we now expanded our emissions accounting to comprehensively include Scope 3 emissions as well. The calculation of indirect (Scope 3) emissions was completed in spring 2024. The calculation and the double materiality analysis were carried out in cooperation with the consultancy firm Gaia.
- In the double materiality analysis, depth was added to the assessment of impacts, risks and opportunities by means of a total of eight stakeholder interviews.
- The calculation will be specified further in spring 2025. The use and end-of-life treatment of sold products, among other things, will be incorporated into the calculations.
- We will deepen our cooperation with suppliers and subcontractors to improve the accuracy of emissions data.
- We support our customers in making lower-emission choices and simultaneously increase our carbon handprint.
- Emission reductions in the construction and real estate sector are key to Finland's decarbonisation. We want to play an active role in that development.
- Conficap's financing agreements include ESG criteria, which means that we are committed to multi-year sustainability targets.

Sustainable Development Goals

WE SUPPORT



- We are committed to the UN Global Compact initiative, which is the world's largest corporate responsibility network.
- The 10 principles of the initiative concern human rights, labour rights, the environment and anti-corruption.
- We promote the principles and goals of the initiative in our operations.
- We report on our progress annually by issuing a Communication of Progress.
- Based on an independent third-party materiality analysis, we have identified the following UN Sustainable Development Goals as our priorities.



Environment

Energy savings for our customers

Reducing our carbon footprint

Social responsibility

Dedicated and skilled staff

Safe working environment

Open and diverse working community

Finances and governance

Sustainable and profitable financial growth

Zero tolerance for misconduct

We are a reliable partner

Sustainability metrics and results



	2022	2023	2024	Target 2028
Energy savings created for our customers (MWh/year ^A)	25 562	31 542	54 966*	250 000
Vehicle emissions per kilometre (g/km) ^A	199	137	108	- 50 %
Emission intensity (tCO ₂ e/M€) ^{A,**}	6,99	5,33	4,44	4,23 (-43 %)

* Cumulative energy savings since 2023

**Scope 1 and 2 emissions according to GHG Protocol-based calculations, relative to revenue.

The metrics cover the following data:

A – ARE Group (incl. all subsidiaries)

B – ARE's operations in Finland and Sweden, excluding Enerz

C – ARE's Finnish operations, excluding Enerz



	2022	2023	2024	Target 2028
LTIF ^B	9,3	7,8	9,7	5
Sustainability observations (number/person) ^B	6,3	8,5	12,2	14
eNPSA	-	7	5	30



	2022	2023	2024	Target 2028
NPSA ^A	27	20	26	40
Suppliers committed to the ARE Code of Conduct (percentage of purchase volume) ^C		95,6	97 %	> 95%
Employees with Compliance training ^C	75 %	87 %	82 %	100 %



Environmental responsibility

We generate energy savings for our customers
and reduce our carbon footprint.

ARE

The direct emissions generated by ARE's operations decreased by 20%

- We have continued to reduce the emissions generated by our own operations.
- We have switched to renewable electricity and district heating at our offices.
- The emissions generated by purchased energy decreased by 68% year-on-year in 2024.
- The emissions intensity in 2024 was 4.44 tCO₂e/M€ (-40% compared to the 2020 base figure). The target, to be achieved by the end of 2028, is 4.23 tCO₂e/M€.

Carbon footprint Scope 1+2 (tCO₂e)*

2024

2,158

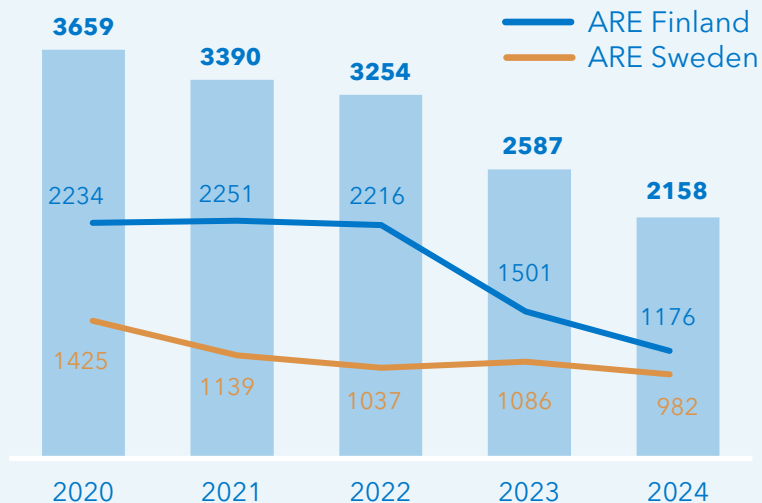
* Carbon footprint accounting has been carried out in ARE Group in accordance with the GHG Protocol since 2020. The development of the ratio between Scope 1 and 2 emissions and revenue has been verified by an independent assurance provider (PwC).

ARE's carbon footprint decreased (Scope 1+2)

20 %

in 2024

Total emissions, tCO₂e (Scope 1 and 2)



Scope 1

Direct emissions

2,112

 tCO₂e

Scope 2

Indirect emissions

46

 tCO₂e
(market-based)

Scope 3

ARE's indirect Scope 3 value chain emissions in 2023 were 85,970 tCO₂e.

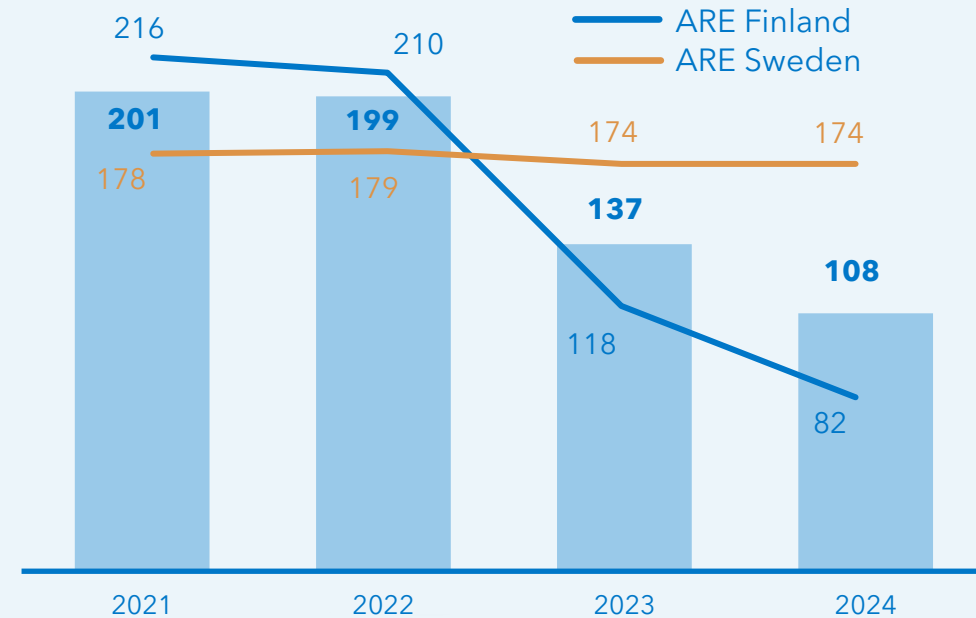
The Scope 3 calculation for 2024 will be completed later in spring 2025.

ARE

Emissions from service vehicles

- We have also continued to reduce the emissions generated by our vehicles.
- Our production vehicles are powered by renewable diesel.
- The emissions of the vehicle fleet relative to kilometres driven (19,547,310 km) have decreased by more than 46% (2021–2024).
- Our target is to halve vehicle emissions by 2028, focusing on expanding the use of renewable diesel and optimising maintenance driving.

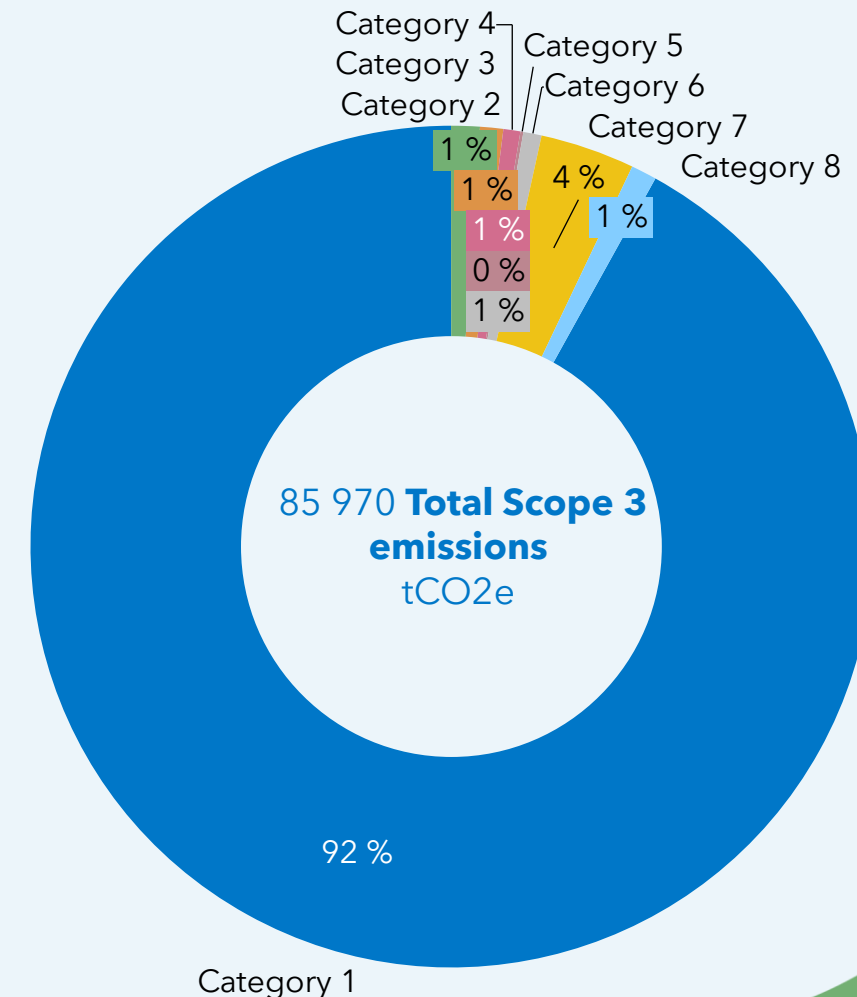
Vehicle emissions per kilometre



Scope 3 – Indirect value chain emissions 2023

- In 2023, Scope 3 emissions, i.e. indirect emissions generated by the value chain, accounted for 97 per cent of the ARE Group's total emissions.
- The majority of Scope 3 emissions (92%) are generated by purchased products and services (category 1), especially machines, systems, equipment and components used in customer projects (63%), as well as subcontracting and temporary agency workers (22%).
- The second-largest source of emissions is employee commuting (category 7), which accounts for approximately 4% of Scope 3 emissions.
- Waste (category 5) accounts for the smallest share of Scope 3 emissions at approximately 99 tCO₂e.
- ARE Finland accounts for 72% of Scope 3 emissions, which is due to higher procurement volumes when compared to the Swedish operations.

The Scope 3 calculations have been carried out in accordance with the GHG Protocol. The calculations on the year 2023 included the following categories: **1 Purchased goods and services** (92%), **2 Capital goods** (1%), **3 Indirect emissions from fuel and energy purchases** (1%), **4 Upstream transportation and distribution** (1%), **5 Waste generated in operations** (0%), **6 Business travel** (1%), **7 Employee commuting** (4%) and **8 Leased warehouse facilities and equipment** (1%).



Positive environmental handprint

- The cumulative energy savings achieved in 2024 correspond to the electricity consumption of approximately 2,750 detached houses heated with electricity.

Cumulative energy savings
delivered to customers
(MWh)

54 966

(since 2023)

The target is to
generate 250,000
MWh of energy
savings by 2028.

Examples of energy saving projects implemented by ARE

Four energy efficiency projects were implemented for Suur-Seudun Osuuskauppa. As a result, the use of fossil fuels was discontinued at two renovated properties (ABC Piihovi and ABC Lohja).

Technical building services were modernised at a Biltéma retail property in Jyväskylä, reducing the consumption of heating energy by as much as 75-80%.

An energy renovation will start at Valmet's Rautpohja foundry in 2025, generating annual electricity savings that correspond to the consumption of approximately 700 detached houses.





Social responsibility

Dedicated and skilled staff, a safe working environment and an open and diverse working community

ARE

Key figures on employees

In 2024, ARE's total number of employees was

3 438

Sweden

532

persons

Finland

2 888

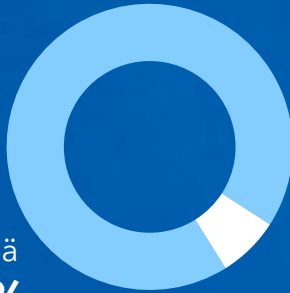
persons

Average age

43

years

Miehiä
93 %



Naisia
7 %

Latvia

13

persons

Lithuania

5

persons

Employees

3 438

persons

Permanent employees

3 344

persons

Temporary employees

37

persons

Non-guaranteed hours employees

39

persons

Full-time employees

3 363

persons

Part-time employees

75

persons



ARE

CSRD metrics on social responsibility

Characteristics of employees

The total number of employees who have left the undertaking during the reporting period

390 number

The rate of employee turnover in the reporting period

11 %

Health and safety metrics

The percentage of people in the undertaking's own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines

100 %

The number of fatalities as a result of work-related injuries and work-related ill health

0

The number of recordable work-related accidents

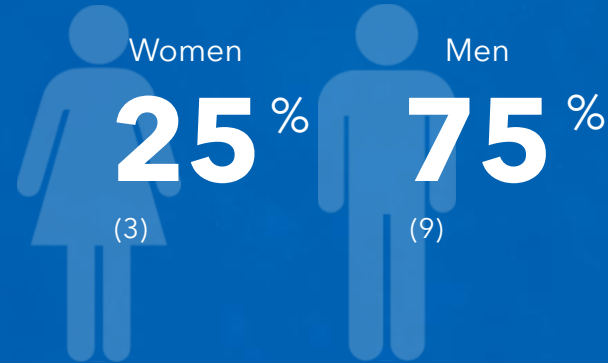
226

The rate of recordable work-related accidents

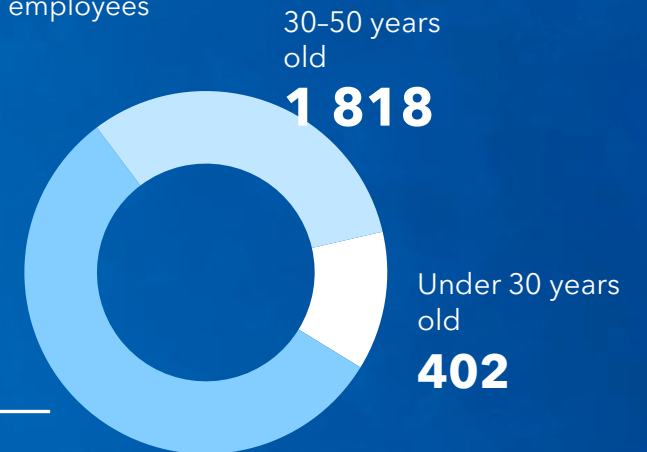
100 %

Diversity metrics

Gender distribution at top management level



Age distribution of employees



Incidents, complaints and severe human rights impacts

The number of severe human rights incidents connected to the workforce in the reporting period

0

Information on how many of these are cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises

0

The total amount of fines, penalties and compensation for damages for the incidents described above

€0

Occupational safety

- The goal of our sustainable work is to ensure work ability and safety at work throughout each employee's career. Work is made smoother by proactive tools, and challenges are addressed at an early stage.
- We invest in well-being and the prevention of sickness-related absences, and all supervisors have received training on the management of sustainable work and early support discussions.
- Examples of our safety-related measures include sustainability observations, job-specific risk assessments, safety walks, online courses, post-incident discussions and active intervention to address safety deviations.
- Sustainability observations encourage our employees to identify and develop safety-related and environmental practices in their day-to-day work.
- We received positive feedback and recognition from external stakeholders on our sustainability efforts. For example, Are's sustainability award system placed fourth in a ranking of the best sustainability actions in working life in a competition organised by Oikotie's Responsible Workplace community.

In 2024, ARE employees made a total of

33,462 sustainability
observations

At least one sustainability observation was made by 83% of ARE employees. The number of observations per employee was 12.2. In 2024, ARE employees made a total of 32,517 safety observations.

The number of
observations
related to
environmental
matters was

945
in 2024

The Total Recordable Incident
Frequency decreased from 34.4
to

31.9
per million hours worked.

The Lost Time Incident
Frequency (LTIF) increased
from 7.8 to

9.7
per million hours worked.

In 2024, there were

60 accidents resulting in
disability at ARE

Sickness absence

4,8%

ARE

Equality and non-discrimination plan

- Sustainability is an integral part of our strategy, and its cornerstones are non-discrimination and fairness. We engage in continuous dialogue with employee groups to promote equal and non-discriminatory treatment.
- We comply with the UN Guiding Principles on Business and Human Rights, and we engage our employees' commitment to development efforts by various means, including sustainability observations and related rewards. We also conduct regular pulse surveys to measure the implementation and progress of development measures.
- We draw up an equality and non-discrimination plan as part of the workplace community development plan.
- The aim of the plan is to ensure the realisation of equality and non-discrimination.





Governance

We are a reliable partner, we have zero tolerance for misconduct, and we ensure sustainable and profitable financial growth.

Are

Tax footprint

We pay taxes in accordance with the tax laws of the countries in which we operate. We are committed to responsible tax management.

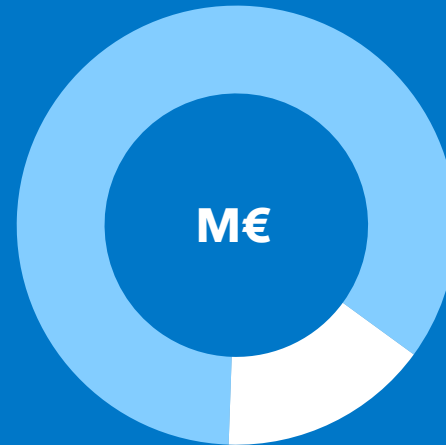
A company's tax footprint describes how much tax revenue a company generates for society as a result of its operations and how the tax impact is distributed across countries.

"To illustrate the impact of ARE's tax footprint, the taxes paid in Finland alone could be used to provide basic education to around 6,060 children for a year."

* The figure is based on the Finnish National Agency for Education's calculation, according to which the cost per pupil was EUR 11,474 (in 2023).

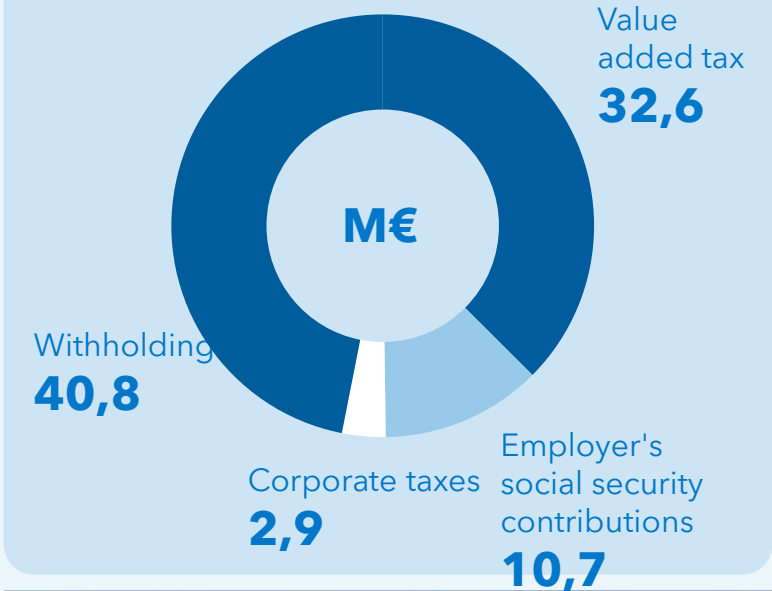
Total taxes paid and to be settled (M€)

86,9



Taxes to be settled
73,4

Taxes paid
13,5



Value added tax
32,6



ARE

Sustainable supply chain

- In addition to being committed to sustainability in our own operations, we also require our partners to operate sustainably and ethically.
- All of our contract suppliers are committed to our sustainability principles and Code of Conduct, and they are required to be members of Vastuu Group's *Reliable Partner* programme.
- Suppliers who are committed to our Code of Conduct account for 97% of the purchasing volume for our material purchases in Finland.
- Infringements against the Code of Conduct are always seen as a serious breach of agreement that may lead to the termination of the agreement and liability claims.
- Compliance is monitored through regular audits.
- Environmental aspects play a key role also in procurement. We examine the life-cycle sustainability of products and services as a whole – from origin to end-use and disposal.

**ARE**

Ethical operating practices as a cornerstone of sustainability

- We observe the principles of sustainable development and ethical business in our operations and maintain a workplace atmosphere characterised by high moral standards.
- We have a zero tolerance policy for bribery, extortion, the restriction of competition, discrimination, workplace bullying and other illegal conduct.
- Every ARE employee completes anti-bribery and competition law training each year.
- Anyone can use our whistleblowing channel to report potential deviations or infringements – not only suspected violations that are within the scope of the Whistleblower Protection Act, but also any other actions that are contrary to legislation, our values or our practices.

Commitments and achievements

Certificates prove that we take quality and the environment, as well as health and safety, into account in everything we do.

Achievements/rating of our sustainability efforts:

- ISO 9001 certified quality management system
- ISO 14001 certified environmental management system
- ISO 45001 certified occupational health and safety system
- HSEQ assessed
- EcoVadis rated
- RALA qualification ([more information](#))
- ARE has also been assessed in accordance with Kiwa Inspecta's HSEQ® cluster supplier assessment criteria, with excellent scores, see HSEQ certificate.



Commitments:

- #BuildingLife commitment
#BuildingLife – Green Building Council Finland
- UN Global Compact
– 10 principles, ARE CoP report
- Green Building Council member.



ESRS disclosure requirements applied in the report

Standard	Disclosure requirement	Data points	Page
E1 - Climate change	E1-4 Targets related to climate change mitigation and adaptation: <i>Emissions intensity target</i>	E1.MDR-T	11, 13
	E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions: <i>Scope 1 and 2 (market-based)</i> <i>Scope 3 (2023, categories as % shares)</i> <i>GHG intensity (incl. Scope 1+2)</i> <i>Revenue figure used for the calculation</i>	E1-6_ 07,10, 11, 27, 31, 33, 34	13, 15, 11, 7
S1 - Own workforce	S1-6 – Characteristics of the undertaking's employees	S1-6_01, 04, 07, 11, 12	18, 19
	S1-9 – Diversity metrics	S1-9_01, 02, 03, 04, 05	19
	S1-14 – Health and safety metrics	S1-14_01, 02, 04, 05	19
	S1-17 – Incidents, complaints and severe human rights impacts	S1-17_08, 09, 11	19

The published information does not fully correspond to the disclosure requirements.



Read more about our sustainability efforts:
[Responsibility and sustainable development – ARE](#)

