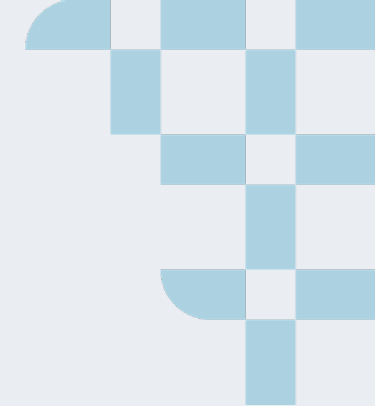
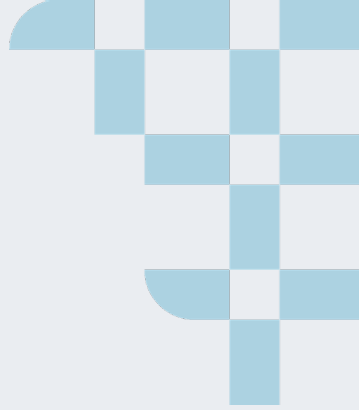


Sustainability Report 2025

Teräselementti Ltd





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Teräselementti Ltd

Teräselementti is a Finnish family business founded in 1964. Its services include the construction of halls, data centers, and office buildings, facade construction and products, and steel frames. The company provides a comprehensive service for even the most demanding projects – from design to installation, always in a form that suits the customer's needs.

The company is particularly praised for the high quality of its work and its flexible, responsible, and reliable approach.

Established: in 1964

Turnover : €59,500,000 (2024)

Number of employees : 130

teraselementti.fi/en/

CEO's review

The year 2025 was a time of renewal for Teräselementti Ltd. The company's direction was clarified both at the organizational level and in project selection.

The construction market remained uncertain compared to previous years, which was reflected in delays in project start-ups and intensified price competition. However, we succeeded in maintaining our financial stability and focusing on what is essential: the quality of construction and sustainable solutions.

Over the past year, we have strengthened our order backlog, improved our project management and forecasting models, reformed our management structures, and purposefully implemented new operating methods. At the same time, we have focused on ensuring that sustainability, safety, and high-quality construction continue to be part of our daily work.

Our focus is firmly on the coming year. Skilled personnel, reliability, and satisfied customers create the conditions for sustainable growth. We will continue to cherish these values in 2026.

In Lempäälä on December 31, 2025



Tuomas Heikkilä
Chief Executive Officer



Teräselementti's vision, strategy, and values

VISION

Finland's most sought-after and trusted builder of high-quality steel-framed commercial premises and full-service facade supplier

STRATEGY

- Cost efficiency and profitability awareness guide our operations
- We have a comprehensive product portfolio, our own manufacturing facilities, and product development that utilizes these resources
- We build strategic partnerships
- We ensure customer and employee satisfaction
- We are active in sustainability issues
- We strengthen our intellectual capital through strategic recruitment

VALUES

COOPERATION

SUSTAINABILITY

ACTIVITY

EXCEEDING CUSTOMER EXPECTATIONS

Sustainability at Teräselementti

Active sustainability is part of Teräselementti's everyday life, and its implementation is guided by the company's sustainability strategy and its various focus areas. Senior management is responsible for ensuring that operations are carried out in accordance with the strategy.

The role of the Board of Directors is to review and update the company's operations, values, and strategy. The Board of Directors is supported by an Advisory Board, which assesses the company's impact on the economy, the environment, personnel, and other areas of business. The Board of Directors, supported by the Advisor Board, sets targets and metrics for the management team in various areas of sustainability, which are monitored regularly. The management team implements the targets in an action plan, which is rolled out across the entire organization, and reports on their implementation to the Board of Directors.

The management of Teräselementti has worked with staff to create the responsibility report and define its key sustainability topics. The entire organization is also encouraged to provide feedback on the goals and their implementation.

Teräselementti has appointed a person in charge who presents the indicators and status reports to the management team, which makes the necessary decisions and improvements to achieve the targets. External experts are widely used in the assessment of sustainability issues.

Internal control of responsibility matters at Teräselementti focuses on

- Identifying risks
- Analyzing risks
- Focusing control on identified risks and measures



The cornerstone of sustainability – **innovation**

Innovation is the cornerstone of Teräselementti's sustainability. It offers new, more sustainable ways to solve social and environmental challenges. Here are a few ways in which innovation supports the company's operations:

1. Development of sustainable products and services

Innovations can lead to products and services that reduce environmental impacts and improve social well-being. For example, designing products in line with the principles of the circular economy can reduce waste and the consumption of natural resources. Companies can also develop energy-efficient solutions that reduce emissions and support the achievement of climate goals.

2. Improving resource efficiency

Innovation can help optimize the use of resources such as energy, water, and raw materials, which is essential from a sustainability perspective. Efficient production processes, material recycling, and waste minimization improve a company's environmental footprint and reduce operating costs.

3. Social innovation

Sustainability is not just about environmental protection, but also social and economic sustainability. Innovative solutions can improve employee well-being, promote equality, diversity, and inclusion, and increase a company's social impact.

4. Development of new business models

At the heart of a sustainability strategy is often the creation of new business models that generate economic value while promoting sustainable development. Innovation can also open up new business opportunities.

5. Sustainable technology and digitalization

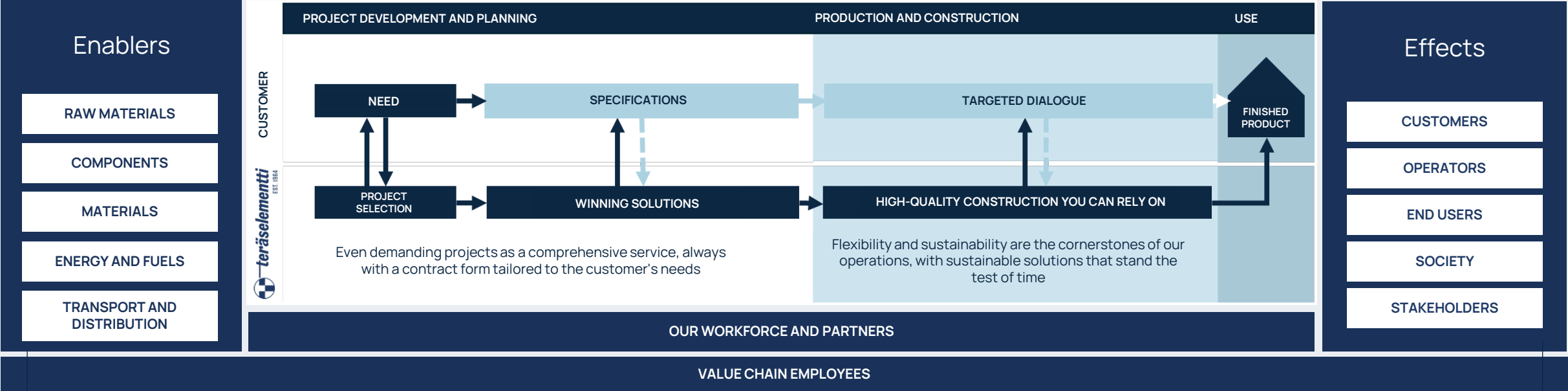
Technological advances can solve many global challenges. For example, the use of artificial intelligence and robotics can improve production efficiency, reduce errors and emissions, and support the development of sustainable infrastructure. Sustainable innovation can also mean developing new green technologies that help companies transition to a carbon-neutral economy.



The value chain of Teräselementti

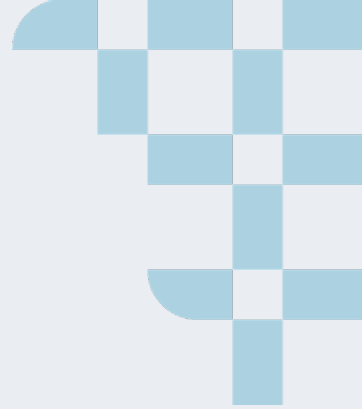
When examining the value chain, the expectations and impacts of external and internal stakeholders are taken into account. In terms of time span, variability from short to long term is taken into account.

Teräselementti Ltd's value chain covers the customer-oriented procurement of raw materials, components, and materials, as well as design, production, installation, and construction.



Key factors at the beginning of the value chain include material availability, costs, environmental impacts, and supplier sustainability requirements.

At the end of the value chain, Teräselementti's solutions affect the aesthetics, durability, environmental impact, life cycle, and safety of buildings.



UN Sustainable Development

The UN's Agenda 2030 action program includes 17 sustainable development goals (SDGs) that were adopted in 2015. The goals address global economic, social, and environmental challenges. Businesses play a key role in achieving these goals, and it is important for them to recognize the impact of their own activities on sustainable development.

	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	
E							Scope 1-3		Scope 1-3				Scope 1-3					
S																		
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Teräselementti wants to promote the achievement of global goals by setting its own goals and thereby supporting the achievement of these goals. The personnel were involved in reviewing sustainability themes and setting goals, and based on this work, common sub-goals were selected for the company. Key development themes for 2026 include incorporating sustainability measures into the action plan and setting concrete goals for each area.

Sustainability target indicators

The objectives defined by Teräselementti are monitored using the following indicators:





Areas of sustainability

Environment

The company is ISO 14001 certified, and climate-related risks and changes are assessed as part of business planning.

In addition to greenhouse gas emissions, other harmful emissions generated by operations include VOC emissions. Emissions and waste streams are monitored and reported as required by law, but emission compensation has not been considered at this stage.

Waste volumes are monitored and sorted comprehensively at the site. No data has been collected for construction sites, but it is available.

The most significant opportunity to influence environmental sustainability lies in product design and resource-efficient operations. In design, the focus is on optimizing material procurement and flows, minimizing waste and scrap, and optimizing logistics routes. A concrete example of this is the roof element factory opened in Forssa, which enables shorter delivery routes to construction sites.

Subcontractors are also required to operate to a high standard, and environmental sustainability is part of Teräselementti's supplier evaluation criteria.

ENVIRONMENTAL SUSTAINABILITY INDICATORS AND RESULTS

- **Carbon footprint** 12,001.2 tCO₂e (2024)
 - **Scope 1:** direct emissions from the company 346.3 tCO₂e
 - **Scope 2:** emissions from purchased energy production 863.8 tCO₂e (market-based)
 - **Scope 3:** indirect emissions generated in the value chain 10,791.1 tCO₂e
- **Electricity and gas consumption in factories** (2024) 3.15 GWh
- **Recycling rate** (2024) 22 %

VALUE FOR THE CUSTOMER

- Solutions with controlled environmental impact
- Life cycle sustainable buildings
- Design efficiency



Areas of sustainability

Social sustainability

Teräselementti is committed to social sustainability and places particular emphasis on employee safety, well-being, and skills development. The aim is to ensure that sustainability is implemented throughout the value chain. The company also bears social sustainability by supporting local activities, such as the activities of young athletes in their home municipality.

The company operates as an equal opportunity employer and monitors its personnel using gender-disaggregated data, even though the workforce is predominantly male due to labor availability. The company invests heavily in the health and safety of its employees through statutory occupational health care, exercise and bicycle benefits, and other employee benefits. Employees are also encouraged to lead active and healthy lifestyles outside of working hours.

Operations are guided by the ISO 9001 quality management system, an equality and non-discrimination plan, and documented guidelines on occupational safety and well-being at work. The company works with several subcontractors, who are required to comply with environmental and social sustainability principles in accordance with the Supplier Code of Conduct guidelines.

The implementation of social sustainability is continuously monitored and developed, for example, through job satisfaction, accidents, sick leave, and training. Particular emphasis is placed on induction training and occupational safety in factory and installation work, and as the main contractor, the company also takes sustainability for the working conditions and safety of subcontractors as part of a consistent operating culture.

MEASURES AND RESULTS

- **Customer satisfaction (NPS)** 89
- **Employee satisfaction (eNPS, 2025)** +5
- **Staff flame index (2025)** 72
- **Length of working careers (average)** 8 years and 2 months
- **Percentage of women in the workforce (12/2025)** 9,23 %
- **Accident frequency (LTIF, 2025)** 21
- **Sick leave % (11/2025)** 3,22 %

VALUE FOR THE CUSTOMER

- Expertise
- Achievement of sustainability targets
- High-quality customer encounters
- Customizable and scalable implementation solutions
- Product quality



Areas of sustainability

Good governance

Good corporate governance at Teräselementti is based on a clear management and sustainability structure, ethical operating principles, and open and transparent decision-making. Good governance supports the implementation of the company's strategy, risk management, and sustainable and profitable business operations in the long term, while strengthening stakeholder confidence in the company.

The company's board of directors is responsible for the sustainable management of business operations and safeguarding the company's interests, while management is responsible for implementing strategy and day-to-day operational management. The Advisory Board brings external expertise to the company, particularly in strategic matters. This ensures that the company is able to anticipate changes in the operating environment and manage risks and opportunities.

Teräselementti's operations are guided by its strategy, values, and Code of Conduct, and the company is committed to conducting its business in an ethical and sustainable manner, in accordance with applicable laws and industry best practices. Sustainable growth, profitability, quality, and reliability are key objectives in all operations.

Sustainability performance is also taken into account in remuneration and incentive schemes, which supports the company's long-term financial and operational stability. Clear reporting, division of sustainabilities, and regular monitoring ensure the quality of decision-making, risk anticipation, and business continuity. Good corporate governance creates a strong foundation for Teräselementti's sustainability work and sustainable growth.

MEASURES AND RESULTS

- **Working capital and %** (11/2025)
- 12,3 MEUR / 19 %
- **Turnover and profit** (2024)
- 59,5 MEUR / 0,5 MEUR
- **Number of employees** 130
- **Gender distribution in the management team** 1 woman / 7 men
- **Number of audited suppliers** (2025) 18

VALUE FOR THE CUSTOMER

- Green finance and innovation finance projects
- Lower life cycle costs for buildings
- Trust in the partner's operations and sustainability
- Risk management

About this report

The aim of the sustainability report is to provide stakeholders with transparent information about the company's operations. Sustainability is a strategic cornerstone of Teräselementti and a strong part of the company's everyday life and business operations.

The sustainability report covers the period from January 1 to December 31, 2025. The report is updated annually, and the latest report is available on the company's website at www.teraselementti.fi.

The contact person for this report is the company's CEO Tuomas Heikkilä, tuomas.heikkila@teraselementti.fi.

