

SITOWISE GROUP PLC

# Sitowise's Annual & Sustainability Report 2023



**SITOWISE**



“ My longing for design work brought me back to Sitowise. I like working in a big company where you have experts in many fields and you don't have to know everything yourself. For example, if you don't know a plant yourself, someone in the nature department knows.

**Saara-Kaisa Konttori,**  
Senior Landscape Design Consultant and Group Manager



“ My first spark for social environmental research happened already when I was studying geology. I specialise in environmental issues related to rocks, soils and the circular economy. At Sitowise, I can modify my tasks quite freely, and I am happy to take on different kinds of work.

**Päivi Laakso,**  
Senior Specialist in Environment and Urban Development



“ At Sitowise, an application developer gets to work in a wide variety of projects. I enjoy Sitowise above all because of the people. Along the way, I have met many good colleagues, and so there is a fairly permanent core group by my side all the time.

**Tuomas Ruuhonen,**  
Tech Lead



“ Financial administration is not just tight hair buns, but rather work that can be handled with a personal and understanding touch. At Sitowise, I have a clear role to play where I can be myself and handle things as I see fit.

**Susanne Romström,**  
Purchase Invoice Expert



“ I didn't end up as a coder in the traditional way, I graduated with a master's degree in mathematics and science. Through training for industry changers, I obtained a job as a software developer.

**Miika Soralinna,**  
Developer



“ Colleagues, varied projects and flexibility at different stages of life have made Sitowise an enjoyable place to work for 10 years. The best part is working with people and brainstorming solutions with a large group. Mentoring young designers is especially rewarding.

**Janne Kaitainen,**  
Head of Geotechnical Department

On the cover:  
**ILKKA**, Head of Department  
**JIGO**, Designer

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**Sitowise** is a Nordic expert in the built environment with strong focus on digitality. We provide design and consulting knowhow to enable more sustainable and smarter urban development as well as smooth transportation. Sitowise offers services related to real estate and buildings, infrastructure, and digital solutions both in Finland and in Sweden. Global megatrends drive huge changes that require a re-evaluation of the smartness in the built environment – therefore we have set our vision to be **Redefining smartness in cities**. The Group's net sales were EUR 211 million in 2023 and the company employs more than 2,100 experts. The company's head office is located in Espoo. Sitowise Group Plc is listed on Nasdaq Helsinki under the trading symbol SITOWS.



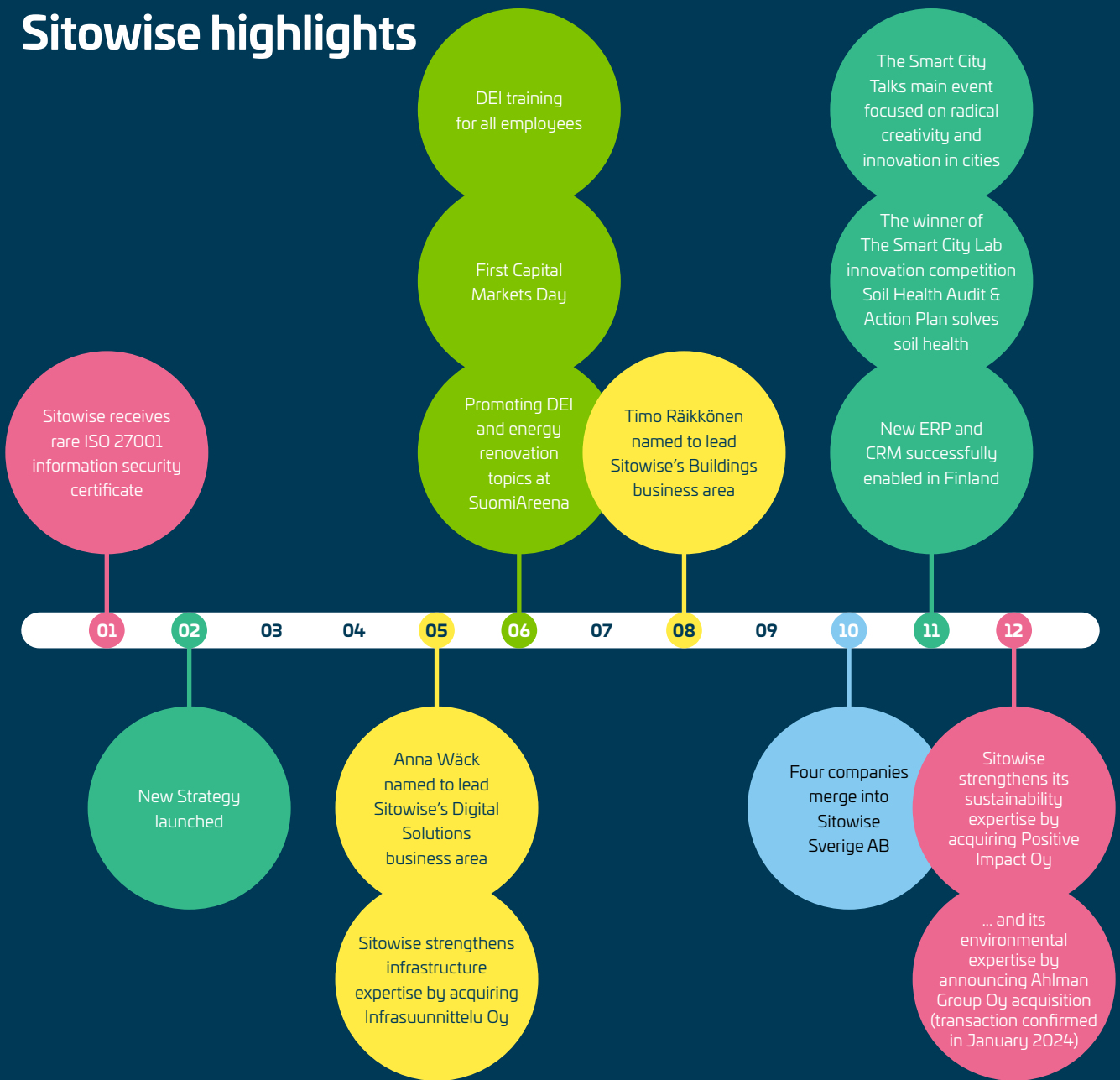


**HOSAI,**  
Designer

# Sitowise's year 2023

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# Sitowise highlights



## AWARDS:

04

Veera Auramo from Sitowise Pro Unions representative of the Year

09

- Jokeri Light Rail won Iso Tömppä award at the Construction Days
- Sitowise chosen as the Electrical Designer of the Year 2023
- Sitowise's Emil Nystedt HVAC Designer of the Year 2023
- Sitowise's Sustainability Tool a finalist for Most Sustainable Digital Deed of the Year

10

- Jokeri Light Rail won the Project of the Year award at the Project Days
- Sitowise's Nina Tanskanen Young Consultant of the Year 2023 finalist
- Business area Sweden earned the EcoVadis silver medal for its sustainability work

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- Jokeri Light Rail won the RIL award at the RIL Summit
- Annual report won a honorary award on sustainability in ProCom's Own Media contest

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Kuopio Pihakivi 2023 award for best yard design to Kaisu Hynynen from Sitowise

## FROM THE CEO

# The year has challenged us in many ways

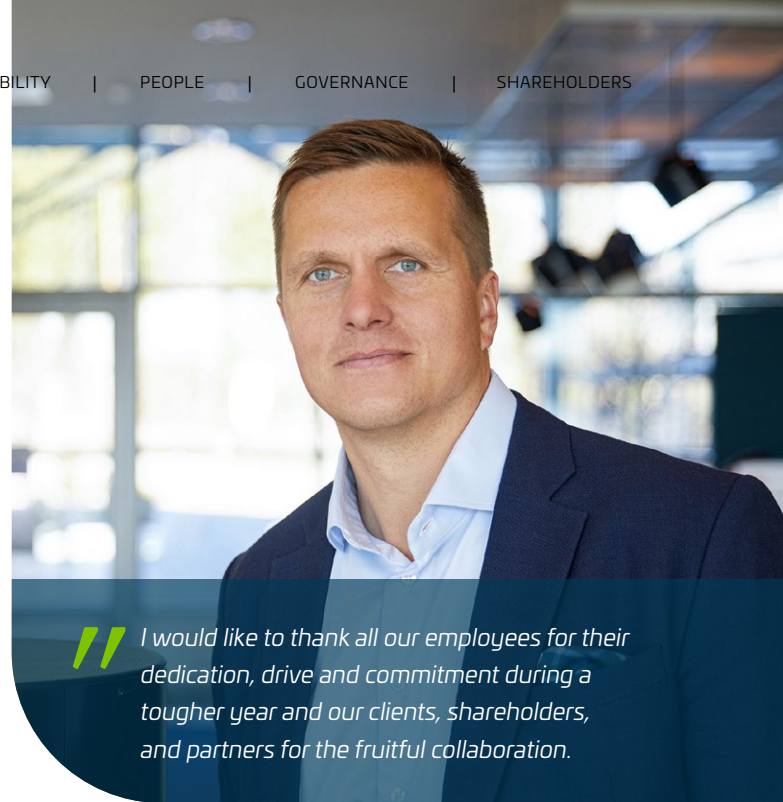
Our new strategy has guided us forward for the first year. At the heart of our strategy are the key drivers behind major global changes, such as urbanization, renovation back log, digitalization, climate change mitigation and security. These big changes are shaping societies and decision-making in the long term, while the challenging market conditions this year have also required quick decision making.

In the first phase of the strategy period, the market has challenged us. Changes in the market and in client needs have required both business and organizational development to ensure that Sitowise's expertise and operating models effectively support our project and client work. The technical consulting market is divided into areas of weaker and stronger demand. The market continues to offer growth opportunities in digital solutions, for example and in sustainability and special services, such as safety critical services and fire safety consultancy. We have worked throughout the year to improve our profitability. Key measures in all business areas have included revising our sales culture and developing our pricing expertise, targeting growing segments of the market, taking further measures to contain cost inflation, and increasing internal efficiency.

Society's major challenges must also be tackled in a difficult market context. Once again, we have contributed to a more sustainable future through hundreds of client projects. One major project can be seen every day from the window of our headquarters as the Jokeri Light Rail drives past. This is a project that has significantly transformed transport in the Helsinki capital region and has garnered praise and awards throughout the year. It has been a honor to be involved in the project.

With our vision, *Redefining smartness in cities*, we voice our ambition to be the pioneer and partner whose expertise brings added value to our clients facing the big changes in the society.

At the heart of Sitowise's strategy are three pillars to differentiate ourselves from the rest of the industry. *The most innovative* says that we are constantly looking for and developing more innovative solutions to solve our clients' challenges. This year, this has meant, among other things, receiving dozens of ideas from our employees in *The Smart City Lab* innovation competition, from which we sparred with five ideas to the final. The winner was a solution that promotes soil health. We strongly believe that all we need is sustainable innovations. It means we want to create new smart services and develop our business models to meet the new



*" I would like to thank all our employees for their dedication, drive and commitment during a tougher year and our clients, shareholders, and partners for the fruitful collaboration.*

requirements and develop and engage our people and partners to innovate smart solutions accelerating the industry transition.

*The most sustainable* refers to the role of sustainability in everything we do. This year we have focused on developing and growing new sustainability services. In particular, the acquisitions at the end of the year, Positive Impact and Ahlman Group, are at the heart of our sustainability business development. Our target is to double our sustainability services revenue. We wish to lead the way to sustainable future concentrating in three dimensions – sustainability of our current project work, future business opportunities and our own operations.

*The most efficient*, on the other hand, is about finding what matters and focusing on it. This year, it has meant a huge effort for us, as we have revamped our ERP and CRM systems. The effort has been huge for the whole organization but the new system will enable us to operate more efficiently in the coming years.

Major societal changes require the whole value chain to be involved. We want to increase common understanding and engage in an active debate about what is required for a more sustainable future. To accelerate the discussion, we have continued *The Smart City Talks*, in which this year we have focused on topics such as the rise in renovation debt, diversity in the workplace, radical innovation in cities, biodiversity and artificial intelligence. We want to be part of the conversation on topics that are shaping our industry and societies globally.

I would like to thank all our employees for their dedication, drive and commitment during a tougher year and our clients, shareholders, and partners for the fruitful collaboration. It is only through active and good cooperation that we will tackle the short-term and long-term challenges.

**Heikki Haasmaa,**  
CEO

# Key figures



NET SALES  
**EUR 210.9 million**



ANNUAL NET SALES GROWTH  
**3.2%**



ADJUSTED EBITA MARGIN  
**8.1%**



ORDER BOOK  
**EUR 164 million**



DIVIDEND PROPOSAL  
**No dividend**



OVER  
**2,100 experts**



**89% of new projects  
in Finland**  
USED THE SUSTAINABILITY TOOL



"I RECOMMEND SITOWISE  
AS AN EMPLOYER." -RESULT:  
**Good with an eNPS\* of 18**



**3**  
ACQUISITIONS

\* Employee Net Promoter Score (eNPS) indicates employees' willingness to recommend their company as a good workplace to their friends or colleagues. eNPS is a value between -100 and 100, with a score of 0 meaning good, +20 very good and +50 excellent results.



## We maintained as one of the most profitable companies in our industry

*// Efficiency is one of the pillars in the new strategy Sitowise launched in February 2023. For us efficiency does not mean only cost control or good profit margins, but it is really about making the work as hassle-free as possible. It means improving the smartness of our everyday work and making sure we have the right tools to use our expertise in the best possible way.*

*Efficiency is built into Sitowise's culture and I am really happy to see that even with some headwinds in our markets, we have maintained one of the most profitable companies in our industry. This doesn't come by itself. It requires consistent work and dedication. Cost inflation was high during 2023, but we have mitigated this by focusing on pricing and scrutinizing our cost base. As the hybrid work has meant less time spent in our offices, we have reduced under-utilized office space, for example. Another example of cost efficiency is cutting unnecessary IT applications.*

*In addition to the new strategy and managing with the market headwind, a focus area during the year has been the launch of our new ERP and CRM systems. I am really proud of our dedicated teams as they have persistently worked on this important project and ensured that we have more scalable and modern tools that support our business going forward.*

*In 2024 we'll continue with our ambition to grow profitably. The market environment has uncertainties, but there are growing segments in all our business areas and we want to be the company that is able to meet clients' needs in these areas.*

**Hanna Masala,**  
EVP, CFO



*// Efficiency is one of the pillars in the new strategy Sitowise launched in February 2023. For us efficiency means improving the smartness of our everyday work and making sure we have the right tools to use our expertise in the best possible way.*

# Long-term financial targets

Meeting our goals requires our operations to have a solid financial foundation in the long term. The Board of Directors of Sitowise has set the following long-term financial targets for company operations:

## 1

### GROWTH:

Annual growth in net sales of more than 10%, including acquisitions.

2023:

**3.2%**

(2022: 14%)

(2021: 12%)

## 2

### PROFITABILITY:

Adjusted EBITA margin of at least 12%.

2023:

**8.1%**

(2022: 10.0%)

(2021: 11.8%)

## 3

### LEVERAGE:

Net debt/adjusted EBITDA should not exceed 2.5x, except temporarily in conjunction with acquisitions.

2023:

**3.0x**

(2022: 2.6x)

(2021: 1.4x)

## 4

### DIVIDEND POLICY:

Sitowise targets paying a dividend corresponding to 30–50% of its net profit.

Considering the current market environment, and to preserve capital for future growth initiatives, the Board of Directors proposes that no dividend be paid for 2023

(2022: 45%)

(2021: 45%)

# Strategy and Business

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# Strategic foundation


Sitowise's vision of *Redefining smartness in cities* grows out of the need to understand large, globally disruptive changes and their impact on the business and expertise needs in the future. Sitowise's growth is supported by the megatrends of urbanisation, repair debt, sustainability, and digitalization. The increased complexity in construction, growth in terms of technological content, disruption of transportation, tighter regulation, green transition, emphasis on sustainability and a focus on the lifespan impacts of the built environment will increase the demand for Sitowise's services.

The changing operating environment requires new ways of working and investing in sustainable business. Rapid changes require experts with a clear future view. Experts who are ready to understand the needs of society and the client as well as to develop new solutions for them.



# Sitowise strategy 2025

**We understand our clients** 

**We work as one team** 

**We trust each other** 

**We are open** 

**We are brave** 

**OUR PURPOSE ›**  
Empowering passionate experts to solve complex challenges.

**OUR VISION ›**  
Redefining smartness in cities

  
**The most innovative**

  
**The most sustainable**

  
**The most efficient**

**WE WILL FOCUS ON ›**

- Creating new smart services
- Accelerating growth in Sweden
- Expanding our digital solutions business
- Becoming a thought leader in sustainability
- Being the most well-known and desired employer
- Finding the smartest ways to work





# The three strategic pillars

## The most innovative



### // THE SMART CITY LAB – FROM IDEAS TO NEW COMMERCIAL SERVICES

In our new strategy we set an ambitious goal to be the most innovative player in our industry. **We want to lead the way in the ongoing transformation and challenging operating environment, while at the same time renewing the practices and business models of the entire industry.** To achieve this goal, our strategy emphasized creating a culture of innovation to enable commercial success, especially the development of scalable SaaS (Software as a service) throughout the life cycle of the built environment, and enriching design environments and processes with new solutions.

In the spring, the management teams of Sitowise's business areas met together to define a common direction for innovation activities and strategy implementation. The workshops mapped the current state of innovation activity and identified the themes in which future business growth opportunities are seen and, on the other hand, those areas where significant competitive advantage can be created, for example through technological development.

In the autumn, the second innovation competition was launched, where Sitowise's experts were able to come up with new business ideas. As a result of the idea call 36 new ideas were obtained, of which nine ideas were selected by representatives of the business areas who acted as coaches. In the end, these resulted in five solution proposals for further development in Design Sprints and finally for the final. The winner of the competition was the Soil Health Audit & Action Plan, which created a new way to meet the requirements of the EU Soil Strategy and the Soil Directive.

Naturally, one of the key themes of the year was the utilisation of artificial intelligence. We implemented the new tools brought by generative AI in all our business areas and conducted experiments to explore the potential benefits in all business areas. Concrete efficiency gains from artificial intelligence were achieved e.g. in the calculation and reporting of project results as well as assisting with design tasks and software development. In the middle of the year, Sitowise's own AI principles were also published. Digital Business also organised a special Digi AI Sessions theme day, which focused on the future of artificial intelligence, generative

artificial intelligence, GenAI tools, production of AI solutions and cybersecurity.

Two significant research projects were also launched during the year, enabled by funding from Business Finland. The DataMust project explores the implementation and business opportunities of smart and sustainable cities data markets in cooperation with Nokia, VTT, Loihde Advance, Coba, Cozify and nollaE. The aim is to be able to reduce the energy consumption of the built environment by utilising edge computing with the help of more accessible data, for example. The TerrAI project enables better utilisation of data in smart and low-carbon land use planning. The project explores new sources of information, modifying data with smart practices and improving the usability of data with AI-based solutions.

The rest of the year focused on planning measures to accelerate the commercialisation of the product portfolio under development at The Smart City Lab and validating product ideas with customers. All in all, this year's key themes were developing innovation from closed to open, searching for and formulating business ideas, compiling internal development and clarifying common goals. In 2024, the focus will be on even closer customer cooperation and commercialization of new services and business opening as well as internationalization and scaling of existing SaaS business.

**Sami Lankiniemi,**  
Head of Innovation

## The most sustainable



### // IN SUSTAINABILITY MULTIFACETED APPROACH IS A MUST

In terms of sustainability, Sitowise's new strategy continues to promote the ambitious goal set in the previous strategy period to be the most responsible partner in the industry. As an expert company, Sitowise understands its role as a developer of sustainable business and as a sparring partner for its clients' sustainability. **Through hundreds of major projects and company's digital solutions, Sitowise's sustainability handprint is widely visible in society.**

Setting high sustainability targets requires a multifaceted approach to the topic, both in Sitowise's own operations and in its business. The most sustainable pillar is divided into three parts: making existing business more sustainable, creating new sustainability services and making our own operations more sustainable.

Assessing the sustainability impacts and opportunities of existing business is challenging but necessary. In 2023 the development of the existing business continued with the help of Sitowise's internal Sustainability Tool. The tool, available on Sitowise's Voima platform, helps project teams to assess their own sustainability impact and actions taken in an individual project. The Sustainability Tool has been in use at Sitowise for almost three years and the aim is that every project started at Sitowise uses the Sustainability Tool. In 2023, the tool was in use in 89% of the projects.

New sustainability requirements and legislation at the European Union and national levels are setting new standards, especially for both Sitowise and its clients. Understanding these changes and the needs that arise from them as well as developing expertise in the necessary direction, is at the core of current business development.

In addition to the development of the current business, Sitowise sees significant business opportunities in sustainability. The target is to double the sustainability services revenue from the current level during the strategy period. Four growth drivers have been identified for the sustainability business: renewable energy, climate change adaptation and mitigation, biodiversity, and the circular economy. New business development will take place on the Group level in cooperation between the different businesses and in collaboration with clients. Growing the sustainability business requires both business development and identifying new customer needs and, when necessary, challenging them to find solutions that meet, for example, the requirements of new legislation. Business and sales development is led by the Sustainability Service Director who works together with experts from all business areas.

The third focus area of The most sustainable pillar is the development of Sitowise's own sustainability operation, which will be implemented in line with the four objectives of our Sustainability program 2025. In 2023, the group sustainability team focused on developing sustainability reporting to comply with new legislation. For more details on the progress under the sustainability program see ► [Sustainability](#).

**Minttu Vilander,**  
EVP, Sustainability, Brand & Communications

## The most efficient



### // DIGITAL HEARTBEAT IMPROVES EFFICIENCY

In 2023, **Sitowise's internal digital core underwent a major change, similar to open-heart surgery.** In 2020, Sitowise started a project to renew its system landscape by replacing its ERP with Unit4 and rolling out Salesforce as a CRM. Implementing an ERP system is really complex because it is focal point of critical business processes, systems, technology, and digital innovation for internal processes.

The project was divided into two phases to make it more manageable. Phase one focused on implementing the finance module of Unit4, and phase two focused on implementing the remaining parts of Unit4 and Salesforce. Phase one went live in spring 2021, and phase two was completed in Q4 of 2023.

The overhaul significantly influenced the evolution of Voima, which integrates closely with the ERP. The main effort in 2023 was to tailor Voima for the new ERP by adopting a new data model and project workflow. Voima also pursued other development areas, such as introducing new data sources and launching a new internal communications channel.

Harnessing new and existing data has become more critical, especially for exploiting AI capabilities. Voima's data pipeline was advanced to meet present and future demands. In 2023, Sitowise also further developed Newsroom, an internal communications channel integrated within Voima. By the end of the year, Newsroom had become a dynamic platform for sharing, engaging, and fostering a unified culture. In near future Newsroom will also be used as pop-up communication hub ie. in integrating companies into the Sitowise family and to simplify communication between stakeholders in bigger projects.

In 2024, Voima is well-positioned to enhance efficiency and visibility for Sitowise and its customers.

**Turo Tinkanen,**  
EVP, Information Technology

## Megatrends of the built environment accelerate innovation and sustainability

For Sitowise, many of the megatrends accelerate the company's business. Sitowise is actively looking for new sustainable solutions for the needs of society and clients to tackle the major future challenges together.

### MEGATREND

#### Urbanisation increases the influence of cities and need for responsible actions

It is estimated that by 2050 approximately 70% of the world's population will live in cities\*. Cities' influence on sustainable future is constantly growing.

#### There are no alternatives to sustainable development

Climate change, decline in ecological diversity, overconsumption and growing waste generation are challenges that are increasingly often resolved in urban areas and industry.

#### Technological development dictates the pace of change

Technology and digitalization are developing faster than ever, and this offers unlimited opportunities. The built environment generates large amounts of data which are still not utilised to the full extent.

#### Maintenance backlog of the built environment is rising

In the Nordic countries, the ageing building stock and infrastructure in combination with tightening quality and functionality standards have led to a huge maintenance backlog in the built environment.

#### Cities are becoming more diverse

In the future, cities and their services will be planned for a significantly more diverse population than nowadays. Housing, jobs, and traffic must serve increasingly diverse needs. At the same time, consumer values and attitudes can change rapidly. For example, the demand for sustainable and climate-friendly choices is constantly growing.

### EXAMPLES OF SITOWISE'S SERVICES HOW TO SOLVE THIS CHALLENGE



- *Sustainable urban development services* deliver economically, socially and environmentally sustainable solutions and smart practices for a smooth everyday life.
- *Sustainable mobility services* provide mobility solutions that are intelligent in terms of the environment and society.



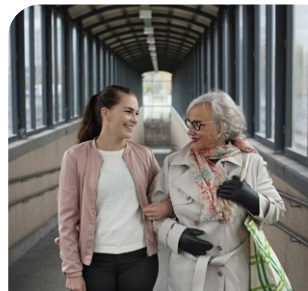
- *Services for climate change adaption* help to identify the changes and create solutions for adaption.
- *Energy and lifecycle planning* seeks to determine the best solutions for meeting a project's energy, lifecycle, carbon footprint and cost targets.



- *Digital solutions for sustainable development* digitalise the built environment and mobility by making the information visible that clients need to support sustainable decision making.



- *Renovation planning services* offer solutions to extend the life cycle of existing properties.
- *Sustainable demolition* involves careful planning that enables considering the circular economy and the economic management of the materials.



- *Ecological landscape design* for example, develops nature-based solutions for climate change adaption and solutions that strengthen nature connectedness.
- *Sustainability pathway service for regional projects* supports the opportunities for mitigating and adapting to climate change in regional development.

\* Source: United Nations World Cities Report 2022.

## Creating value and wellbeing for the society

### Making our work possible

#### Personnel

- More than 2,100 skilled Sitowise employees

#### Intellectual capital

- The Smart City Company brand
- Products and services
- The Smart City Lab innovation culture
- Digital data
- Clients and partner networks

#### Economic resources

- Equity EUR 119.3 million
- Non-equity capital EUR 158.9 million

#### Processes and technologies

- Voima digital work platform
- The Smart City Lab innovation platform
- Certificates

#### Energy consumption

- Electricity and heat consumption at offices 4,108 MWh

#### Business operations and their share of Sitowise's total net sale

|                     |     |
|---------------------|-----|
| • Buildings         | 34% |
| • Infrastructure    | 31% |
| • Digital Solutions | 14% |
| • Sweden            | 21% |

#### Services

- Digital services
- Infrastructure and urban development
- Properties and buildings
- Sustainability services
- Transport and mobility
- Construction contracting and project management
- Strategies and development of operations
- Examinations and measurements
- Environment and water

#### Purpose and values guiding our operations

##### OUR PURPOSE ›

Empowering passionate experts to solve complex challenges.

##### OUR VALUES ›

We understand our clients  
We work as one team  
We trust each other  
We are open  
We are brave

### Added value and social impacts

#### Clients

- Thousands of client projects
- Setting sustainability targets for 89% of projects by using our Sustainability Tool

#### Personnel

- Personnel expenses and other personnel-related expenses EUR 145.3 million including salaries, training and occupational health services

#### Shareholders

- Sitowise's goal is to increase the company's shareholder value in the long-term.
- The company's dividend policy is to pay annually a dividend corresponding to 30–50 percent of net profit to its shareholders.

#### Active role in discussing sustainability

- The Smart City Talks events

#### Investing in future experts

- Vision for Competence
- Dialogue with higher education institutions
- Thesis pool
- NextGen competence development program
- Target: Students comprise 10% of our personnel

#### Taxes

- Income taxes paid EUR 2.9 million
- Investments EUR 5.4 million

#### Emissions

- Carbon footprint 3,982 t CO<sub>2</sub>-eq
- Target: Carbon-neutral operations by 2025



*The Smart City Company  
Smart cities where everyday life is paced  
on a sustainability and responsible choices.  
That is what we at Sitowise do.*



**LAURI,**  
Quality Director

# Business Area: Buildings

## Operations were adjusted to respond to the challenging market situation

The Buildings business area offers design, expert and construction services for residential and business premises as well as for healthcare and industrial needs, among others. The business has significant special design expertise in, for example, high-rise construction, acoustics and fire engineering. Sitowise acts as a partner in both new construction and renovation projects. Services are offered in the following areas:

- Construction contracting and supervision
- Examinations and quality assurance
- Structural engineering
- HVAC engineering, building automation, electrical engineering, security and AV design
- Building renovation engineering, architectural design and yard design
- Special services, such as energy, automation, acoustics, fire protection engineering, hospital equipment and professional kitchens
- Digital solutions for property maintenance
- Inventory and measurement services
- Safety-critical services

The Buildings business area's net sales decreased by 11% in 2023 and were EUR 70.8 million. The business area accounted for 34% of Sitowise's total net sales.

*The strong growth in construction in recent years reversed.*



### Sustainability indicator

The demand for sustainable solutions grew in 2023. The Sitowise Sustainability Tool was used to specify the sustainability targets for approximately 89% (2022: 88%) of the business area's client projects.

Most of the advancements were linked to the UN Sustainable Development Goal of Sustainable cities and communities, as 60% of projects had specified actions to further this goal.

The business area's target is to increase share of planned Energy Class A buildings. Of all the buildings that Sitowise designed in 2023, 47.7% (2022: 28.3%, 2021: 30.4%; 2020: 22.4%) were in Energy Class A. According to the weighted average, the E-values of buildings, which reflect the building's total energy consumption, were 16% (2022: 11%, 2021: 13%; 2020: 11%) better than the required level. In the weighted average, new buildings designed by Sitowise are compared with the required E-value level to see by how much the buildings designed by Sitowise exceed the required level.

## Market situation challenged Buildings business area in 2023

The Buildings business area's order backlog was declining in 2023. The strong growth in construction in recent years reversed and construction production decreased clearly in 2023. The market situation was challenging, especially in housing construction, but other sectors were also affected. Rising interest rates, higher prices of renovation contracts and materials, weakened consumer purchasing power and financing challenges challenged the entire construction market.

### Outlook for the future



*“The building construction market will continue to be challenging in 2024. We expect that the Buildings business will still decrease in size in the first half of 2024 and that the turn to growth could start only towards the end of year 2024. The medium- and long-term prospects for construction renovation are, however, still good thanks to the existing renovation backlog and the requirements imposed by EU regulation, such as the energy-efficiency requirement.*

*Many sectors, such as public buildings, business premises, logistics, industry and safety-critical segments, have more stable demand in the market and some sectors also have clear pockets of growth. Urbanization continues too and creates demand for new apartments, which should have a positive impact on demand when the general economic outlook in Finland and the new construction market recovers.*

**Timo Räikkönen,**  
EVP, Buildings

The medium-term and long-term outlook for renovation remains good. The repair backlog of built assets has multiplied since the beginning of the millennium, and renovation measures can also affect energy efficiency. Urbanisation continues and creates demand for new apartments as well, and the postponed necessary repairs will, however, cause even greater pressure, which should have a positive impact on the market in the next few years.

The challenging construction market situation was visible in Sitowise's Buildings business area, and operations had to be adjusted to better correspond to the market situation. The purpose of the change negotiations was to secure the prerequisites for growth and a more agile way of operating. At the same time, operations were adjusted to meet customer needs and demand for services and to strengthen Sitowise's strategic goals. The organisational change brought about by the change negotiations was used to seek efficiency in both project operations and communications.

During the first half of 2023, Rakennuttajakaari was successfully integrated and merged with Sitowise.

Despite the market challenges, Sitowise's Buildings business area received commendable feedback and accolades from industry stakeholders. RAKLI ry and the Association of Electrical and Telecommunications Contractors STUL awarded Sitowise as the Electrical Designer of the Year 2023. In addition to profitable business, the criteria for the award were high and diverse expertise, customer orientation, uncompromising quality, advanced working methods and social sustainability.

Emil Nystedt from Sitowise was chosen as the HVAC (heating, ventilation and air conditioning) designer of the year 2023. Unidrain and the Finnish HVAC Association reward a meritorious HVAC designer who open-mindedly proposes and experiments with new solutions.

Good customer survey results indicate that customers appreciate the expertise, service-mindedness and reliability of the Buildings business area as well as especially the comprehensive service offering and the special expertise included in it.

The leap in development in the building construction industry has been reflected in the diversification of expert services and the degree of digitalization. This has also brought forth development steps in the field of innovation. The development is supported by the diverse expertise of the experts and extensive career development opportunities both horizontally and vertically. As part of the innovation pipeline, Sitowise has been working on a repair backlog tool and a preliminary carbon footprint calculation of tenant changes. The pilots seek new tools to respond to broader building of a sustainable future.

## CASE: BUILDINGS



## Carbon footprint calculation for LocalTapiola Real Estate Asset Management's tenant renovation

Together with Vastuu Group and LocalTapiola Real Estate Asset Management, we were able to pilot the preliminary carbon footprint calculations for the tenant renovations carried out by LocalTapiola Real Estate Asset Management. The tenant renovation project begins when the landlord finds a new tenant and starts to find out how the space fits the needs of the new user. Tenant renovations are often not yet planned in connection with the rental situation, but LocalTapiola Real Estate Asset Management hoped that the tenant would be presented with an estimate of the carbon footprint of the modifications to be made at the site and the various implementation options already in the rental situation. In the piloting workshops, we set out to investigate not only the costs but also the carbon footprint calculations for the changes.

We did the calculation by using Excel. The bottleneck in our pilot turned out to be deficiencies in the emissions database, which still lacks a lot of emission values for different building materials and building components. Products from various manufacturers have different CO<sub>2</sub> emission values. For example, it also makes a big

difference regarding how far the product is delivered and whether the entire life cycle of the product is taken into account.

*“The scope of tenant renovation work and the materials used can vary greatly between projects. As a result of the pilot, we wanted standardized carbon footprint data that can be calculated flexibly and conveniently for the projects we carry out and for different project types. In this way, we can illustrate the emission impacts of modifications of different sizes to our customers already at the planning stage.”*

**Joonas Vuonio,**  
Real Estate Manager at LocalTapiola Real Estate Asset Management

The emissions calculation was limited to the emissions of the required construction materials at the product stage. The automation of calculations was piloted with a prototype in which the building materials of a typical list of modifications were combined with corresponding emission factors found in the national emissions database. We imported project-specific emissions data

to the Power BI platform of Sitowise's Louhi service, where it could be visualized and grouped.

The tool developed in the pilot is primarily intended for cooperation projects between Sitowise and LocalTapiola Real Estate Asset Management, and the report generated by the project is only available to organizations that have participated in the research and development project.



### The most sustainable

*“In addition to costs, the tool can be used to reveal carbon footprint calculations in tenant modification work, thereby possibly reducing unnecessary alteration work and reducing the carbon footprint.”*

**Juuso Sundberg,**  
Project Manager at Sitowise



**CASE: BUILDINGS**



**Functionality of structural solutions in future conditions**

In the Low Carbon Built Environment Program of the Ministry of the Environment, we implemented the building physics and Energy-Efficient Functionality of Residential Block Building Structures in the Future Climate project, which resulted in a structural type of library for adaptation to climate change in the field of structural design.

Adaptation to climate change refers to the functionality of structures in terms of heat and humidity technology in the environment of the future when the conditions for structures become unfavourable.

We prepared a calculation *template* for assessing the carbon footprint and comparing emissions from structural types as well as a library of structural types, in which the carbon footprint has proved to work in the future climate in terms of structural physics.

The purpose of our work was to study the current standard solutions in the future climate using structural physics calculation programs.

As a final product of the project, we received a library of interface details and structural types that technically work with moisture and heat. The structural types of this library were

included in the carbon footprint calculation template implemented in the project, which means that the carbon footprint of the structural types is also known. In addition, the calculation template allows us to estimate the carbon footprint of the building using the data entered.

*“An excellent project that will bring clear concrete benefits to structural design and also recognize the effects of the already changed climate on buildings.”*

**Maija Stenvall,**  
the Ministry of the Environment

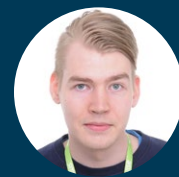
The project received support funding from the Low Carbon Built Environment Program of the Ministry of the Environment. The Low Carbon Built Environment Program implements Finland’s sustainable growth program, which is part of the EU’s Recovery and Resilience Facility (RRF). The aim of the program is climate change mitigation and adaptation, as well as finding and deploying low-carbon solutions in the built environment.



**The most efficient**

*“With the help of the published library of structural types, an ordinary designer does not have to separately consider whether, for example, the insulation proposed by the customer works, but the matter has been studied in the background. Work becomes easier and efficiency increases when researched data is already available.”*

**Antti Kärkäs,**  
Structural Engineer at Sitowise



**The most innovative**

*“More and more carbon footprint calculations are recorded in the Building Act, and the first steps towards structural solutions that can withstand a higher load must be taken well in advance. With the help of the project, emissions analysis can be brought to structural design at some level.”*

**Rasmus Törrönen,**  
Structural Engineer at Sitowise

# Business Area: Infra

## Growth in the energy sector and wind power projects

The services of the Infrastructure business area cover a wide range of urban development, the needs of the entire infrastructure and our environment, ranging from the different needs of cities, the routes connecting them for transporting people, goods and bits as well as the planning and surveys of industrial areas. Urbanisation supports the investment needs of municipalities and cities in particular, and the most significant in the business area.

The subscriber segment is public sector customers, who generate almost 70% of the business area's net sales. Services are offered in the following areas:

- Infrastructure
- Transport and mobility
- Urban development
- Environment and water
- Infrastructure development

Net sales of the Infrastructure business area increased by 9% in 2023 and were EUR 65.6 million. The business area accounted for 31% of Sitowise's total net sales.

*Everything has been made possible by skilled and motivated personnel.*



### Sustainability indicator

The Infrastructure business area's engineering and other projects are important in terms of the sustainability and functionality of cities and society.

The setting of sustainability targets for client projects is tracked with Sitowise's sustainability tool. The tool was used for specifying the sustainability targets for approximately 93% (2022: 86%) of the business area's projects that started in 2023.

Most of the advancements were linked to the UN Sustainable Development Goal of Sustainable cities and communities, as 59% of projects had specified actions to further this goal.

*Jokeri Light Rail project has received three major awards from the construction industry.*

## Outlook for the future



*“ Saving measures in the public sector are reflected in reduced or delayed investments. The additional funds for infrastructure agreed in the government negotiations have not materialised into projects, and we expect their effects to be visible towards the end of 2024. There has been delightfully active activity on the clean transition side, and although no actual investment decisions have been made, the preliminary planning and permitting of projects employs us and the entire industry. We have increased our capabilities and expanded our service offering in those services where the market continues to grow.*

**Jannis Mikkola,**  
EVP, Infrastructure Solutions

The Infrastructure business area managed to keep its order backlog at a strong level during 2023, even though there were hardly any so-called megaprojects in infrastructure in general. This was due to successes in tendering and finding work in an extensive network of framework agreements. Everything has been made possible by skilled and motivated personnel.

During the year, disturbances and changes have occurred in the market as a continuation of previous years. The increase in costs and the slowdown in the housing market have also challenged the customers and markets of the Infrastructure business area. However, the direct impacts for 2023 have remained minor in terms of infrastructure projects.

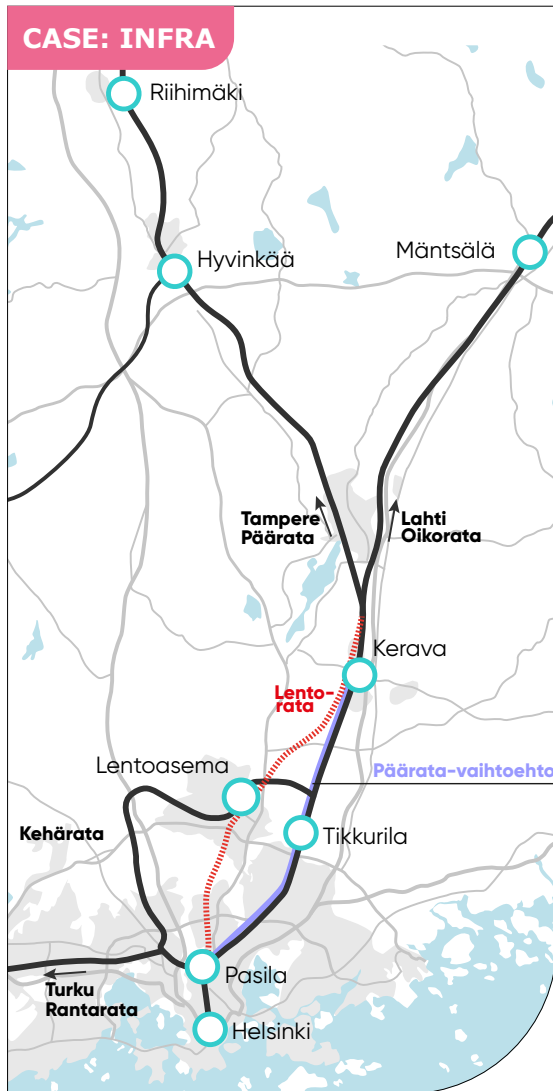
The year 2023 has been marked by growth in the energy sector and especially in wind power projects. As an example of this, as in the previous year, environmental assessments of wind power have increased significantly in Finland, employing numerous of our experts and enabling significant growth in this sector.

Central government infrastructure investments have been declining and the focus has shifted clearly towards railway projects. We have responded to this by, among other things, training our experts in railway design. Due to the global situation, projects related to safety and security of supply have also increased.

Expertise has also been boosted by the acquisition of Infrasuunnittelu Oy as part of Sitowise in May 2023. Together, Sitowise and Infrasuunnittelu produce comprehensive expertise in road, street and regional planning. With the acquisition, Sitowise's Infrastructure business area was also strengthened with industrial experts.

As the demand for environmental and sustainability services grows, we have responded by further diversifying our expertise by acquiring Positive Impact Oy at the end of 2023 and by announcing Ahlman Group Oy acquisition (transaction confirmed in January 2024).

After six years of planning and construction, the largest project in our history, Jokeri Light Rail, was completed in 2023. The success of the project is indicated by its completion faster than scheduled and at a lower cost. This has also been noticed and the project has received three major awards from the construction industry. The project, implemented as an alliance project, was awarded several significant awards in the field at the end of 2023, such as the Iso Tömppä award at the Construction Days, the Project of the Year award at the Project Days and the RIL award at the RIL Summit.



### **The most sustainable**

Many studies have been carried out on the Airport rail line over the years, but now we have studied what the construction of the line would mean both technically and from an environmental point of view. At the same time, the project's cost estimate has been specified. The work has highlighted the ways to mitigate the climate impacts of construction and promote the circular economy of soil materials.

**Pia Niemi,**  
Project Manager at Sitowise

## **Airport rail line project brings direct long-distance train connection to the airport**

We carried out a preliminary study for the planned Airport rail line project and, based on it, an environmental impact assessment procedure. The work included an environmental impact assessment (EIA) of the Airport rail line project and its alternative, which is the construction of an additional track on the main line between Käpylä and Kerava.

The Airport rail line is a planned 30-kilometre railway connection that will run from Pasila via Helsinki–Vantaa Airport to Kytömaa, north of Kerava. About 28 kilometres of the track is located in a tunnel. The line has connections to both the main line north

and the Lahti direct line.

Many different studies have previously been carried out on the flight path, but in addition to the alignment, a preliminary study examined for the first time the location of the vertical shafts and the access tunnels needed for the tunnel. The preliminary study determined the approximate location and space requirements of the double-track line, basic technical and traffic solutions, the location of the ground surface structures and the relationship to the surrounding land use.

In the EIA report, we presented an assessment of the project's likely significant environmental impacts and

measures to avoid or reduce adverse impacts.

The overall objective of the Airport rail line project is to free up the capacity of the main line and reduce the sensitivity to disturbances in traffic in the Helsinki region and nationwide, shorten the travel times to Helsinki Airport, promote a change in modes of transport from vehicle traffic to rail traffic and more.

The preliminary study and environmental impact assessment were commissioned by Suomi-rata Ltd and our sub-consultant was Ramboll Finland Oy.





**CASE: INFRA**

## Common goal to understand carbon handprint calculation

We were producing a project for Hansel, the central procurement unit for public administration, in which Hansel's carbon handprint is studied through pilot calculations. The aim was to draw up a clear and concise overview of the carbon handprint concept, criteria and possible uncertainties, as well as the calculation and applicability of the carbon handprint.

The carbon handprint describes the positive climate impact created when a customer uses a company's climate-friendly product or service. A carbon handprint means reducing the carbon footprint of other operators. It is not an emission reduction for a company offering a climate-friendly product or service, in which case it cannot be directly deducted from the company's emissions.

The carbon handprint is achieved by comparing the so-called baseline footprint of the product or service with the solution offered. In Hansel's case, example calculations were made in 2022 for solar power plants and the use of renewable fuel oil tendered by Hansel. We also verified Hansel's calculation of the carbon handprint achieved with guarantees of origin of electricity.

*“ We have been asked whether we have considered Hansel's carbon handprint effect. We set out to calculate the carbon handprint of the electricity contract ourselves, but we also wanted an outside view on the matter, as we were a little*

*uncertain about the calculation principles, says*

**Pasi Tainio,**  
Hansel's Category Manager.

The calculations were selected on the basis that they were considered to be clear factors causing carbon handprints, which are a good starting point. Solar power plants are expected to replace Finland's average electricity production and light fuel oil from renewable fuel oil. Both indirect and direct emissions were taken into account in the calculation.

The results show that solar power plants, renewable fuel oil and guarantees of origin contribute to the use of renewable energy and thus lead to a carbon handprint. Hansel's customers face potential emission reduction impacts when they make use of the central procurement agreements offered by Hansel. For example, in solar power calculations, assuming that all the power plants tendered in 2022 are also installed during the same year, the potential carbon handprint would save the same amount of emissions per year as motoring around 580,000 kilometres would cause.

Hansel is able to utilise example calculations in its own development work and when communicating about its climate work. The purpose of the handprint is to encourage measures to reduce emissions, which almost without exception require cooperation between many actors.



**The most sustainable**

*“ Understanding of the carbon handprint increased both at Sitowise and at the customer. The project identified that many actors are involved in enabling positive climate impacts. This will certainly increase the consideration of what all our own activities cause a carbon handprint and how we could increase the number of actions that cause positive effects. The project may also make it easier to identify climate-friendly measures.*

**Sanni Mallat,**  
LCA Specialist at Sitowise



**The most innovative**

*“ With the help of the project, the significance of cooperation between actors became concrete. The contribution of all actors is needed to achieve climate goals. It is inspiring that even a small contribution to the climate can play a truly significant role in the overall picture.*

**Milla Lehtikoinen,**  
LCA Specialist at Sitowise

# Business Area: Digital Solutions

## An increasing share of the order backlog includes long-term projects and SaaS business

The Digital Solutions business area focuses on smart digital solutions for the built environment, forest sector and traffic, strong spatial data expertise and expert services supporting them. Services are offered in the following areas:

- Customer-oriented software development: business and service design, development, maintenance
- SaaS and product solutions: Louhi, Routa, Foresta, LeafPoint, Smart analytics services & maps
- Professional services and strategic consulting, focusing on smart cities, digital transformation in infrastructure, transport and logistics, renewable energy, knowledge management and digital twin.

Digital Solutions Business Area's net sales increased by 35% in 2023 and were EUR 30.0 million. The business area accounted for 14% of Sitowise's total net sales.

*The Digital business area managed to maintain strong profitability.*



### Sustainability indicator

Sustainability targets were specified with the sustainability tool for approximately 75% (2022: 50%) of the business area's projects that started in 2023.

Most of the advancements were linked to the UN Sustainable Development Goal of Sustainable cities and communities, as 68% of projects had specified actions to further this goal.

*Growth opportunities are seen in the product business, energy sector and the digitalisation development of the municipal sector.*

## Outlook for the future



*“ We expect the first half of the year 2024 to remain challenging especially in the private sector. Competition for the best projects remains fierce and we see some new, hungry competitors also in the public sector tenders. However, there seems to be continued demand in our niche, GIS technology and capabilities, and we expect to be able to continue winning selectively and with good profitability.*

*The growth of SaaS products also continues and the rapid development of legislation and information systems regarding built environment increases the demand of municipalities and government. Our large and loyal customer base provides opportunities for consulting and software development and we have been able to increase our prices to mitigate for cost inflation despite the challenging market situation.*

**Anna Wäck,**  
EVP, Digital Solutions

Digital Solutions Business Area's strong organic growth (14.5%) in 2023 was impacted by strong average price and invoicing rate development relative to comparison period, as well as steadily strong growth in product business. The growth in net sales was also significantly impacted by the acquisition of Bitcomp Oy, a pioneer in SaaS solutions for the geospatial data, forest and natural resources sectors, in June 2022. The revenue of Bitcomp's LeafPoint SaaS solution grew strongly in 2023 and the implementations with existing customers were completed according to plan – the last ones in autumn 2023.

In addition, systematic work was carried out in the Digital Business area to improve profitability: taking into account the increase in production costs in pricing and cost control, improving the invoicing rate and streamlining the product portfolio.

The favourable market situation at the beginning of the year turned towards the second half of the year. In the Digital business area, we managed to maintain strong profitability despite the challenging market situation. The decisive role was played by the "balanced & resilient business mix", i.e. an increasing share of the order backlog was related to long-term projects and SaaS business, which carry us through economic cycles.

The product business and energy sector saw opportunities to create new market, and growth was also supported by investments in sales and customer work, including a new sales organization and its operating model.

The market situation will continue to be challenging, which will particularly affect software acquisitions in the private sector. Growth opportunities are seen in the product business, energy sector and particularly the digitalisation development of the municipal sector.

The biggest projects in 2023 have included the built environment information system Ryhti, the Finnish Food Authority's long-term IACS project and the more recent Vipu mobile application, as well as the operator and quality consulting of the Finnish Transport Infrastructure Agency's railway information systems.

The change in the IT market situation has also been strongly reflected in recruitment. The recruitment market has picked up and talent is more readily available. Soaring wage inflation is coming to a halt. Employer branding work has clearly increased during the past year, and the career stories of Digital Solution's employees have gained a nice visibility.

In 2023, a collaboration with The Smart City Lab was launched as an "AI Session Day for Digital People" and it is hoped that this will become an annual theme day to stimulate innovation culture and share information on important themes.

CASE: DIGITAL SOLUTIONS



## LeafPoint system takes care of Finnish forests

In autumn 2021, the Finnish Forest Management Association decided to adopt LeafPoint as its new Enterprise resource planning (ERP) system. This started an extensive implementation process with 56 forest management associations and it was completed at the end of 2023.

LeafPoint is an ERP system that covers the entire operations of forest management associations and the services offered to forest owners. With the help of LeafPoint, the Finnish Forest Management Association is able to streamline white-collar work and improve the customer service experience without major R&D investments.

The development of LeafPoint in cooperation with forest management associations, as well as satellite data and artificial intelligence, ensure superior usability and productivity of the system.

*“ In recent years, Sitowise has proved to be an excellent partner for forest management associations. They understand our needs and how their technological solutions serve our needs.*

*We believe that thanks to its innovativeness, Sitowise will be able to offer us a competitive advantage long into the future, says*

**Jouni Tiainen,**  
CEO of Metsänhoitoyhdistysten Palvelu MHYP Oy.

The LeafPoint system takes care of Finnish forests, and with the help of the biodiversity index under development, forest owners with different value bases are able to increase diversity and manage forests through different goals. In addition, risks can be monitored in terms of forest health, climate change and various insect pests.



**The most innovative**

*“ We are a pioneer in utilizing satellite data and artificial intelligence in forest asset management and integrating smart data and operations into business processes.*

**Tapani Stjernval,**  
Business Segment Director at Sitowise






**The most sustainable**

*“In the future, we will have renewable energy, and in order to achieve this, we will need the introduction of green industry, which this work will help to achieve. By understanding the overall picture and optimising the overall costs of maritime operators, the goal can be achieved with as few disadvantages as possible.*

**Iida-Maria Seppä,**  
Senior Specialist at Sitowise

## Situation and development overview of offshore wind power

The aim of the study which we carried out was to form an overall picture of the situation and development of offshore wind power. Marine energy production, and offshore wind power in particular, plays an important role in the green transition and in achieving climate goals. However, the construction of offshore wind power capacity has significant impacts on many different industries and functions.

*“The Ministry of the Environment has identified the need for maritime spatial planning to examine the overall picture of offshore wind power and other marine energy production. Sitowise will carry out a report for us on the situation and the development picture of offshore wind power, which will enable us to start drawing up Finland’s maritime spatial plan and building sustainable maritime use,” says*

**Tiina Tihlman,**  
Ministerial Adviser.

Our study was based on development pictures of what Finland’s offshore wind power could look like in

2035, 2040 and 2050. Based on this, we started working on an outline of the impacts of offshore wind power on maritime industries, such as ports, maritime transport, maritime industry, fishing and fisheries, undersea minerals and recreation in island areas such as boating. We examined the entire Finnish maritime area, including the Åland Islands. The project described the current state of Finland’s maritime energy production and other maritime sectors under review, the development prospects of the offshore wind power sector, renewable energy demand scenarios and the development needs of transmission networks.

In the background of our research, it has been identified that the environment and nature are part of the overall picture, but not at the core of this project. Our intention was to focus on the industry and through this we sought to find key synergies and conflicts that required resolution. We recognised that there are many aspects that need to be reconciled as well as adverse effects when building in a marine environment. At the same time, major economic and employment

impacts were visible, as well as attention paid to the safety and security of supply.

From all stages of the work, we collected or formed spatial data that can be used to illustrate and analyse the temporal and spatial effects and dependencies of different development paths. Spatial data sets will continue to be utilised in maritime spatial planning.

Another major goal of the survey was to collect a map service to support marine planning. By collecting data (spatial data and map service) and exporting them to ArcGis Online for maritime spatial planning, we were able to produce a high-quality map service that is open to everyone. In ArcGis Online, the current state and development pictures of different industries, such as maritime transport, ports, tourism, marine nature and transmission networks, including their temporal dimensions, presented in visual form.

The working group we had from Sitowise was extensive, and interdisciplinary cooperation was carried out between business areas.



# Business Area: Sweden

## Business area Sweden creates a solid platform through merger and focuses on a sales driven business

In 2023, the key goals in Sweden were to merge the remaining legal entities and create a stronger organization for faster growth. At the same time as Sweden had more of an interim year in terms of growth, the measures taken in 2023 to build one-Sitowise platform in Sweden are expected to clearly strengthen Sitowise's future growth prospects in Sweden.

### From six to two legal entities

Throughout 2023, Sitowise progressed significantly in integrating and consolidating the Swedish operations under the legal entity Sitowise Sverige AB. In October 2023, the Swedish business area completed the merger of four subsidiaries – Mavacon, E60, Convia Ingenjörbyrå and Convia Infrastructure – and reduced the number of legal entities from six to two. It also relocated two of the acquired entities into common offices in Stockholm and Falun. These mergers encourage greater collaboration and provide a unified and clear platform for future development and driving synergies in 2024 both on the cost and revenue sides. The Digital solutions part of the business continues for the time being to operate under its own entity, Infracontrol AB.

### Strengthening Sitowise brand in Sweden

Another important milestone achieved in 2023 was the consolidation of all services under the Sitowise brand and making the Sitowise brand more known in the Swedish market. This move has been influential in promoting the brand recognition necessary for continuous growth as a key player in the Swedish market.

Sitowise's offering is well adapted to the Swedish market and enables us to meet new client needs. The service offerings and market position in Sweden have organically evolved throughout the year, and now cover:

- Structural Engineering
- Building Services Engineering and Consulting for buildings and real estate
- Energy Efficiency in and around buildings, including new regulatory
- Infrastructure and the related building services engineering
- Geotechnical Design
- Public Utilities
- Bridge Design and Maintenance
- Digital Solutions

During the last quarters of the year the external communication has been boosted with the main elements: Who we are and what we do – showcasing the business area's competences, projects, and culture alongside with the development key messages for traditional and social media.

Moreover, the business area in Sweden updated and extended the management system to cover the whole business and fulfil and keep the ISO certifications 9001, 14001 and 45001.

### Continued growth despite some market headwinds

The business area maintained its growth trajectory despite some headwinds in the market and increased its headcount measured by FTEs by 5.5% from the previous year. In Sweden, Sitowise currently employs over 350 experts.

The krona/euro exchange rate heavily impacted the reported sales figures for the Sweden business area in 2023: while net sales in constant currency were up by 12 percent in 2023, they increased by 4 percent when reported in euros. The net sales amounted to EUR 44.5 million, which corresponded to approximately 21% of Sitowise's total net sales.

*In 2023, the key goals in Sweden were to merge the remaining legal entities and create a stronger organization for faster growth. This was achieved in October.*

## Outlook for the future



*Our market is uneven, but we have a relatively favourable position, with less exposure to residential buildings. We have maintained our momentum with decent utilization in most areas. However, the slowing of our organic growth impacted our overall performance in 2023.*

*We have successfully created a strong platform and brand for Sitowise's expansion in Sweden. And we are now progressing well in redirecting the focus back on proactive sales, pricing, and diligent project management.*

**Jonas Larsson,**  
EVP, Sweden

Approximately two-thirds of the net sales growth was organic, while the rest was related to the tailwind from the Mavacon, E60, and Convia acquisitions completed in 2022.

The technical consulting market in Sweden shifted from favorable in the first quarter to moderately good in the fourth quarter. The slowdown began in spring and certain segments faced headwinds later in 2023. After summer, the business area shifted its focus to internal integrations and was impacted by an abnormally high absence rate due to sick leaves, holidays, and parental leaves. This slowed down the growth significantly. To improve the performance in the last quarter, an increasing focus was put on more proactive sales, pricing excellence and diligent project management.

## Concept developed: Sales focus

Strong sales work has constantly been a part of creating a solid organic business growth in Sweden, and today Sitowise has a clear and strong position in selected market segments. In the current market environment, it is even more important to target the right market segments. Consequently, the business area sale setup was revised, including sales training, account management and alignment with the Group's sales initiative, in the latter part of 2023. The positive impacts of these actions are expected to be seen in the first half of 2024.

## Market outlook in Sweden: Eyes on the future

The residential housing segment has suffered a significant decline in 2023, with 28% fewer building projects started than in 2022. However, Sitowise's favorable positioning towards other segments meant the local housing market drop had only a moderate impact on the business. The market is also still supported by the Infrastructure, Industrial and Institutional sectors, which have seen an increase in the number of started projects in 2023.

The market environment is expected to remain unchanged in the coming months. There are already some weak positive signals when it comes to the Swedish market, such as the restarting of halted projects and increased tendering activity leading to more sizable tenders. A clearer market recovery would require a continued decline in inflation and lower interest rates, and therefore predicting the timing of a clear improvement in markets is very difficult.

## CASE: SWEDEN



## Apartment building constructed using materials to minimize the ecological footprint

/// The apartment building *Terrassgården* was designed with a devotion to organic material to minimize the environmental impact. The result is an aesthetically pleasing apartment building currently being built in the district of Råbylund in Lund, Skåne. In this project we have participated as the design leader and we currently contribute as construction leader and control supervisor according to the Planning and Building Act.

The developer Valdemar Lund Projekt and the general contractor Thage provided us with the opportunity to collaborate with architect **Johan Sennström** in the developing and production phase of the U-shaped building with four floors, 56 tenant-owner apartments and accompanying prominent terraces.

*Terrassgården* features a sedum roof and solar panels, but what has

the greatest impact on the climate in projects like this is the structure of the building. Therefore – cross-laminated timber with a low carbon footprint, known as CLT, was used for the structure.

A rooftop greenhouse as well as small green spaces in connection to the building promote social interaction among the residents.

This project challenged us to find innovative and technical solutions and taught us new ways of building sustainably.



### **The most sustainable**

/// Projects with a strong focus on sustainability also require a significant emphasis on collaboration and the selection of technical solutions. Therefore, the design process has been carried out in close collaboration between the contractor and architect to find the balance between vision and practicality. It has been an instructive journey for us all.

**Fredrik Lindén,**  
Project Manager at Sitowise





CASE: SWEDEN

## Modernizing an expansive office building with a circular mind-set

// To achieve the goal of carrying out the renovation of the large office building (named T.31) in the most sustainable way possible we contributed by increasing the building’s structures’ lifecycle and reusing existing materials from the basement to the roof terrace.

This 29,500 m<sup>2</sup> brick building from the 1980s at Tegeluddsvägen 31 in Stockholm is undergoing internal and external modernization to meet today’s facility standards.

On behalf of Areim, the property owner and our client in the project, in collaboration with the architect, we have created large social office spaces with a high level of well-being.

Our structural engineering services in this project include everything from delivering construction documents and inspections to proposed measures and lifetime assessments.

Some of our more extensive work

includes relocating three large fan rooms and extending the lifespan of the concrete and load-bearing frame by about 50 years.

All seven floors have been modernized to create a people-focused workplace and a social rooftop terrace was added which required us to extend the lift.

We are proud to have contributed to the circular sustainability mind-set in this project. As proof of *practice what you preach*, Areim has dedicated a display area with recycled items from the renovation like sinks and light fixtures to demonstrate how we can save energy and reduce waste.



### The most efficient

// With our expertise in conducting condition assessments on structures, including the use of sampling tests, we can streamline and enhance the lifespan of constructions.

**Kristofer Andersson,**  
Project Manager and Construction  
at Sitowise

## Growing the next generation of experts

### CASE At Sitowise, trainees get to do work with a purpose

**NextGen** is Sitowise's trainee program aimed at students with different backgrounds in Finland. The trainee program includes working in actual projects under the guidance of Sitowise employees as well as work life coaching that helps students direct their competence development in the direction they want. NextGen is mutually beneficial for competence: The students get to grow their expertise and Sitowise employees get to enjoy fresh perspectives.

NextGen brings newcomers to Sitowise for summer jobs as well as for traineeships that are part of the studies. Sitowise strives to provide as many NextGen participants as possible with an opportunity to continue working at Sitowise one way or another after their trainee period. In 2023 Sitowise had a total of 37 NextGen trainees.

This year, the program was developed to improve the sense of belonging among NextGen trainees. This was solved, for example, by

organising a joint day at the Espoo head office, where all the trainees in Finland could get to know each other and other Sitowise employees, as well as learn and reflect on their own careers, working life and the opportunities offered by Sitowise. A common Teams channel was also established for the trainees, where interns from different parts of the organisation and Finland could explore the same topics. This year, the NextGen program was ready to serve those who do not speak fluent Finnish in English. However, all the trainees were proficient in Finnish, and so the implementation was in Finnish.

#### Anonymous comments from NextGen trainees:

*// It was nice to be involved in real customer projects from day one. Sitowise has given me a warm welcome and I have felt that even as an intern, I belong to the work community. I feel that this is a very big thing, because, in previous jobs, I have noticed that it is*

*not always something that can be taken for granted.*

*// I have had a great time and learned a lot! When I was looking for an internship, I hoped to find a place where I could build a career for myself, and I believe I did.*

*// The internship as a whole gave me good preparation for the future, professional development and a successful summer in terms of gaining confidence.*

*// The internship itself has been good and supports both studies and work. I have been able to learn new things, and help and support are always available when needed, and new things are gradually given to learn more.*

The following year, the program will be further developed. We will continue our tried and tested practices and turn our attention to Sweden. The goal for 2024 is to implement the NextGen program also in the Swedish organization.

### CASE Sitowise's thesis pool brings together students from different fields and Sitowise's experts

The objective of **the thesis pool** is to create connections between the students and personnel of Finnish higher education institutions and Sitowise personnel. The purpose is to create relevant and interesting thesis topics that enable developing shared competence as well as the entire industry. The platform enables submitting ideas for further discussion and examining the ideas submitted to the thesis pool. The thesis pool is open for all students and personnel of Finnish higher education institutions. They get to sign into the pool with their organization's email address. The pool enables reaching out to Sitowise's couple of thousand experts.

### CASE Vision of competence: Sitowise <3 students

**Vision for Competence** is a collaboration forum that predicts and develops the industry's future competence. Another goal is to deepen the collaboration between Sitowise and higher education institutions and to find models of working together. The Vision for Competence forum convenes twice a year. Each meeting will have a topical theme. The time between the meetings allows collaboration to develop and find new pathways. Forum invitees include Sitowise's contacts from the educational world, but the doors are kept open for everyone who is involved in the development of the built environment. Vision for Competence is aimed at the personnel of Finnish higher education institutions, such as rectors, heads of development, lecturers, community leaders and others interested in the competence of the future. Occasionally, students are also invited. A number of experts from Sitowise are involved in the forum.

The Vision of Competence forum met in Kuopio in 2023 to consider what kind of expertise we need in the design and construction of smart cities.



## IT system development and data security

### // NEW SYSTEMS HAD A MAJOR IMPACT ON THE DEVELOPMENT OF THE VOIMA PLATFORM

Sitowise's own digital heart Voima platform kept developing. The reform of operational management and financial systems in Finland culminated in November when all employees started to do their daily tasks in new systems. System renewal replaced all core business systems from sales to invoicing. These features brought project management yet more efficient vacating time for employees to use their expertise in their customer projects. The new systems also had a great impact on the development of the Voima platform.

At the beginning of 2023 Sitowise Finland had a newborn internal communications channel Newsroom which is a part of Voima. It took its first steps in November 2022 but really got up and running during 2023. During the year Sitowise's old internal communications channel was switched off and employees learned to use Newsroom. By the end of the year Newsroom is an active place for sharing, reacting and creating common culture.

Voima is all about helping Sitowise's business areas and the development continues actively in close cooperation among ICT department, communications and experts working in business areas.

After implementing new systems in Finland, they will be evaluated for the operations in Sweden.

### EMPLOYEE TRAINING PLAYS A CRUCIAL ROLE IN EFFECTIVE RISK MANAGEMENT

Taking care of safety reflects Sitowise's responsible way of operating and is an essential part of the implementation of risk management. Protecting daily work and data assets is very important in an ever-tightening cyber environment. The development of the information security management system continued in 2023 and increasing the competence and awareness of personnel continued as a continuous process through training and briefings. Security activities were evaluated both internally and externally by several different parties against different frameworks.

**Turo Tinkanen,**  
EVP, Information Technology

// For 2023, the most significant and at the same time the most challenging project was definitely the launch of new ERP & CRM. We have successfully implemented the new systems and are now continuing to develop them to streamline processes and ensure high-quality information for better decision-making. The new systems are already strengthening our position for future challenges.





**SUVI,**  
Sustainability Service Director

# Sustainability

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# Changes in sustainability reporting

The European Union has established Corporate Sustainability Reporting Directive (CSRD) to drive the companies to report sustainability data that is more transparent and comparable. The directive will also push forward the practical work with sustainability since organizations are required to set objectives for key sustainability themes and monitor the progress. Companies subject to the CSRD will report according to the European Sustainability Reporting Standards (ESRS). For publicly traded companies like Sitowise, the new reporting requirements will take effect in 2024. From 2024 onwards, the sustainability information in accordance with the ESRS will be reported as part of the report of the Board of Directors.

## Material sustainability themes were reanalyzed

CSRD also sets a new framework called Double materiality assessment for companies to analyze sustainability themes from two perspectives: What are the global or industry related sustainability issues that Sitowise impacts or can influence through its operations, and what are the material sustainability issues which affect Sitowise economically.

At the end of 2023, Sitowise started its Double materiality assessment. It completes the comprehensive assessment of material sustainability topics conducted in 2021 as part of Sitowise's Sustainability Program 2025. The results of the Double materiality assessment will be reported as part of the 2024 reporting. It includes the risk assessments of material sustainability themes. Targeted action plans for all material sustainability themes will be developed. This work will be a part of updating Sitowise's sustainability program as the current one ends in 2025.

The materiality analysis from 2021 that set the basis for current Sustainability Program is described here [► Sitowise's Sustainability Program 2025](#).

## Double materiality analysis effects on reporting





## Sustainability is future business

**//** Our strategic pillar “The Most Sustainable” sets sustainability in the core of Sitowise. Our aim is to step by step develop and implement sustainability in our everyday work and processes. It would be easy to speak out our progress during last years and just list everything we have done. It is a lot, but to be honest, not enough.

Sustainability is not a sprint journey. You are never ready when trying to achieve sustainability targets - we need to accept that the goal is always moving. We've done many things in the recent years, but we still have tons to do. We should, and will, be measured by what we do in the future, not by what we have done so far in our sustainability roadmap. This is an important thing to remember especially now when we, as many other companies, are concentrating on the reporting. Reporting is looking back, not to the future.

We at Sitowise develop sustainability from three perspectives: firstly, by developing existing business operations and project work, secondly by creating new sustainability services and thirdly by ensuring sustainability aspects in our own operations.

From 2023 I want raise three topics:

- **Creating new business.** We organized our sustainability business development and sales and set a target to double our sustainability business revenue by the end of 2025.
- **Improving ESG data and reporting.** New reporting requirements challenge us to review our sustainability targets, KPI's and data – and specially make us evaluate what is relevant.
- **Diversity, equity and inclusion.** During the year we trained all our employees and team leaders to understand better what DEI means and why it is important to an expert company like us.

**Minttu Vilander,**  
EVP, Sustainability, Brand & Communications



**//** Our aim is to step by step develop and implement sustainability in our everyday work and processes. We set a target to double our sustainability business revenue by the end of 2025.





**HELI,**  
Environment Specialist

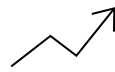
# Progress in Sitowise's sustainability program

*Sitowise's sustainability program 2025 is built around four measurable goals which Sitowise uses to impact the society and our living environment. The objective is to leave a large sustainable handprint via customer projects and industry cooperation as well as reduce the carbon footprint of the company's own operations. As Sitowise is in the business of offering expert services, it is crucial to be a good place to work and keep our employees safe and healthy.*

## The main goals of the sustainability program



**Sitowise actively contributes to making the living environment sector more sustainable**



**Sitowise aims for sustainable economic growth**



**Sitowise is the most equitable workplace with the best employee well-being among peers**



**Sitowise will be carbon neutral by 2025**

## The 2030 Agenda and Global Compact link our work to global objectives

The United Nations 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs) have become a shared reference framework for the international dialogue on sustainability. These goals are an integral part of Sitowise's sustainability efforts. Sitowise's Sustainability Tool is also based on this framework. Many clients and industry actors are committed to promoting the UN's goals as well. Globally prominent goals link Sitowise's sustainability efforts to the big picture.

The UN Sustainable Development Goals are a part of the world's largest corporate sustainability initiative, the UN Global Compact, which Sitowise joined in 2022. Sitowise is committed to promoting the 10 principles of the UN Global Compact that are related to human rights, labour, environment and anti-corruption activities.

## In 2023, Sitowise committed to setting science-based targets with SBTi

The Science-Based Targets initiative (SBTi) is an international initiative aimed at promoting climate action in the private sector by helping companies set science-based and ambitious targets for their operations. Sitowise joined the initiative in the end of 2023. Sitowise's current climate targets will be reviewed in 2024. The plan is for the goals to be approved by SBTi by 2025 at the latest.

This is an important step for Sitowise as it will more clearly set higher demands on making a difference both in its own operations and in other impacts where it is possible to reduce the climate footprint. It is also a step in the right direction that goes in line with the strategy to become the most sustainable in the industry.

Since October 2023 Sitowise's business area in Sweden has been part of EcoVadis sustainability platform with a silver medal ranking.

**SUSTAINABILITY GOAL:****Sitowise actively contributes to making the living environment sector more sustainable**

*One of Sitowise's key sustainability goals is to actively contribute to making the living environment sector more sustainable. For Sitowise, sustainability means providing sustainable services and products but also identifying the trends of the industry and engaging in active dialogue. The aim is to be the most active and interesting actor in the sustainability of the built environment. Taking an active role in the sustainability discussion is supported by significantly improving employees' sustainability competence. Sustainability is also part of our remuneration policy.*

**What we did in 2023?****EXAMPLES OF CUTTING-EDGE SUSTAINABILITY PROJECTS FOR BETTER LIVING ENVIRONMENTS**

In 2023, Sitowise significantly contributed to reducing CO<sub>2</sub> emissions within the built environment across various spheres. Sitowise implemented a distinctive consumption-based methodology for assessing emissions in approximately 20 municipalities. This approach facilitated a shift in focus towards reducing emissions associated with the consumption of food, goods, services, and construction materials. Sitowise also introduced the beta version of a software program, currently known as AVA, in December, thereby enabling the comprehensive calculation of the entire life-cycle carbon assessment for urban plans.

In cooperation with Skanska a vast study was conducted on apartment buildings CO<sub>2</sub>-emissions and costs in order to better understand the impact of different decisions on energy sources and structural choices. The results empower stakeholders to make more informed decisions during the design and operational phases of buildings.

A prototype of the Smart Site tool was launched in the spring, leveraging current data to foster the efficient management of material flow in infrastructure construction. The project received support from the Ministry of the Environment from the Low-Carbon Built Environment Program, which is funded by the EU's one-off recovery instrument (RRF). In the future, the tool will also facilitate the recycling of construction and demolition waste at project sites, thus further promoting the circular economy.

The company also spearheaded various initiatives to enhance biodiversity from strategies to design. Notably, the company actively engaged in the Nature-wise Espoo project, identifying, and supporting best practices towards no-net loss of biodiversity in the expanding city.

Sitowise's pioneering forest biodiversity index, developed through the fusion of open data and artificial intelligence, found application in the developmental initiatives of energy companies and municipalities. This data is available via Sitowise's Smart Analytics services, including for example an AI based estimation of CO<sub>2</sub> and biodiversity in forests and vegetated areas, which are offered as high-resolution maps and summary reports to our customers.



**ELLA,**  
Designer



**DEVELOPMENT OF SITOWISE'S SUSTAINABILITY TOOL**

For Sitowise, the most crucial sustainability discussions take place in client projects. To be able to define sustainability targets in client projects, Sitowise developed in 2021 the company's own Sustainability Tool, which helps to facilitate s setting appropriate targets. In 2023, the usage rate of Sustainability Tool in projects was at a high level. By the end of the year, it had been used in 89% (2022: 86%) of the client projects in Finland.

The current version of the Sustainability Tool has significantly increased internal discussion on sustainability as well as brought sustainability matters in Sitowise's client projects. However, the requirements for sustainability are growing, and the current version of the Sustainability Tool lacks to fulfil all the client's needs of project work. Hence, it has become necessary to further develop the Sustainability Tool. This work started during fall 2023 together with Sitowise sustainability experts and business units. Also clients with ambitious sustainability targets were involved in the work by interviews. The goal is that the tool will better serve all projects to contribute to client's sustainability targets.

**OPEN DISCUSSION ABOUT THE FUTURE WITH THE SMART CITY TALKS**

The Smart City Talks is Sitowise´s own media that focuses on current topics in sustainable city development. In March, The Smart City Talks travelled to Tampere with a debate on urban development of Tampere, attracting a large audience and good reviews. In July, Sitowise took part in SuomiAreena, a societal discussion forum in Pori, Finland, arranging The Smart City Talks as a part of the event. In SuomiAreena Sitowise actively promoted themes such as energy efficiency as well as diversity, equity, and inclusion.

In November the annual Smart City Talks main event focused on radical creativity and innovation, as it is seen that radical development and new thinking is needed to combat the climate crisis, biodiversity loss and to ensure social well-being. The event with top-notch guest speakers opened the importance of innovation in cities from the perspectives of data and AI, urban development, and biodiversity.

In addition to Sitowise's own discussion forums, Sitowise experts participated as speakers in numerous events, sharing their expertise to contribute to the further development of the industry.

\* The Reputation and Trust survey is used for gathering information on the stakeholder support and various aspects of reputation on the whole company level. This survey provides Sitowise with a comprehensive view of how its reputation is developing and enables benchmarking with competitors. In the survey, the respondents evaluate statements on a scale from 1 to 5, and a good result is a score of over 3.50.  
 \*\* With the help of the client survey, Sitowise tracks the satisfaction of its clients and other partners on the group level as well as by individual business areas. The survey provides valuable information on project completion and assesses how successful cooperation is. In the survey, the respondents evaluate statements on a scale of 1 to 5.  
 \*\*\* In the personnel survey, statements are evaluated on a scale of 1 to 5. Here, 4 and 5 are interpreted to be favourable ratings.

**SUSTAINABILITY GOAL INDICATORS**

The progress of the sustainability target is tracked with specific questions in various annually conducted surveys.

|  | 2021 | 2022 | 2023        |
|--|------|------|-------------|
| <b>Reputation and trust survey*</b>  |      |      |             |
| Sitowise moves the industry in the right direction with regard to society            | 3.58 | 3.50 | <b>3.50</b> |
| Sitowise is an industry pioneer in the climate and environmental aspects             | 3.36 | 3.28 | <b>3.42</b> |
| <b>Client survey**</b>   |      |      |             |
| Sitowise is the most responsible partner   | 3.5  | 3.47 | <b>3.47</b> |
| <b>Personnel survey***</b>   |      |      |             |
| I know how I can take sustainability into account in my work. % of positive answers. | 57%  | 61%  | <b>58%</b>  |



**What's next?**

Sitowise will continue actions to introduce important sustainability questions to the public conversation. The Smart City talks are planned to take new forms to gain new, even larger audience. The Sitowise Sustainability Tool 2.0. will be developed as part of Sitowise´s client platform. The expectation is that clients can follow the execution of the sustainability targets on the client platform by the end of the year. Sustainability trainings for employees are planned.

**SUSTAINABILITY GOAL:****Sitowise aims for sustainable economic growth**

*The green transition impacts the activities of Sitowise, its clients and the whole of society. To make progress in its goal of sustainable economic growth, Sitowise anticipates and monitors the changes in the market, sustainability trends and clients' sustainability targets. The purpose is to grow new business that supports sustainable development and develops the current services. Sustainable innovations are one important feature in Sitowise's toolkit.*

Sitowise divides sustainable economic growth to three different targets:

1. Aiming to develop existing expertise, projects, and business horizontally as sustainable as possible. Adding sustainability knowhow in all projects is the main target in this.
2. New sustainability services are a major business opportunity – there are new needs for clients that will rise from the requirements of the new legislation. Renewable energy, climate change adaptation and mitigation, biodiversity and circular economy set needs for new services, innovations and knowhow.
3. Company makes sure it meets the requirements of new regulation, and the higher sustainability standards that clients and employees, both existing ones and the future experts, have.

**What we did in 2023?****A LEAP IN SUSTAINABLE SERVICES**

In June 2023 Sitowise set and communicated a goal to double the revenue of company's sustainability services. The aim is to grow the existing services, such as carbon footprint calculations, climate roadmaps, and create new ones by combining strategic sustainability consulting with high technical understanding and built environment existing data. Growth is done both organically and with strategic mergers and acquisitions.

Sitowise also set four focus areas for growth: renewable energy, climate change mitigation and adaption, biodiversity and circular economy.

To be able to meet the targets, Sitowise nominated new Sustainability Service Director who has strong background from developing new sustainability services. Sustainability Service Director leads the development and sales of the new sustainability services. Sitowise needs also to growth and in-depth expertise to meet the client needs and at the same time to recruit the best sustainability talents in the organization.



**NIKLAS,**  
Designer



**SUSTAINABLE INNOVATIONS: FROM IDEAS TOWARDS COMMERCIAL PRODUCTS**

In 2023, Sitowise's focus on innovation has increasingly shifted from idea discovery towards the commercialization of new smart services in close partnership with key customers. However, a healthy innovation pipeline requires a solid supply of fresh ideas. Hence, Sitowise continued to strengthen the culture of innovation through a second innovation competition for all employees. Six of the most promising business ideas were developed in design sprints into product concepts and eventually a new service focusing on the ever-growing importance of soil health was selected as the winner.

All the new services currently being developed in The Smart City Lab, Sitowise's home for all innovation, heavily focus on sustainability. The themes vary from circular land mass management to automated assessment of the climate impacts of urban plans. This year we released new services for ESG risk assessment, agile creation of digital twins and 3D scanning of built assets as well as digital tools to help our real estate and construction company clients in the smart management of warranty time claims. In line with our strategy, we will continue to roll out new products to the market next year to build growth and strengthen recurring revenue streams.

**TRANSPARENT FINANCIAL SUSTAINABILITY DATA WITH TAXONOMY AND CSR**

Sustainable economic growth requires transparent data and that is supported by the EU's green transition policies. Sitowise has actively developed its reporting to meet EU's sustainability reporting initiatives such as Taxonomy and Corporate Sustainability Reporting Directive. The company is prepared for monitoring and implementing the changes.

Sitowise took steps forward in the preparation of the taxonomy report concerning its business operations. The taxonomy report for 2023 includes the four new environmental objectives of the EU taxonomy's Environmental Delegated Act; 1) sustainable use and protection of water and marine resources, 2) transition to a circular economy 3) pollution prevention and control and 4) protection and restoration of biodiversity and ecosystems.

The Sitowise business functions taxonomy report has been published for the third time. More information is available **► Sitowise Board of Directors Report.**

The financial performance in more detail **► Sitowise Financial Statements.**

\* Client survey respondents assess questions on a scale of 1–5. The question was asked for the first time in 2022 survey.

**SUSTAINABILITY GOAL INDICATORS**

The target of sustainable economic growth is tracked using various indicators, such as Sitowise's contribution to innovations that drive sustainable development. We also track progress with specific questions in the client survey.

|   | 2021          | 2022   | 2023        |
|---|---------------|--------|-------------|
| <b>The % of the company's innovation contributions that allocated to the promotion of sustainable development</b> | not available | 88%    | <b>90%</b>  |
| <b>Client survey**</b>  |               |        |             |
| <b>Sitowise knows the industry's developments well</b>  |               | 4.08 * | <b>4.08</b> |
| <b>Sitowise's is a forerunner in terms of developing new innovative solutions</b>                                 | 48%           | 53%    | <b>53%</b>  |



**What's next?**

Seeking growth in sustainability services is one of the key elements for Sitowise in 2024. It will be supported by new marketing and sales actions and tools. The innovation activities promote the seeking of new openings in sustainability services. New sustainability frameworks will be closely explored, and checked regarding which of them support the business and stakeholder needs the best.

**SUSTAINABILITY GOAL:****Sitowise is the most equitable workplace with the best employee well-being among peers**

*For Sitowise, social sustainability primarily means ensuring the well-being of its employees. To reach the most equitable workplace goal, Sitowise is committed to actively improving the well-being of its employees and listening to them. Sitowise is also committed to ensuring diversity, equity and inclusion ("DEI") in the company.*

**What we did in 2023?****WORK CONTINUED WITH DIVERSITY EFFORTS**

In 2023, Sitowise prepared an action plan based on the results of the employee diversity survey. The survey revealed that employees considered the topic important. It also indicated that there were some concrete challenges faced in everyday work. The overall conclusion from the survey was that more information and understanding is needed. In addition, at the supervisor level it was felt that more information was needed to have sufficient understanding so that the supervisors can act in a supportive manner with respect to DEI issues.

The company offered training about Diversity, Equity and Inclusion for all personnel. The online training opened up what the important DEI terms are, how DEI themes affect our work communities and what each of us can do to promote diversity, equity and inclusion. More DEI training was, and will be, organized for supervisors, especially from the supervisor work's point of view. In these trainings, supervisors are guided to identify related situations and act so that everyone can feel safe in the work community. Trainings were organized by an external expert.

The target set in the Sustainability program is that 100% of employees will do the training. In Finland the training was launched in summer 2023 and after six months 58% of the employees had done the training. In Sweden the training was launched in October and employees have started to participate. Results of the training will be followed through the annual Employee Survey.

*The company offered training about Diversity, Equity and Inclusion for all personnel.*



**SAARA-KAISA,**  
Senior Consultant

**INVESTMENTS IN EMPLOYEE WELL-BEING CONTINUED**

Employees’ stress management and recovery were supported in various ways throughout the year. A new health and well-being learning path was published on Sitowise’s e-learning platform StudyHub in Finland and will be opened next year in Sweden. Information is offered regarding well-being and stress management, overall well-being, recognizing the causes and symptoms of stress, stress management tools and energy chargers and recovery from work.

Sitowise offers personal support to personnel according to the early intervention model. The supervisor can bring up concerns about the employee's well-being at any time, and the matter will be dealt with together with the person, the supervisor and, if necessary, HR and occupational health services.

As a part of our well-being program, feedback from the personnel is regularly requested. The results of the annual Employee Survey are discussed with the personnel. Based on the results the measures are formed for operational planning. The quarterly conducted Pulse survey is a tool to follow the employees’ motivation and feelings more frequently.

Our measures, which are related to employee well-being and diversity, are comprehensively described in the section

► **People.**

**SUSTAINABILITY GOAL INDICATORS**

The progress with the sustainability goal is tracked with a personnel survey.

|   | 2021 | 2022 | 2023        |
|---|------|------|-------------|
| <b>Personnel survey</b>   |      |      |             |
| The employer supports employee well-being   | 3.98 | 3.98 | <b>3.77</b> |
| New indicator: diversity, equity and inclusion training 2023: [xx%]* of employees have completed the training | -    | -    | <b>58%</b>  |

\* From employees in Finland.



**ISMO,**  
Leading Consultant



**What’s next?**

Diversity efforts will also continue as part of Sitowise’s culture work in 2024. The objective is to create a safe and inspiring workplace for everyone. As part of that, our new Culture Gallery will be a living platform showing examples of our culture work. The plan is to publish Safer space guidelines for our offices and offer more DEI training to our supervisors. Sitowise will also investigate the possibilities to carry out recruitment more inclusively. Employee well-being will also be supported by offering new learning paths and materials on the e-learning platform, for example.

**SUSTAINABILITY GOAL:****Sitowise will be carbon neutral by 2025**

*Sitowise's key environmental target is to reach carbon neutrality by 2025. The objective of minimising the carbon footprint also guides the company towards reducing energy and water consumption, careful sorting of waste, using low-emission modes of travel and transport as well as considering sustainability aspects in purchasing. To reach this goal, the company works to systematically reduce its emissions.*

*The completion of this goal is tracked with an annual calculation of the carbon footprint. Sitowise's carbon footprint calculation has been carried out since 2019. However, the calculation has been completed and refined over the years and the results are not fully comparable with previous years. Therefore, the base year for the calculation is now set to 2023. Since 2021, the carbon footprint has been calculated in accordance with the Greenhouse Gas Protocol (GHG Protocol), which is the most widely used framework for calculating and reporting the annual greenhouse gas emissions of organizations.*

**What's next?**

In 2024 Sitowise will update its climate targets and actions to support the Science-Based targets initiative as well as Corporate Sustainability Reporting Directive. At the same time the pace of actions in mitigating Sitowise's carbon footprint will be evaluated and strained. The options for compensation will be assessed regarding to the aim to be carbon neutral in 2025. For Sitowise compensation will be the last option that is used only after all the relevant mitigation actions have been executed.

**What we did in 2023?**

The 2023 calculation takes into account for the first time the commuting of workers, the use of refrigerants, and the emissions from cloud computing and data centre services, which is an optional category. The emission category *Purchased goods and services* was also extended to include, for example, purchased coffee and workwear. In 2023, emissions from electricity transmission losses were also taken into account.

The results shows that *employee commuting* is the largest emission source (33%) at Sitowise. A commuting survey was carried out for employees' travel to work in the end of the year, covering both Finland and Sweden. The aim of the survey was to improve Sitowise's annual emissions calculation and to give information for developing sustainable mobility practices. In 2023 sustainable travel was encouraged by offering public transport and bicycle benefits to Sitowise employees in Finland and the bicycle benefit was introduced in early 2022. In Finland year 2023 was the first year with the new car policy in force. Only cars with CO<sub>2</sub> emissions of up to 50 g/km are accepted as company cars by the policy. Also the remote work practices has been widely in use in Sitowise.

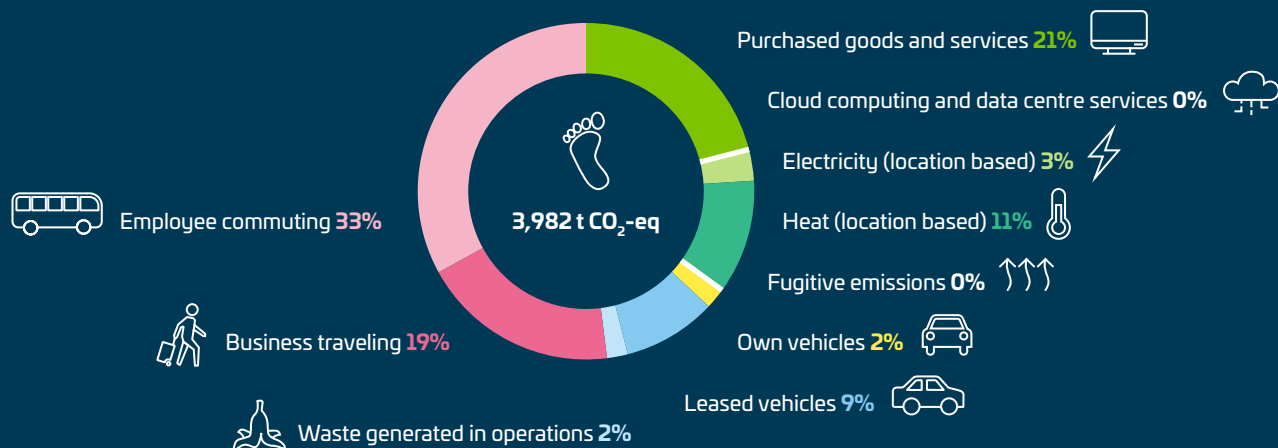
The second most significant emission source is *purchased goods and services* where the biggest share of emission is caused by IT equipment. Sitowise cooperating with its IT equipment service provider to enhance circular economy principals in its IT purchases. The cloud computing and data center services used by Sitowise are using renewable energy sources.

The third most significant emission source is *business travelling* (19%). The emission in this category decreased from 2023 since the flight kilometers were decreasing with more than a half (2023: 794,219 km, 2022: 1,794,473 km). In 2023 Sustainable practices were updated to travel policy in Finland.

For more detailed information on the carbon footprint and the assumptions used in the calculation, see the ► **General sustainability reporting information.**



# Sitowise's carbon footprint 2023



## Carbon footprint indicators

Note: The figures are not directly comparable between the years due to changes in data and calculation.  
See *General sustainability reporting information* for more information.

| Indicator  | Unit                              | 2021      | 2022      | 2023      |
|--|-----------------------------------|-----------|-----------|-----------|
| Number of personnel at offices (Finland and Sweden)*     | person                            | 1,630     | 2,232     | 2,106     |
| Direct own emissions, Scope 1                            | t CO <sub>2</sub> -eq             | 13        | 46        | 54        |
| Indirect emissions from energy, Scope 2 (location based) | t CO <sub>2</sub> -eq             | 455       | 519       | 470       |
| Indirect emissions from energy, Scope 2 (market based)   | t CO <sub>2</sub> -eq             | -         | -         | 380       |
| Other indirect emissions, Scope 3                        | t CO <sub>2</sub> -eq             | 1,270     | 2,016     | 3,458     |
| Total carbon footprint (Scope 1–3, location based)       | t CO <sub>2</sub> -eq             | 1,738     | 2,580     | 3,982     |
| Total carbon footprint (Scope 1–3, market based)         | t CO <sub>2</sub> -eq             | -         | -         | 3,891     |
| Total carbon footprint per employee (location based)     | t CO <sub>2</sub> -eq/person      | 1.1       | 1.16      | 1.89      |
| Total carbon footprint per employee (market based)       | t CO <sub>2</sub> -eq/person      | -         | -         | 1.85      |
| Electricity consumption at offices                       | MWh                               | 2,497     | 3,234     | 1,389     |
| Heat consumption at offices                              | MWh                               | 2,859     | 3,423     | 2,719     |
| Compensated mileage                                      | km                                | 2,025,225 | 2,354,392 | 2,336,005 |
| Compensated mileage per employee                         | km/person                         | 1,242     | 1,055     | 1,109     |
| Flight kilometers  | km                                | 95,917    | 1,794,473 | 798,219   |
| Flight kilometers per employee                           | km/person                         | 59        | 804       | 377       |
| Total GHG emissions (location-based) per net revenue     | t CO <sub>2</sub> -eq/EUR million | -         | -         | 18.9      |
| Total GHG emissions (market-based) per net revenue       | t CO <sub>2</sub> -eq/EUR million | -         | -         | 18.4      |

\* The calculation is based on the number of people in the offices in Finland and Sweden.

# Sustainability is embedded in management practices

## Guiding principles and policies for sustainable practices at Sitowise

Sustainability efforts at Sitowise are guided by Sitowise's strategy, environmental policy, sustainability program, Code of Conduct, and industry practices as well as the general principles of social sustainability and the legislation. Sitowise's management system and activities are ISO 9001 and ISO 14001 compliant. Data security is developed according to the ISO 27001 standard. In Sweden occupational health and safety matters are managed with ISO 45001 standard.

Sitowise's sustainability program is applied across the entire company, all business areas and all subsidiaries. The group makes several acquisitions annually and its operations have become increasingly international. The acquired companies and their employees will be committed to Sitowise's sustainability program and practices from early on and at the latest at the fusion phase. In Sweden, the implementation of the sustainability program has been carried out, where applicable, with a delayed timetable compared to Finland.

In addition, Sitowise is committed to the following international declarations and agreements: UN Sustainable Development Goals, Universal Declaration of Human Rights, Convention on the Rights of the Child, ILO Declaration on Fundamental Principles and Rights at Work, Rio Declaration on Environment and Development, UN Convention Against Corruption, OECD Guidelines for Multinational Enterprises, UN Global Compact initiative, and from December 2023 Science-Based Target initiative.

## The strategy is strongly aligned with sustainability

Sitowise's strategy for the period 2023–2025 is built on three pillars – *The most innovative, the most sustainable and the most efficient* and they all include features related to sustainability. However, the strongest efforts for sustainable future are packed in the most sustainable strategic pillar that is divided into three parts: 1) making existing business more sustainable, 2) creating new sustainability services and 3) making our own operations more sustainable. Sitowise's strategy is presented in more detail in chapter *Strategy and business*.

The majority of Sitowise's services and products are related to sustainable development. Their sustainability impacts are continually developed, among others, with the use of a Sitowise's Sustainability Tool. Sitowise's services and products, along with primary customer groups, are listed per business area in their presentations in chapter *Strategy and business*. Sitowise has a

growing sustainability services team that provides various expert services related to sustainability.

## Sustainability is integrated into risk management

Sustainability risk assessment and management are part of the group's risk management process. The risk management and internal control process cover all Sitowise operations, scaling according to the assessed aspects for different business units. For strategic, operational, financial, and sustainability risks, the assessment considers the probability and impact of identified risks based on common parameters. Prioritization is done based on risk category, probability, and impact.

The most significant sustainability risks are that it may not be able to integrate sustainability to the company's business and it may fail in meeting the requirements of stakeholders. Out of the evaluated risks, non-compliant actions and risk for the realization of diverse and inclusive working community were found to be the lowest rated, both in assessing their probability and impacts.

Measures to mitigate the most significant risks are part of Sitowise's strategy and development projects related to implementing the strategy. Operational risks are regularly reported to the executive management on a monthly basis. The strategic risk assessment is updated annually, and the status of risk management is reported at least twice a year during management reviews and executive status updates. More on risk management at Sitowise ► [Read more](#).

## Double materiality assessment provides more insights to risk assessment

Sustainability risks are also assessed as part of the sustainability double materiality assessment conducted in the turn of the year 2023–2024. It identifies the sustainability risks and opportunities affecting Sitowise and its value chain, assessing their probability, impact breadth, severity and potential irreversibility. Moreover, the economic effects of risks and opportunities are evaluated.

The corruption and climate risks are discussed in this report in accordance with the Global Reporting Initiative (GRI) framework. Additional information on other risks and uncertainties in Sitowise's operations can be found in ► **Sitowise Board's report.**

## Corruption risks

The corruption risks of the company are in two directions: Those aimed at Sitowise and those caused by it. Bribery is considered to be the most likely form of corruption. Sitowise's Code of Conduct, which all employees and persons in positions of trust must follow, prohibits corruption, bribery, and extortion. It requires sustainable and ethical procurement practices, manages both corruption risks and includes instructions related to them. The possibility of bribery of employees is reduced by following the so-called four-eyes principle, where at least two persons need to confirm the validity of each purchase and travel invoice. The assessment of corruption risks is the responsibility of the finance department.

## Climate risks

The built environment causes over a third of the global greenhouse gas emissions\*, and so reducing its emissions is of great importance in curbing climate change. The direct and indirect effects of climate change have a direct connection to Sitowise's service offering and business as well as the demand for these. On the other hand, this is also an opportunity for Sitowise to develop its business according to the needs of its clients.

The risks in more detail are that Sitowise fails in taking into consideration the effects of climate change in its projects, it fails in identifying client needs related to climate change well enough or is unable to respond to them efficiently enough with its expertise. The risk lies in failing to train employees with climate issues and not being able to attract experts on climate change to work in Sitowise.

It is also possible that climate change affects the projects with which Sitowise works. In addition, the economic effects of climate change can also affect Sitowise. Climate risks concerning the premises has minimum effect on Sitowise since the company does not own its premises.

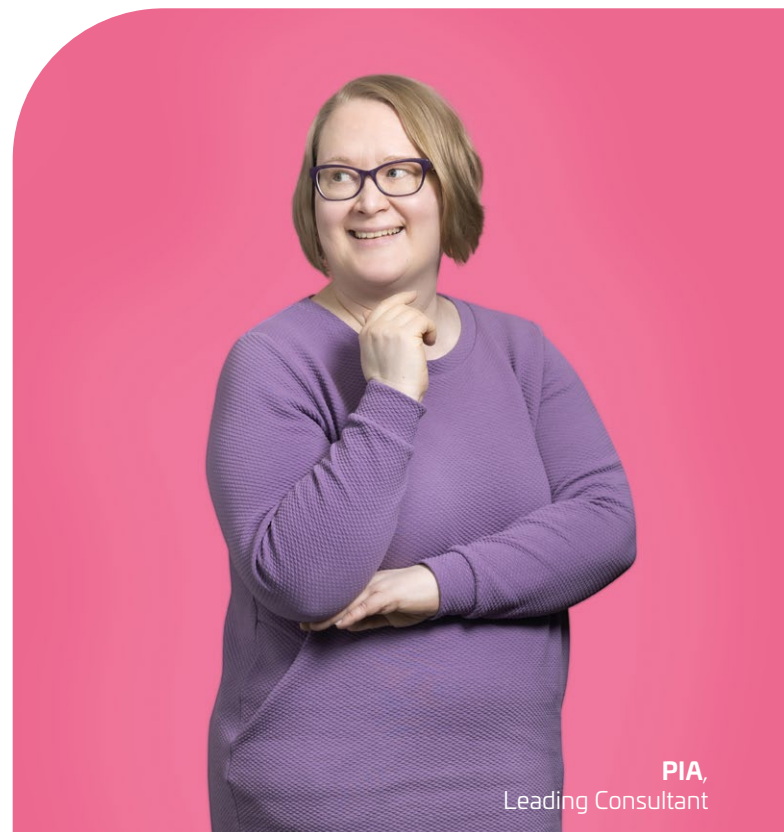
Sitowise has publicly announced its sustainability goals, one of which is the goal of carbon neutrality by 2025. One of the risks can be seen as a reputational risk if Sitowise is unable to achieve its publicly stated goal.

\* Source: United Nations Environment Program (2023). Building Materials and the Climate: Constructing a New Future.

## Responsible procurement practices

Sitowise conducts all its procurement in a responsible way, following the company's code of conduct and procurement practices. The procurement includes partnerships and subcontracting related to customer projects, project purchases as well as other goods and service acquisitions. Collaboration with contract partners is based on fairness and transparency. Partners that are reliable are a significant part of company success and, therefore the responsibility of contract partners and transparent implementation is important. At Sitowise partnerships are valued, and in their selection, the social and environmental aspects of sustainability are particularly considered.

In 2024, Sitowise will view its due diligence process to meet the prospective requirements of European Commission's Corporate Sustainability Due Diligence Directive (CSDDD) even though the approval process of the directive is still unclear. Due to the CSDDD directive, companies need to establish procedures to address the impacts on human rights and the environment in their value chains.



PIA,  
Leading Consultant

# Sustainability in the work of the Board and management

## Board of Directors and the Group Management Team

The Board of Directors consists of eight non-executive members, and the Group Management Team consists of nine executive members, including the CEO.

### BOARD OF DIRECTORS



#### Eero Heliövaara

- Chairman of the Board since 2019
- Chairman of the Personnel Committee
- Member of the Acquisitions Committee
- Master's degree in Economics and Business Administration, Master's degree in Engineering
- Born 1956, Finnish citizen
- Independent of the company and its major shareholders
- Shareholdings: 109,208 shares of which 81,208 through Heliocabala Oy

#### Key positions of trust and work experience

Mr. Heliövaara acts as a Board member of Saastamoinen Foundation and LymphaTouch Inc, and as a delegate in the Finnish Foundation for Economic Education. Previously he has acted in the Boards of YIT Plc, Solidium Oy, eQ Oyj, Realia Group Oy and Paulig Oy, and as a Director General in the State of Finland the Ownership Steering Department of Prime Minister's Office, the CEO of SRV Group Plc, Pohjola Group Plc and Merita Asset Management Oy, and as an Executive Vice President and Chief Investment Officer of Ilmarinen Mutual Pension Insurance Company.



#### Taina Kyllönen

- Board member since 2019
- Member of the Audit Committee
- Master's degree in Economics and Business Administration
- Born 1967, Finnish citizen
- Independent of the company and its major shareholders
- Shareholdings: 9,320 shares

#### Key positions of trust and work experience

Ms. Kyllönen acts as the Director of Communications, Innovations and Community Relations of the University of Helsinki and a Board Member of HIS, Helsinki Innovation Services Ltd and Center for Continuing Education HY + Ltd. Previously she has acted as Executive Vice President and Head of Corporate Identity and Group Communications and Member of the Executive Committee of SSAB Group, in addition to which she has held similar positions at Rautaruukki Corporation and Metso Corporation.



#### Mirel Leino-Haltia

- Board member since 2021
- Chairman of the Audit Committee
- PhD in Economics and Business Administration, CFA charter
- Born 1971, Finnish citizen
- Independent of the company and its major shareholders
- Shareholdings: 5,500 shares

#### Key positions of trust and work experience

Ms. Leino-Haltia acts as a Professor of Practice at Aalto University School of Business and is a Board Member of Teleste Corporation, Ålandsbanken Plc, Euroclear Finland Ltd, Boardman Ltd, Savings Banks Research Foundation, LocalTapiola Mutual Life Insurance Company, LocalTapiola Asset Management Ltd and the Association of Finnish auditors (Suomen tilintarkastajat ry). She is also Chairman of the Board of Indufor Oy. Previously Ms. Leino-Haltia has worked several years as a partner in consulting practice of PricewaterhouseCoopers Oy.



#### Elina Piispanen

- Board member since 2017
- Member of the Personnel Committee
- Master's degree in Economics and Business Administration
- Born 1963, Finnish citizen
- Independent of the company and its major shareholders
- Shareholdings: 70,000 shares of which 50,000 shares through Fit Advice Oy

#### Key positions of trust and work experience

Ms. Piispanen is a Board member of Cervi Oy, Cinia Oy, Finnvera Oy, in Oiva Isännöinti group companies and Telko Ltd and, Chair of the Board of Punainen Risti Ensiapu Oy, and acts as the CEO and Board member of Fit Advice Oy. She is also an angel investor in several firms. Previously she has been member of the board in Loihde Oyj and acted as Chief Transformation Officer at Sanoma Media Finland Ltd and over the years she has held several leading positions at Accenture as a partner.





### Petri Rignell

- Board member since 2019
- Member of the Acquisition Committee
- Master's degree in Engineering
- Born 1962, Finnish citizen
- Independent of the company and its major shareholders
- Shareholdings: 80,340 shares of which 30,340 through PriRock Oy

### Key positions of trust and work experience

Mr. Rignell serves as Chairman of the Boards of Consti Plc, Nordec Group Oyj, and Kreate Group Oyj. He is a Board member of Fimpac Group Ltd and its group companies, of Kreate group companies, of Arco group companies, Setera Communications Oy, and acts as a member of the Board and the CEO of PriRock Oy. Mr. Rignell has acted as managing director of IVGPolar Oy and Projektikonstultit Oy earlier.



### Tomi Terho

- Vice Chair of the Board
- Board member since 2016
- Chair of the Acquisitions Committee
- Master's degree in Economics and Business Administration
- Born 1984, Finnish citizen
- Independent of the company but not of its major shareholders
- No shareholdings

### Key positions of trust and work experience

Mr. Terho is a partner at Intera Partners Oy and serves as a member of the Boards of Arco group companies, Better Burger Society group companies, several companies belonging to the group of companies of Intera Partners, Oppo One Oy and Lummene Capital Oy. Previously, he has also been a Board member of, for example, NoHo Partners Oyj, Evidensia Djursjukvård AB, Consti Group Plc and Polarica AB, and worked as a management consultant at McKinsey.



### Niklas Sörensen

- Board member since 2023
- Member of the Personnel Committee
- Member of the Acquisitions Committee
- M. Sc. (Eng.)
- Born 1970, Swedish citizen
- Independent of the company and its major shareholders
- Shareholdings: 3,000 shares

### Key positions of trust and work experience

Mr. Sörensen has extensive experience in technical consulting in built environment with focus on transport infrastructure, real estate and energy. In addition, he has strong knowledge in R&D, green transition, new business models, and digitalization. He was the Managing Director of Ramboll Sweden between 2016–2021 and worked as Business Area Director of Sweden at WSP between 2013–2016. Prior to that he held several management positions in Grontmij and Ramboll.

Currently Sörensen is the CEO and co-founder of Locus Infra, a management company investing in small-scale energy assets in the Nordics. He also serves as the Chairman of the Boards of Diagona and Markanvisning i Norden Ab, and is a member of the Boards of Directors of Universes and IQ Samhällsbyggnad.



### Mats Åström

- Board member since 2023
- Member of the Audit Committee
- Member of the Acquisitions Committee
- B. Sc. (Business Administration and Economics)
- Born 1965, Swedish citizen
- Independent of the company and its major shareholders
- Shareholdings: 2,500 shares

### Key positions of trust and work experience

Mr. Åström has long track record from developing companies organically and via M&A. He has a long career in the financial services industry and has extensive experience in business planning and development, entrepreneurship, business process improvement, and strategy.

Åström has acted as the CEO and CFO of Nordic Climate Group since 2021. Prior to that he was the CEO of Sandbäcken Invest AB between 2018–2021 and held several CFO positions in different companies such as Sandbäcken Invest AB, CFO between 2017–2018; and Rejlers AB, CFO between 2014–2017.

Shareholding on 31 December 2023.

## MANAGEMENT TEAM



### Heikki Haasmaa

- CEO
- Master's degree in Engineering
- Born 1978
- CEO since 2022
- Shareholdings: 70,000 shares

#### Work history

Mr. Haasmaa has a long career in the listed company KONE in various management positions. His latest position at KONE was the Senior Vice President of KONE's global Maintenance Business.



### Jonas Larsson

- Executive Vice President, Sweden
- Master's degree in Sustainable Product Development
- Born 1970
- At Sitowise since 2021
- Shareholdings: 10,000 shares

#### Work history

Mr. Larsson joined Sitowise from the position as a VP in AFRY, where he was responsible of the Connected Products business area. Larsson worked in AFRY Group for 24 years in multiple executive roles and has a broad understanding about leading a project-oriented organization. His experience in AFRY covers several executive roles including EVP and Head of M&A and Business Development, VP and Head of Competence Center, Industry Division and VP and Head of Business Area Product Engineering.

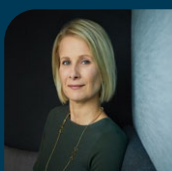


### Taija Lehtola

- Executive Vice President, Human Resources
- Master's degree in Economics and Business Administration
- Born 1973
- Management team member since 2022
- Shareholdings: 18,000 shares

#### Work history

Ms. Lehtola joined Sitowise from the position of Chief HR and Responsibility Officer of Digita. She has over 20 years of experience in Human Resources Management from Nokia, KONE and Paroc Group.



### Hanna Masala

- Executive Vice President, CFO
- Master's degree in Finance
- Born 1976
- CFO since 2022
- Shareholdings: 20,000 shares

#### Work history

Before Sitowise, Ms. Masala has worked in several leadership roles in the areas of finance, strategy and M&A. Her latest position was as a Group Finance Director in Fortum Oyj. Before this she has worked in Solidium, Outokumpu and Nordea Corporate Finance.



### Jannis Mikkola

- Executive Vice President, Infrastructure Solutions
- Master's degree in Engineering
- Born 1973
- Management team member since 2018, over 15-year career in a variety of management roles in Sitowise
- Shareholdings: 356,740 shares

#### Work history

Mr. Mikkola has worked in infrastructure sector for more than 20 years, specializing in multidisciplinary urban projects and underground construction.



### Timo Rääkkönen

- Executive Vice President, Buildings
- Master of Science in Industrial Management, Master of Science in Economics
- Born 1973
- Management team member since 11/2023
- Shareholdings: 8,600

#### Work history

Mr. Rääkkönen has strong international experience in client-oriented business development and management from Destia, YIT, Ahlstrom and McKinsey & Company. He joins Sitowise from the position of Executive Vice President of Destia's Urban Development and Design Services.



### Turo Tinkanen

- Executive Vice President, Information Technology
- Degree in telecommunications engineering
- Born 1982
- Management team member since 2018
- Shareholdings: 52,000 shares

#### Work history

Prior to Sitowise, Mr. Tinkanen ran his own IT consulting firm for 16 years. Through this he has become particularly familiar with the IT environments, challenges and development opportunities in the consulting and design industry, and has extensive experience in systems specific to the construction industry.



### Minttu Vilander

- Executive Vice President, Sustainability, Brand & Communications
- Master of Arts
- Born 1981
- Management team member since 2020
- Shareholdings: 19,200 shares

#### Work history

Prior to Sitowise, Ms. Vilander has worked as the communications & brand director of the listed company NRC Group and as the communications manager of Granlund.



### Anna Wäck

- Executive Vice President, Digital Solutions
- Master of Science in Economics & Business Administration
- Born 1988
- Management team member since 05/2023
- Shareholdings: 3,750 shares

#### Work history

Ms. Wäck has experience of developing new business and leading strategic growth projects and sales from KONE, Siili Solution and Capgemini Consulting. She joined Sitowise from the position of Head of Global Offering, Pricing and Sales Development in KONE's global maintenance business.

Shareholding on 31 December 2023.

## Committees support the activities of the Board, and the Management Team supports the CEO

The Board of Directors is elected by the general meeting of shareholders based on the proposal prepared by the Shareholders' Nomination Board, and the Board appoints members to its committees from among its members. The Board takes care of the company's administration and the proper organization of its operations and is responsible for ensuring that the supervision of the company's accounting and financial management is properly organized.

More on the tasks of the Board: ► [Read more](#)

Based on the management's proposals, the committees prepare matters in their area of sustainability for the Board to decide on. The committees have no independent decision-making powers. The Audit Committee of the Board has a preparatory role in

financial and sustainability matters, and the Personnel Committee in personnel and remuneration matters. The task of the Acquisitions Committee is to assist the Board with the business acquisitions strategy and its implementation. The Shareholders' Nomination Board, consisting of a representative of each of the three largest shareholders and the Chairman of the Board serving as an expert member, is responsible for preparing the proposals on the election and remuneration of the Board members to be presented to the Annual General Meeting. External experts are consulted in the committees according to their wishes and needs, for example in the Audit Committee regarding sustainability matters.

More on the committees: ► [Read more](#)

In accordance with the Finnish Limited Liability Companies Act and the mandates and guidelines received from the Board, the CEO is responsible for managing and supervising the company's day-to-day operations. In daily management, the CEO is assisted by a Group Management Team.

## Differences in board members backgrounds bring versatile knowhow

Sitowise’s Board has versatile experience and know-how, from universities to construction and finance, consulting and communications. The members’ educational backgrounds are on the commercial and technical side. The members have extensive positions of trust in various companies, which also benefits Sitowise in the development of its sustainability work, among other things. Of the eight members of the Board, five are men and three women. Diversity is also brought by the fact that the members were born in four different decades and that the members represent two different nationalities: Finnish and Swedish. All the other Board members are independent of the company and its largest shareholders except Tomi Terho who is independent of the company but not of its major shareholders, as he is a partner in the company’s largest shareholder, Intera Partners.

Gender diversity ratios:

- Board: 38%
  - GMT: 44%
- (an average ratio of female to male members)

More information on the diversity principles of the Board of Directors is presented in ► **the Corporate Governance Statement.**

Independence ratios:

- 100% of the Board members are independent of the Company
- 88% of the Board members are independent of significant shareholders

More information on the independence of the Board of Directors is presented in ► **the Corporate Governance Statement.**

With regard to the skills and expertise related to overseeing sustainability matters, Sitowise’s Board members are board professionals who regularly follow the relevant regulatory processes and developments and are active in different networks that provide updates on regulatory developments. The Board also leverages the internal expertise of Sitowise’s Sustainability Team, led by the Chief Sustainability Officer. The Board can also request external experts to present their views on the sustainability matters as deemed necessary.

## Addressing the sustainability matters in the Board and Group Management Team

Sustainability aspects and the progress with the sustainability indicators are regularly discussed in the meetings of Board of Directors, Group Management Team as well as business area management teams.

|                              |  |
|------------------------------|--|
| <b>Group Management Team</b> | <p>The Sustainability Team provides a comprehensive report to Sitowise's GMT on the progress of the Sustainability Program's objectives twice a year.</p> <p>Other group level sustainability topics are discussed monthly in GMT.</p> <p>Sales and development of new sustainability services are monitored monthly as part of sales reporting.</p>         |
| <b>Audit Committee</b>       | <p>The sustainability matters are discussed regularly to the necessary extent, especially in connection with financial reporting.</p>  |
| <b>Board</b>                 | <p>The CEO presents topical sustainability matters to the Board as a recurring meeting item and the sustainability matters (including business perspective and opportunities) are presented to the Board at least twice a year</p> <p>The sustainability matters are regularly discussed to the necessary extent in connection with financial reporting.</p> |

The processes and duties of the Board and the Audit Committee will be reviewed and developed during the financial year 2024 to correspond to the Corporate Sustainability Reporting Directive (CSRD).

The main features of the Company’s risk management system are further described in the Corporate Governance Statement.

## Sustainability responsibilities and approval processes at the Company

The company’s Board of Directors or the Group Management Team approves the guidelines and policies that guide the company’s operations, such as the strategy, vision, purpose, values, Sustainability program and governance policies and principles as well as any changes to these. A member of the Group Management Team is responsible for the development and preparation of these documents.

In order to enable the Board to carry out its control task, the management reports on the progress of the objectives of the Sustainability program; indicators related to personnel (turnover, new employees, sick leaves); the company’s financial situation; and the achievement of the long-term financial goals set by the company, on a monthly basis. The results of the personnel survey are reported annually.



Matters related to business acquisitions and client contracts are approved in accordance with the principles agreed in the company at the required level, either by the Board of Directors or at the operational level. In matters falling within the Board's decision-making authority, the Board discusses the matter based on a proposal by the management and decides on approval. Matters related to financial sustainability and the correctness of reporting are reported to the Audit Committee in more detail according to the annual calendar, and financial matters are discussed in the Audit Committee, in whose meetings the CFO among others, is present. Personnel matters are discussed in the Personnel Committee, where the Chief Human Resources Officer is present.

Among other things, the effectiveness of the processes related to the above-mentioned matters is monitored at the board and committee level, e.g. by means of internal audits and through various reviews, such as those by the Acquisitions Committee regarding business acquisitions. Such evaluations are carried out throughout the year and at different frequencies, depending on the subject.

The CFO is responsible for financial matters; The Chief Human Resources Officer is responsible for personnel matters. The Chief Communications and Corporate Sustainability Officer is responsible for sustainability matters. The Chief Human Resources Officer discusses personnel matters with the Board's Personnel Committee approximately once every two months. The CFO discusses financial matters with the Audit Committee of the Board at least four times a year in the Audit Committee. The company's CEO reports the company's financial situation to the Board monthly. The Corporate Sustainability Officer reports to the Audit Committee annually at least on sustainability reporting, and the status of the implementation of the Sustainability program is reported to the Board at least twice a year.

The progress with the sustainability goals is tracked internally on a quarterly and monthly basis at different levels in the company. The personnel can follow the implementation of the Sustainability program and its progress through internal communication channels. Information on the use of the Sustainability Tool in client projects is available and up to date. Sitowise's sustainability aspects are reported externally with the annual Sustainability Report. Furthermore, sustainability goals are discussed in interim reporting, as necessary.

The company is in the process of building European Works Council to facilitate the exchange of information between the management and employees, to provide a platform for employees to be consulted on the transnational strategy of the company as well as to promote cooperation and exchange of information between employees from different countries and regions. In Finland, Employee Representatives are taking part in decision making. There are two positions reserved for the employee representatives in Sitowise's extended leadership team in Finland.

## Management remuneration supports sustainability

The objective of remuneration at Sitowise is to promote the implementation of the company's growth strategy and the achievement of its long-term financial targets, competitiveness, and the favourable development of shareholder value. Sitowise is guided by an ambitious target to be the most responsible partner in developing a prosperous living environment, and remuneration is used as one tool to guide us towards the goal.

In the goals for 2023, sustainability has been one of the objectives in the short-term incentive system in the Finnish organization. The weight of sustainability in the objectives for the key personnel group has been 10%. Sustainability has been measured with usage the use of the Sustainability Tool in projects. The Sustainability Tool ensures that sustainability objectives are considered in every client project. The goal has been to use the tool in 90% of our projects. As a result, during the year 2023, the Sustainability Tool was used in 89% of customer projects in Finland. In Sweden, the Sustainability Tool has not yet been implemented.

The objectives of Sitowise's compensation are in more detail documented in the company's Remuneration policy. The board reviews and presents the Remuneration policy and its essential changes to the general meeting as needed, but at least every four years. The general meeting makes an advisory decision on whether to endorse the proposed compensation policy.

The Personnel Committee reviews and prepares for the board, at least annually, a recommendation evaluating the company's compensation and other benefit plans, including short-term incentive bonuses, share-based long-term programs and systems. It reviews and prepares a recommendation for the board according to Sitowise's incentive systems and programs and compensation strategy. The board decides on the systems annually. The Personnel Committee prepares for the board's decision the compensation of the board, CEO and the group executive team.

# Stakeholders' views and collaboration

The industry develops through collaboration. It is important to engage in active dialogue and understand stakeholder expectations. The company's business areas are primarily responsible for continuous cooperation with clients and partners. At Sitowise, Communications and Marketing, HR, Finance and the Sustainability Team also carry out extensive stakeholder co-operation. The company actively participates in the industry's networks and events. The industry networks enable influencing the development of sustainability aspects and sharing ideas with other organizations.

For Sitowise, comprehensive collaboration with higher education institutions is an essential way of collaborating with the industry's future creators. Sitowise's goal in Finland is to have students account for 10% of all personnel; the 2023 target was met. This goal has been set to ensure the development of competence at Sitowise and in the industry as well as to secure the availability of talent in the future.

The collaboration with education institutions and students is presented in chapter ► **Growing the next generation of experts.**

In 2023, Sitowise participated in the following associations and networks, among others:

- Elävät kaupunkikeskustat ry
- FIBS Finnish Business and Society
- GeoForum Finland

- Global Compact Network Finland
- Green Building Council Finland committees
- Helsinki Region Chamber of Commerce
- ITS Finland
- Finnish Real Estate Management Federation partner network
- RAKLI
- SKOL
- The HVAC Association of Finland, SuLVI
- Sähkösuunnittelijat NSS
- Tampere Chamber of Commerce and Industry
- Technology Industries of Finland
- Finnish Constructional Steelwork Association
- Finnish Water Utilities Association (FIWA)
- The Finnish Association of Landscape Industries

## Sponsorships and donations

The key goal of Sitowise's sponsorships and donations is to take concrete action and be an active responsible actor in society. The parties that receive sponsorships or donations must support Sitowise's vision and promote the construction of a shared sustainable future. In 2023, Sitowise's student and university collaboration included sponsored messages at universities and purchasing advertisements in overalls worn by students. Furthermore, the money allocated for personnel Christmas gifts was donated to UNICEF. The target was chosen by Sitowise employees.

| Key stakeholders  | The most relevant expectations  | Interaction  | Actions  |
|---|---|--|--|
| <b>Clients</b>  | Ethical and sustainable activities, quality of services, reliable collaboration   | Meetings with clients, active communication with clients, project meetings and communication, fairs and events, annual client satisfaction survey, project surveys, client letters   | Code of Conduct, unified tender process, quality assurance, processing of complaints, shared operational model for projects and the Voima platform that enables it, whistle-blower system  |
| <b>Personnel</b>  | Ethical and responsible activities as an employer, openness and active sharing of information, development of well-being and equity at work, possibility to develop as an expert and specialist | Internal communication channels: intranet, Yammer, Teams<br><br>Personnel events: Group management's monthly info and Q&A events, department and team meetings<br><br>Support for supervisors, monthly supervisor info, continuous support from HR | Performance review process, Code of Conduct and whistle-blower system, management system, other guidelines related to work, training, continuous interaction, personnel surveys, support for supervisors at work, shared information security practices and security guidelines, guided onboarding process |
| <b>Educational institutions and student organizations</b> | Education co-operation, information sharing, training future talent, recruitment, offering traineeships and thesis positions  | Teaching and courses at higher education institutions, recruitment fairs and events, student visits, co-operation with student organizations   | Contractual cooperation with different higher education institutions, NextGen trainee program, Vision for Competence, thesis pool  |
| <b>Partners and subcontractors</b>                        | Ethical and responsible collaboration according to the rules and guidelines of each party, high-quality operations, reliability, equal sharing of information                                   | Active stakeholder engagement, project meetings and communication, influencing through industry associations and networks  | Agreements, procedures required by the Sitowise Code of Conduct, audit of subcontractors   |
| <b>Shareholders, investors</b>                            | Financial performance, sustainable activities   | Active investor relation communication in accordance with the laws and regulations   | Operations development in line with the strategy, practical implementation of the Code of Conduct, interim and annual reporting  |

# People

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## Highlights of 2023: Engaging teams, embracing diversity, and adapting to challenges

*// In 2023, the new strategy engaged personnel. New strategy was discussed at our sites with all employees in sessions hosted by Sitowise leadership team members. Groups were discussing about values and strategic pillars along with our purpose. Also, strategy puzzles at each site made it fun competition to conclude the strategy – piece by piece. At the end of the year, over 80% of employees felt they have understanding of the new strategy and targets of the company\*.*

*I am happy with the progress we are doing in Diversity, Equity, and Inclusion (DEI) in including it to all our work and teams. One concrete step we took in 2023 was that all employees were asked to participate in training, and there was additional training for supervisors. Employee well-being remained a priority, with the introduction of a new health and well-being learning path and personal support services.*

*The year was also tough. We had to make reductions in our workforce due to continuing challenging market environment. Decisions about staff reductions are always difficult and are made only after careful consideration.*

**Taija Lehtola,**  
EVP, Human Resources

\* Quarterly Mood survey 11/2023: answering 6+/10.



*// I am happy with the progress we are doing in Diversity, Equity, and Inclusion in including it to all our work and teams.*



# Making the best workplace

## Guiding policies and commitments

As an expert company, the material social sustainability issues relate especially to our personnel. Sitowise aims to be the most equal and well-being workplace in its industry. Various internal policies and principles, as well as international commitments to social sustainability, support this goal.

Sitowise's operational principles which are defined, among others, in its Code of Conduct and Employee policy are:

- Sitowise complies with valid legislation.
- Sitowise complies with employer obligations.
- Sitowise complies with collective agreements.
- Sitowise acts responsibly, openly and honestly.
- At Sitowise, respect each other, our partners and our competitors.

Sitowise's commitment to human rights policy, specifically focusing on its own workforce, aligns with international standards such as the Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, OECD Guidelines for Multinational Enterprises and UN Global Compact initiative.

Sitowise manages its operations with an operating system built in accordance with the requirements of the ISO 9001. Sitowise Sweden is committed to managing occupational health and safety matters with ISO 45001 certificated management system. In Finland, the ISO 27001 standard guides the work related to information security, among others the security of employees' personal information.

## Labour rights and fair compensation

Sitowise emphasizes the importance of respecting human rights, especially labour rights, within its workforce. This commitment is reflected in the remuneration, recognition, and development policies. The organization ensures fair compensation, recognizing the significance of the work performed, individual competence, and continual improvement in work performance. The Company regularly reviews and compares wages, addressing changes in task demands, skill acquisition, and enhanced performance.

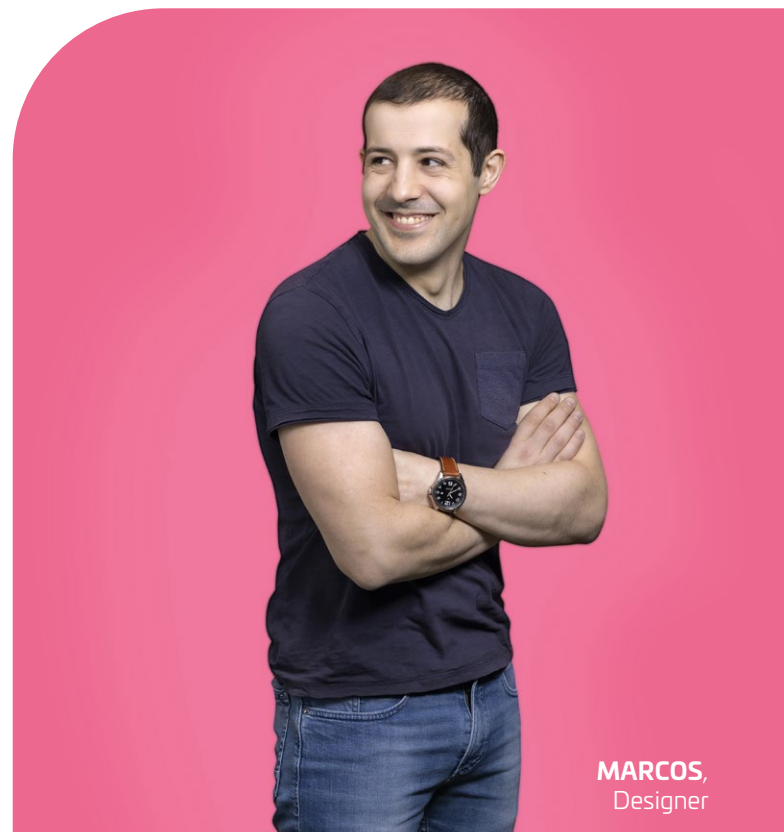
Sitowise monitors industry salary statistics and various forms of compensation annually. There is a focus on understanding and addressing the material topics concerning labour rights, employee engagement, and the provision of a safe and healthy working environment. This includes fostering a positive work culture, open communication and problem-solving abilities within the employees. The company cooperates regularly with representatives elected by the employees.

## Engagement with employees

Sitowise is dedicated to fostering a culture that promotes the well-being of its workforce. This is achieved through measures to enhance employee well-being, including health support, skill development, motivation, and creativity. The organization measures the state of workforce well-being through employee surveys and indicators related to work capability.

Sitowise establishes and encourages a reporting culture for any safety, data security, or quality-related discrepancies. Channels such as suggestions or incident reporting are provided to both identified employees and anonymous contributors (whistle-blowing). A committee addresses any complaints, ensuring they are directed to the appropriate department for resolution. There is a commitment to following up on issues and implementing corrective measures in response to reported discrepancies.

In essence, Sitowise's Employee Policy commitments underline the utmost importance of respecting, engaging with and providing remedial measures for its workforce in line with international human rights standards and guidelines. This response emphasizes the commitment to workers' rights, employee engagement, and measures taken to provide and enable remedies for any human rights impacts within the company's workforce.



## Sitowise's policies are aligned with Human Rights

Sitowise's policies related to its own workforce are explicitly aligned with internationally recognized instruments, including the UN Guiding Principles on Business and Human Rights. This alignment underscores the commitment to upholding human rights and labour standards as outlined in these principles.

Sitowise's policies demonstrate the organization's commitment to preventing grave violations as trafficking of human beings, forced labour, compulsory labor and child labor, ensuring that its own workforce is not involved in such practices, and adhering to international labour and human rights standards.

## Workplace accident prevention

Sitowise has implemented a workplace accident prevention policy and management system to ensure the safety and well-being of its workforce. This policy aims to identify, assess, and mitigate risks to minimize accidents, injuries and occupational health issues. Regular monitoring and reporting are integral parts of this system. In 2023, there were 20 accidents at work in Finland. Local hazard assessments will continue in all sites in 2024.

## DEI is at the heart of working at Sitowise

Sitowise maintains specific policies aimed at the elimination of discrimination, including harassment, and promotes equal opportunities, diversity and inclusion within its workforce. The company's non-discrimination policy explicitly covers various grounds, including racial and ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction, social origin and other forms of discrimination as required by Union regulation and national law.

To implement these policies effectively, the company has established specific procedures to prevent, mitigate and respond to discrimination and harassment when detected. These procedures include processes for reporting incidents, conducting investigations, DEI training for supervisors and personnel and taking appropriate corrective actions. The company also actively works to advance diversity and inclusion through awareness campaigns.

The responses highlight the company's commitment to aligning with internationally recognized instruments, addressing critical labour issues, ensuring workplace safety and promoting diversity and inclusion while implementing effective procedures to prevent and address discrimination and harassment.



**HANNU**, Key Account Manager  
**SAMI**, Head of Innovation

## Employees are included in the decision-making

Sitowise actively integrates the perspectives of its own workforce into its decision-making processes. This engagement is done through the following methods:

- Sitowise engages directly with its own workforce or worker representatives to gather insights and feedback by open-door policies, team meetings and encouraging superiors and subordinates to have direct conversations.
- Sitowise requests open comments from personnel annually in the Personnel Survey and quarterly in Pulse Survey.
- Sitowise has frequent quarterly meetings with representatives elected by the employees in Finland and practices are under creation in Sweden after a collective agreement has been established for the company during 2023. European works council is under process to be established.
- In Finland, the employee representatives are part of Sitowise's extended Management Team in Finland.
- Sitowise encourages employees to use Initiative and deviation addressing channels.

These interactions happen periodically to ensure the regular flow of communication.

The senior HR management and specific workplace relations managers have operational responsibility to ensure that engagement happens and that the results are considered in the company's approach.

The terms of employment for Sitowise employees are defined based on the collective agreements established by the Technology Industries and the Finnish Association of Consulting Firms (SKOL) in Finland and Innovationsföretagen in Sweden. The specific rights, duties and other employment conditions for individuals working at Sitowise are determined according to these collective agreements. These agreements are designed to respect the human rights of the workforce, providing a structured mechanism for workers to voice their perspectives and concerns.

The company assesses the effectiveness of its engagement with the workforce by analyzing the outcomes and agreements that result from these interactions. Regular evaluations and surveys are conducted to measure the impact and effectiveness of the engagement strategies.

*In Finland, the employee representatives are part of Sitowise's extended Management Team.*

## Concerns and misconducts are addressed promptly

Sitowise has established a detailed approach to providing remedies in cases where significant negative impact has been caused or contributed by the company to its workforce. The company continually assesses the effectiveness of the provided remedies to ensure they are adequate and satisfactory.

The company has various established channels allowing its workforce to directly raise concerns or needs for resolution. These channels are initiated by Sitowise itself and are available through participation in third-party mechanisms. These channels include:

- open door policy by CEO and other directors
- frequent team meetings
- anonymous whistle-blower channel

Sitowise has a grievance and complaints handling mechanism dedicated to addressing employee matters effectively. The company ensures the availability and support of these channels by incorporating efficient processes within the workplace, actively encouraging participation, and providing resources to promptly address the raised concerns.

The company tracks and monitors all the issues raised and resolved, ensuring the effectiveness of these channels. Sitowise involves stakeholders who are the intended users of these channels, actively seeking their feedback and input for continuous improvement.

Sitowise continuously assesses if employees are not only aware of the structures and processes that are available to raise concerns or needs but also trusts them. Furthermore, the company has in place policies that protect individuals, including workers' representatives, against any form of retaliation for using these channels.

## Sustainability risks and opportunities related to the workforce

Sitowise has initiated and planned actions to mitigate material risks arising from its impacts and dependencies on its workforce. These actions are systematically tracked to ensure their effectiveness in practice. The actions are defined in Sitowise's Code of Conduct, Employee policy and Security policy, for example.

The company has also initiated multiple actions to prevent or mitigate any material negative impacts on its own workforce such as enhancing workplace safety, providing continuous training and developing as well as promoting diversity and inclusion.

The company has established mechanisms and actions to provide or enable remedy in response to any actual material impact. These mechanisms ensure that the affected individuals have access to appropriate remedies.

The company has actions and initiatives aimed at delivering positive impacts for its own workforce for example

- employee well-being programs
- initiatives to promote diversity and inclusion, such as DEI training
- and continuous development opportunities, such as project manager or supervisor trainings.

Sitowise closely tracks and assesses the effectiveness of these actions and initiatives with regular evaluations, feedback mechanisms and performance indicators.

Sitowise has a clear process for employee protection and possible misconduct. The process involves a careful examination of the negative incident, its scope and an assessment of the possible consequences. Based on this assessment the appropriate actions are set, for example, occupational health care or the use of the early support model.

## Prevention of negative impacts

Sitowise ensures that its own practices do not cause or contribute to material negative impacts on its workforce. This includes considerations for procurement, sales, and data use. When tensions arise between preventing negative impacts and other business pressures, the company prioritizes the well-being and rights of its workforce.

## Towards the goals with tracking the progress and allocating enough resources

Sitowise evaluates the effectiveness of actions by setting specific targets to measure and assess progress towards its goals related to own workforce. This is done, for example, with an annual Employee Survey and quarterly Pulse Survey.

Sitowise allocates resources to effectively manage its material impacts on its workforce. The resources include, for example, HR services that support personnel, published personnel survey results that are available to everyone, and joint information sessions. These allocated resources allow stakeholders to understand how Sitowise manages and addresses material impacts, risks and opportunities in the best interest of its workforce.

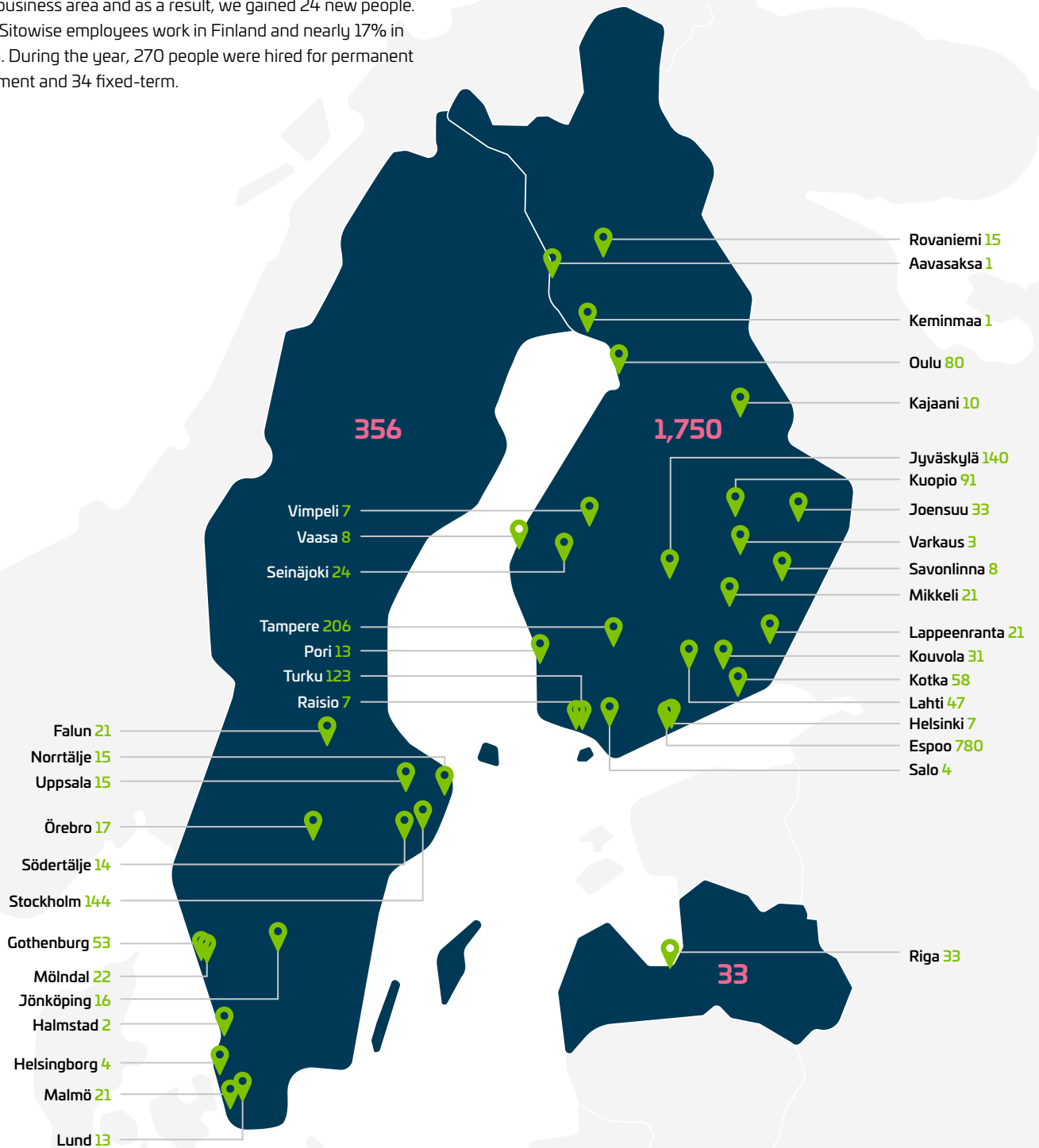


**SANNA,**  
Account Director



# Sitowise people in figures

Sitowise's number of employees decreased in 2023 by a total of 89 experts\*. At the end of the year, the total number of employees was 2,143. During the year, we had two acquisitions in Infra business area and as a result, we gained 24 new people. 82% of Sitowise employees work in Finland and nearly 17% in Sweden. During the year, 270 people were hired for permanent employment and 34 fixed-term.



\* The figure includes new employment contracts + acquisitions minus all terminated contracts. The number of employees data as of 31 Dec 2023. Data from 2022 in brackets as of 31 Dec 2022. Average number of employees 2,211 (2022: 2,151).

In addition, Sitowise has a total of 4 employees in Portugal and Spain.

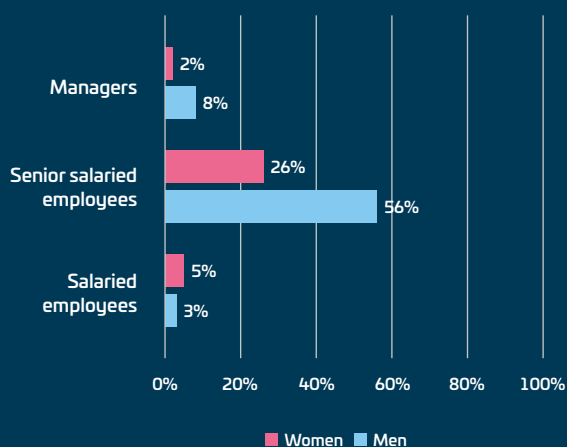
### Personnel by type of employment relationship 2023 (year 2022 in brackets)

| 31 December 2023                              | Men |       | Women |       | Total |       |
|---|-----|-------|-------|-------|-------|-------|
| Permanent contracts                           | 65% | (64%) | 32%   | (32%) | 98%   | (96%) |
| Fixed-term contracts                          | 1%  | (3%)  | 1%    | (1%)  | 2%    | (4%)  |
| Variable working hours contract (hourly wage) | 5%  | (6%)  | 2%    | (2%)  | 6%    | (8%)  |
| Full-time contracts                           | 58% | (58%) | 27%   | (28%) | 86%   | (86%) |
| Part-time contracts                           | 3%  | (3%)  | 4%    | (3%)  | 8%    | (7%)  |

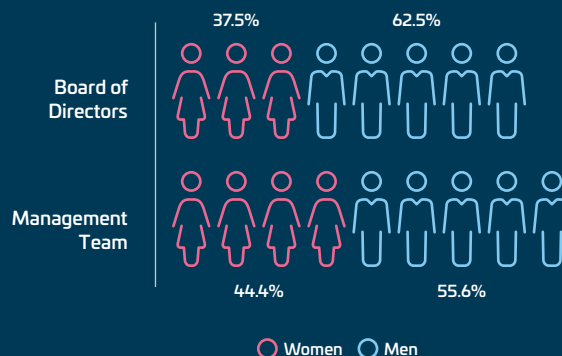
### Type of employment contract by country (year 2022 in brackets)

| By country                                    | Finland |         | Sweden |       | Other countries |      | Total |         |
|---|---------|---------|--------|-------|-----------------|------|-------|---------|
| Employee number                               | 1,750   | (1,834) | 356    | (342) | 37              | (56) | 2,143 | (2,232) |
| Permanent contracts                           | 1,708   | (1,756) | 351    | (330) | 37              | (56) | 2,096 | (2,142) |
| Fixed-term contracts                          | 42      | (78)    | 5      | (12)  | 0               | (0)  | 47    | (90)    |
| Variable working hours contract (hourly wage) | 139     | (165)   | 8      | (8)   | 0               | (0)  | 147   | (173)   |
| Full-time contracts                           | 37      | (1,529) | 343    | (328) | 1,455           | (54) | 1,835 | (1,911) |
| Part-time contracts                           | 156     | (140)   | 5      | (6)   | 0               | (2)  | 161   | (148)   |

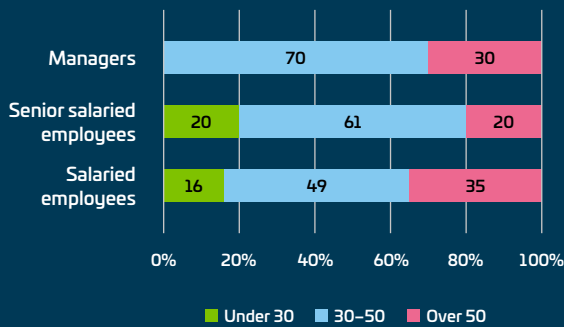
Share of men and women in different personnel groups (%) in Finland



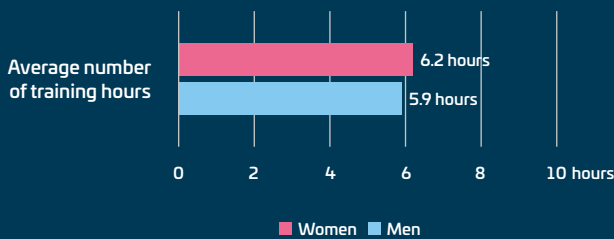
Gender distribution in senior management in numbers and percentages



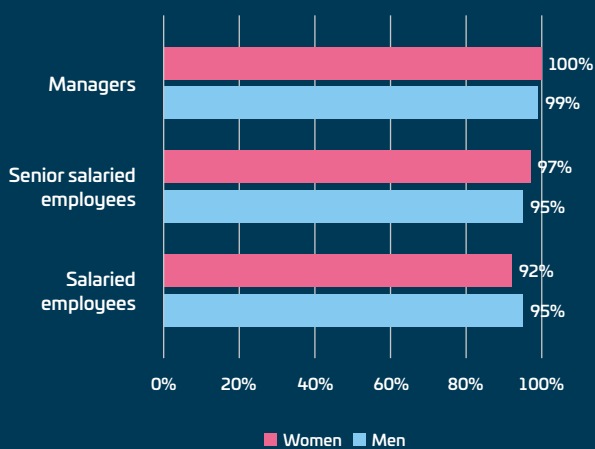
Age distribution in personnel groups (%):  
under 30, 30–50 and over 50 \*)



The average number of training hours  
per employee and by gender



Completed development discussions  
by personnel groups%



\* Personnel Group information available only for Finland.

### EMPLOYEE TURNOVER

According to the company's values, the responsibility as an employer is, based on mutual respect and appreciation, openness and close cooperation between all personnel. These values lay the foundation for influencing employee turnover. In 2023, Sitowise signed 304 new employment contracts, with 395 contracts ending. At the group level, employee turnover slightly increased compared to the previous year, being 18,1% in 2023 (2022: 16,9%). The increase is in line with the labor market situation in Finland and Sweden.

### A TRUSTWORTHY EMPLOYER

Sitowise fulfils all its employer obligations and wants to be known as a reputable and reliable employer. The company follows the legally mandated wage payment principles and respects the personnel's freedom of association.

92% of Finnish personnel are covered by a collective agreement. For Sweden, the corresponding figure is 93%. In Sweden, efforts have been made to have all personnel covered by the collective agreement during 2023. Local legislation is applied in other countries where the company operates.

Sitowise has a regular dialogue with employee representatives. All employees who are covered by a collective agreement are represented by an employee representative.

### SALARIES BASED ON COLLECTIVE AND PERSONAL GROUNDS

Salaries are based on the salaries of the sector and the collective agreement. Employees' salaries are adjusted on both collective and personal grounds. The collective increases will be implemented in accordance with the agreements of SKOL (in Finland) and other labour market organizations (työmarkkinajärjestö). Collective agreements may also contain provisions on locally agreed pay increase instalments, which are negotiated on a company-specific basis with personnel or their representatives.

At Sitowise, personal salary increases are implemented according to common principles and schedules. On personal grounds, pay can be adjusted based on a substantial change in duties, the development of a person's experience and competence, or a change in performance.

The student salaries follow the recommendations of the relevant labour unions, if the demands of the job correspond to the level of education in question. Students' salaries can be adjusted according to the company policy, based on advancement in studies.



**SARA**, Designer  
**HELMİ**, Specialist



**COMPETENCE DEVELOPMENT**

At Sitowise, competence development is important and the company invests in it in different ways. The yearly Personnel Development Plan guides competence development measures. All employees are offered internal training in the form of online courses, webinars, and online coaching. In addition, the career development at Sitowise is supported through career guidance and a mentoring program. As supervisory work is valued at the company, comprehensive support is offered to supervisors. Supervisors have training on various topics, including labour legislation. Internal monthly supervisor briefings are also an important information channel, covering most topical issues.

**NEXTGEN TRAINEE PROGRAM BUILDS OUR FUTURE**

NextGen is Sitowise's trainee program aimed at students with different backgrounds around Finland. The program includes a trainee period and career coaching. Students get their own supervisor for the trainee period, and they work on actual projects under the guidance of Sitowise experts. Career life coaching helps students to develop their work life competences. NextGen program is mutually beneficial: The students get to increase their expertise and Sitowise employees get to enjoy fresh perspectives. Sitowise strives to provide as many NextGen trainees as possible with an opportunity to continue working at Sitowise after their trainee period. In 2023, Sitowise had a total of 37 (2022: 68) NextGen trainees in Finland. The program is continuously developed based on the feedback from students and business functions. During 2024 the program is planned to expand to Sweden.

*As supervisory work is valued at the company, comprehensive support is offered to supervisors.*

*Sitowise's goal in Finland is to have students account for 10% of all personnel.*



**KATRI**, Designer  
**JANI**, Specialist

**CLOSE COLLABORATION WITH OCCUPATIONAL HEALTH CARE TO SUPPORT WORKING CAPACITY**

All employees are covered by occupational health care in accordance with the law and it is supplemented by comprehensive insurance.

At Sitowise, the safe and healthy working environment is systematically managed according to action plans prepared by occupational health and safety. Throughout Sitowise, employees' working capacity is supported through comprehensive occupational health care services. In addition to statutory occupational health care services, Sitowise employees have access to a broad network of occupational health care experts and are covered by a comprehensive accident insurance policy. The occupational health care action plan is updated annually, and it especially considers the stress management issues that pose a challenge in expert work. There is regular discussion about the action plan, and the development of the work community in general, with an occupational health and safety committee comprising personnel members.

**SERVICES SUPPORTING OVERALL WELL-BEING**

In expert work, the challenges of mental well-being and coping are recognized as a factor that challenges the ability to work. In addition to the services of an occupational health psychologist, Auntie, a completely anonymous, low-threshold psychological conversation support service separate from the occupational health service, was introduced in Finland experimentally. Through this service, any Sitowise employee can also seek help through conversations on problems outside of work that challenge their well-being.

After the pandemic, we at Sitowise have enjoyed the opportunity to meet each other. Sitowise supports exercise and excursion

events organized together by the personnel in their spare time. In 2023, various groups of employees have participated in running, cycling, orienteering, yoga, hiking, and other similar events. In addition, all employees in Finland can enjoy the Epassi sports and culture benefit. Exercise during the working day is supported with the help of break exercise programs installed on the work computer.

**FAMILY LEAVE ENABLES COMBINING WORK AND FAMILY LIFE**

In Finland and Sweden, all employees are entitled to family leave in accordance with the law. Sitowise wants to support its personnel in taking advantage of family leave.

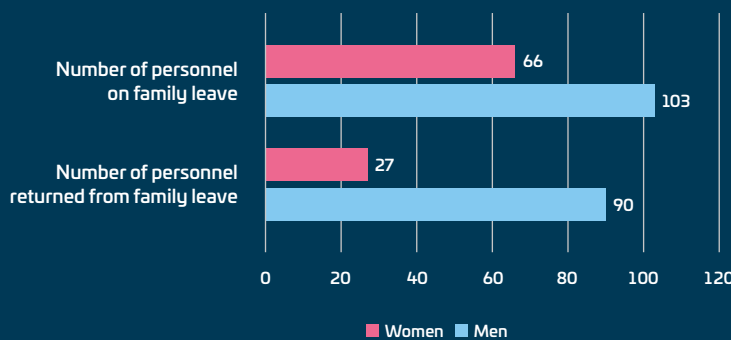
**REMUNERATION METRICS**

In Finland, the median salary of women in Finland is 88.8% of the median salary of men. In Sweden, the corresponding figure is 85.7%. The monthly median salary for the employee in Finland is EUR 4,217.60 and in Sweden 45,500 SEK. This figure excludes the highest-paid individual in both countries. The ratio between the person receiving the highest earned income and the median earnings of the company's other employees is in Finland 6.4 whereas in Sweden it is 2.0. Remuneration has been developed during 2023 and salary comparisons have been made. The goal is that equal pay will be realised in similar positions between genders by 2025.

**NO INCIDENTS OR SEVERE HUMAN RIGHT IMPACTS WITHIN OWN WORKFORCE**

The company has not been subject to any work-related incidents, complaints or severe human rights impacts within its own workforce, nor any related material fines, sanctions, or compensation for the reporting period.

Percentage and distribution of employees taking family leave by gender



Return to work rate  
**97%**

# Governance

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# Good governance is the basis for sustainable operations

## Acting in accordance with the laws, regulations and internal policies

Sitowise's operations are guided by its vision, strategy, corresponding values and internal operating principles. In all of its operations, Sitowise complies with the laws, statutes and regulations concerning the company. As a listed company, it also follows the rules of the Nasdaq Helsinki stock exchange, the regulations and instructions of the European Securities and Markets Authority ESMA and the Financial Supervisory Authority as well as the Corporate Governance Code by the Finnish Securities Market Association.

In addition, the administration of Sitowise follows the group companies' articles of association as well as the internal guidelines and policies which ensure the compliance of the operations with all the laws and requirements. In addition, operations are guided by, for example, the requirements of the ISO certificates issued for management and operational systems.

The guidelines and policies will be prepared from the point of view of the whole group and implemented group-wide where applicable. The existing guidelines and documents are also updated from this point of view as needed. The internal policies are related to, for example, quality control, environmental, personnel and data security matters, and the instructions to fields such as project management, risk management and due diligence on clients and suppliers. The above-mentioned policies and guidelines have been approved by the Group Management Team.

## Certificates guarantee development in management

The ISO 9001 standard provides a framework for quality management and helps to develop processes and the consideration of clients' needs. ISO 14001, on the other hand, guides the management of environmental issues and the development of the environmental system. Operations with ISO 9001 and ISO 14001 certification comprise approximately 88% of Sitowise's net sales. With the help of the ISO 27001 standard, the maintenance and development of the data security management system is also systematic. The standard covers approximately 70% of Sitowise's operations in relation to net sales.

In Sweden, operations also have the ISO 45001 Occupational Health and Safety System certification. In general, Sitowise's goal is to comply with the requirements of the above-mentioned standards across all operations and to increase the share of certified business operations. Those activities that do not yet have certificates are already operated by applying the principles of the

standards at least. More information on the certificates is available on our website: [► Read more](#)

## Easy availability of guidelines ensures consistent operating models

Sitowise's digital Voima platform enables to provide instructions in one place. Voima contains the best practices of project work and guidelines related to risk management. Voima also is also a unified framework for tender and contract activities, and it facilitates the internal organization of data collection and sharing. Other internal platforms also provide other instructions outside project activities. In 2023 Voima was available for operations in Finland.

To ensure the quality and up-to-dateness of the instructions, every policy and guideline of Sitowise has a responsible person in the organization. Policies and guidelines are gone through as part of job orientation, and updates to them are communicated internally.

## The whistle-blowing channel is an anonymous channel for suspected violations

Sitowise takes all suspicions seriously concerning unlawful behaviour or behaviour in contradiction of its Code of Conduct or similar internal rules. Each of our employees and partners must immediately report any concerns and known or suspected inappropriate behaviour. The main mechanism for identifying such behaviour is the Company's whistle-blowing channel.

The whistle-blowing channel is a contact and reporting channel through which anyone can anonymously report suspected violations of Code of Conduct or other regulations. 17 reports were received in 2023. All reports are treated confidentially. To ensure anonymity, the reporting channel is managed by an external partner, NAVEX WhistleB. The whistle-blowing process is compliant with the EU-wide standard for the protection of whistle-blowers adopted as directive for whistleblower protection in December 2019 and implemented into national laws in EU member states.

Sitowise provides training on the reporting channel as part of the mandatory Code of Conduct online course, as well as additional information e.g., on the designation of staff receiving the reports on its knowledge base available for all employees. The Code of Conduct online course further covers appropriate business conduct.

If the company faces any incidents related to business conduct beyond the reports by whistleblowers, the management will promptly address such incidents case by case in an appropriate manner and forum, depending on the matter and persons involved. The Board will be informed of such incidents either directly or in connection with regular board meetings, depending on the severity of the incident.

## Management of relationships with suppliers

Sitowise treats potential and existing partners on an equal basis. Written agreements are established with suppliers before commencing any deliveries. Both parties have the opportunity to influence and express their views on the content of the agreements before signing. Sitowise requires that our contract partners adhere to the current legislation and consider the key principles of our Ethical Guidelines in their operations. It is also expected that our guidelines are followed in partners' own supply chains. The aim is to know our contract partners and, therefore, we demand evidence of their background and business documents. The company monitors the sustainability of partners throughout the entire contract period, even after procurement.

## Prevention of corruption and bribery

At Sitowise, the Code of Conduct training and test is compulsory for all employees. The Whistle-blow channel is openly accessible on the website for both staff and external informants, providing a confidential and anonymous platform to report concerns and violations. Subconsultant agreements and other procurement contracts oblige partners to adhere to our ethical guidelines. Sanction reports are reviewed twice a year. Background checks on partners and major clients are regularly conducted to verify, among other things, companies tax compliance.

The Company has no convictions for violations for anti-corruption or anti-bribery laws, nor any breaches in procedures and standards of anti-corruption and anti-bribery.

In line with our Ethical Guidelines, we do not provide financial support to political or religious activities. Through industry organizations, we actively participate in influencing and commenting on legislation that may impact our sector. SKOL serves as our representative in advocacy efforts.

## Handling of client feedback and critical concerns

Feedback surveys on client projects are sent through the Voima platform. The project feedback survey consists of two separate surveys: the client survey, which can also be sent to other stakeholders, and the project personnel survey. In framework or annual contracts, a client satisfaction survey is conducted periodically. The feedback received during the assignment work and meetings as well as through the survey is discussed at an

internal project learning meeting. We always respond to possible contact requests received through the feedback survey. The results of the surveys are collected in a feedback database, from which reports are produced for different needs.

The results are discussed and their development is monitored by the management teams. The development of group-level results is communicated internally, and the results of business areas and branches are communicated as needed.

According to the Global Reporting Initiative (GRI) framework, critical concerns in Sitowise's activities include complaints, claims and disputes related to projects as well as concerns related to the company's operations that have come to its attention through the whistleblowing channel or otherwise. Exceptional critical concerns are reported to the Board of Directors in connection with the monthly meeting or, if necessary, immediately by e-mail. Claims and disputes are also reviewed by the Audit Committee at least twice a year. For ongoing legal proceedings, see Note 6.5 to the financial statements.



# General sustainability reporting information

## Sustainability reporting principles

The Sustainability Report is intended for the use of investors, owners, analysts, personnel and various actors in society so that they can evaluate the results and goals of Sitowise's operations in the various areas of sustainability. The comprehensive reporting of data aims at transparency. The activities of 2023 have been reported in accordance with the Global Reporting Initiative (GRI) sustainable development reporting guidelines. At the same time the company is being prepared for sustainability reporting with Corporate Sustainability Reporting Directive in 2024.

In the GRI index, it is specified for each reported standard which year's version of the standard was used in the reporting. The sustainability reporting period is the financial year, 1 January to 31 December 2023. This is the group's fifth annually published Sustainability Report, whose date of publication is on week 11, 2024. The reporting languages are Finnish and English. The report is published online and is available as a PDF file.

## GROUP LEVEL REPORTING

Sitowise's sustainability statement has been prepared on a consolidated level. The scope of consolidation is the same as for the financial statements. Sitowise's mergers and acquisitions are integrated with sustainability reporting as they are merged to Sitowise Group. The acquisitions made during 2022–2023 and the integration of Swedish operations into the group's systems have affected the reporting data in some respects. The indicators cover either Finnish operations or the whole group. The coverage is explained for each indicator.

The upstream and downstream value chain information is covered where the data has been available, mainly in the climate section. In other parts of the sustainability statement, Sitowise is developing the reporting of supply chain information within the framework of ESRS transition regulations. The value chain is also covered in the Double materiality assessment.

Sitowise's Board of Directors has discussed and approved the Annual and Sustainability Report and has had the opportunity to discuss the data with the company's management and experts. Sitowise's Annual and Sustainability Report 2023 has not been certified by any external party. We are preparing for the future mandatory verification of sustainability information with partial test verifications of the 2022 and 2023 sustainability reports, from which we will gather lessons for a successful verification process in 2024. At Sitowise, annual reporting is an important tool for evaluating the success of our own sustainability measures and for reorienting the goals, if necessary. We will be glad to receive feedback on our sustainability work at [vastuullisuus@sitowise.com](mailto:vastuullisuus@sitowise.com).

## SUSTAINABILITY TOOL DATA

The data that describes the use of Sitowise's sustainability tool covers the period of 1.1.–31.10.2023. The reporting of sustainability tools was not in use in the last months of 2023 because of the major updates in Sitowise's ERP systems.

## Sitowise's Carbon Footprint, calculation principles, and delimitations

The calculation has been made considering the principles, requirements and guidance provided by the latest version of GHG Protocol Corporate Standard and GRI 305 (version 2016 which is directly based on the requirements of the GHG Protocol). The calculation method complies with the GHG accounting methodology of ISO 14064-1:2018 as well as with the requirements set by ESRS E1 Climate change e.g., regarding reporting boundaries and the disclosure of market-based Scope 2 GHG emissions.

The calculation takes into account the climate-warming effect of different greenhouse gases, when the effect of the different gases is summed to equal the climate impact of carbon dioxide. The results are presented in units of CO<sub>2</sub>-eq.

The calculation has been carried out by combining different calculation methods. The choice of the calculation method depends on the level of input data, i.e. the calculation method that was most readily available was used. Process LCA has been used, where climate impacts are calculated on a process-by-process basis based on energy and material flows. In process-based calculation, emissions are therefore estimated based on, for example, the amount of fuel consumed. In addition, the calculation uses input-output LCA, which estimates climate impacts based on monetary inputs. In the input-based calculation, emissions are thus estimated on the basis of the amount of euro paid.

## SYSTEM BOUNDARY

Climate footprint calculation takes into account Sitowise's emissions from the operational areas in Finland and Sweden. The most significant operations of the company are situated in Finland and Sweden. There is also some minor activity in other countries (Spain, Latvia and Portugal), but the data is not easily available, and their operations are not considered significant in terms of emissions. Therefore, these small offices are excluded from the calculation. The results of the calculation are presented as absolute annual emissions in t CO<sub>2</sub>-eq for 2023, relative to net revenue and relative to the number of employees.

The calculation takes into account emissions from activities and purchases made in 2023. In 2023, the emissions calculation was developed further by updating the Scope 3 inventory to include new categories. The calculation now includes employee

commuting and a new optional sub-category related to purchased goods and services: Cloud computing and data centre services. In the future, the Scope 3 inventory will be reviewed and updated at least every 3 years, if relevant.

The table below provides information on which emission sectors were identified as relevant for Sitowise's activities and which emission sources they contain. The table shows the data for Finland and Sweden separately where their boundaries differ.

## Categories included in the 2023 calculation

|                | Category                      | Relevance  | Description   |  |
|----------------|-------------------------------|--|---|--|
| <b>SCOPE 1</b> | Stationary combustion         | Not relevant   | Sitowise's premises do not have its own heating fuel use.   |  |
|                | Mobile combustion             | Finland: Relevant  | Finland: Vehicles owned by Sitowise and direct emissions from their use.  |  |
|                |                               | Sweden: Not relevant   | Sweden: No vehicles owned by Sitowise in Sweden.  |  |
|                | Fugitive emissions            | Relevant   | Direct emissions from the use of refrigerants in Sitowise's premises.   |  |
|                | Other fugitive emissions      | Not relevant   | Sitowise has no other activities that would produce fugitive emissions.   |  |
| <b>SCOPE 2</b> | Purchased electricity         | Relevant   | Direct emissions from the production of electricity used in Sitowise's premises.  |  |
|                | Purchased district heat       | Relevant   | Direct emissions from the production of district heat used in Sitowise's premises.  |  |
| <b>SCOPE 3</b> | C1                            | Purchased goods and services   | Relevant  | The most important purchases and services for Sitowise's operations. The most significant purchases are those that are regular and significant in terms of their amount. For example, occasional conference refreshments are not included here. The most significant purchases identified were laptops, mobile phones, monitors, multifunctional equipment, office paper, office and meeting tables and chairs, wall units, cabinets, sofas, telephone and conference booths, water and coffee.<br><br>The most important services were assessed in the same way as purchases, i.e. regular services were taken into account. The most important services were identified as cleaning, insurance, postal and courier services. |
|                |                               |  | Optional sub-category: Cloud computing and data centre services   | Relevant   |
|                | C2                            | Capital goods  | Not relevant  | The nature of Sitowise's operations is mainly consulting work, at desktop. Therefore, there are no significant capital goods involved.   |
|                | C3                            | Fuel- and energy related activities (not included in scope 1 or scope 2) | Relevant  | The production of fuel used in Sitowise's vehicles and the purchase of fuel used in Sitowise's premises for the production of electricity and district heating.<br><br>Network and transmission losses of electricity are also taken into account.   |
|                |                               |  |   | It is not possible to separate upstream and downstream transport from postal and courier services, so for now, they are reported together under purchases and services. In next year's calculation, efforts will be made to develop the methodology so that emissions from each category can be reported separately.   |
|                | C4                            | Upstream transportation and distribution                                 | Relevant  | Collection, transport and treatment of recyclable waste at Sitowise offices. Among the recyclable waste, biowaste, paper, cardboard, plastic, glass, metal, SER are considered. In addition, mixed waste from incinerated waste is included in the calculation.  |
| C5             | Waste generated in operations | Relevant   | Business trips made by air, train, car, taxi, etc. are taken into account. This includes both direct emissions from travel and indirect emissions from fuel production. Hotel nights are also taken into account. |  |
| C6             | Business travel               | Relevant   |   |  |

|         | Category | Relevance                              | Description  |  |
|---------|----------|--|--------------|--|
| SCOPE 3 | C7       | Employee commuting                     | Relevant     | Sitowise employees' commuting by different means of transport. Both direct emissions from travel and indirect emissions from fuel production are taken into account.   |
|         | C8       | Upstream leased assets                 | Relevant     | Emissions from the use of Sitowise's leasing vehicles. Both direct emissions and indirect emissions from the production of fuels are taken into account.   |
|         | C9       | Downstream transportation              | Relevant     | It is not possible to separate upstream and downstream transport from postal and courier services, so for now, they are reported together under purchases and services. In next year's calculation, efforts will be made to develop the methodology so that emissions from each category can be reported separately. |
|         | C10      | Processing of sold products            | Not relevant | Sitowise's activities are mainly design and consultancy services, the most typical product of which is an electronic final report. Sitowise does not sell any physical products.   |
|         | C11      | Use of sold products                   | Not relevant | Same as above.   |
|         | C12      | End of life treatment of sold products | Not relevant | Same as above.   |
|         | C13      | Downstream leased assets               | Not relevant | Sitowise has no assets (e.g. buildings, vehicles, machinery, etc.) that are leased out.  |
|         | C14      | Franchises                             | Not relevant | Sitowise has no franchise business.  |
|         | C15      | Investments                            | Not relevant | Sitowise has no such investments that should be reported among this category according to the GHG Protocol.  |

Sitowise's carbon footprint calculation has been carried out since 2019. However, the calculation has been completed and refined over the years and the results are not fully comparable with previous years. Therefore, the base year for the calculation is now set to 2023.

#### CHANGES TO THE PREVIOUS YEAR'S CALCULATION

The 2023 calculation takes into account for the first time the commuting of workers, the use of refrigerants, and the emissions from cloud computing and data centre services, which is an optional category. A commuting survey was carried out for employees' travel to work, covering both Finland and Sweden. The aim of the survey was to improve Sitowise's annual emissions calculation and to develop sustainable mobility practices. Scope 3 category 1 Purchased goods and services was also extended to include, for example, purchased coffee and workwear. In 2023, emissions from electricity transmission losses were also taken into account.

The emission factors used were updated using the latest available data whenever possible. In particular, the emission factors related to energy supply were easily updatable.

#### INITIAL DATA

Based on process and consumption data in euros, emissions have been estimated using different emission factor assumptions. The most appropriate and recent emission data available were used for the calculation.

The following section describes the initial data used in the calculation and the type and sources of emission factors used.

Direct emissions falling under **Scope 1** category are detailed below by category.

**Mobile combustion:** The category included direct emissions from the company's own vehicles. Sitowise does not have its own vehicles in Sweden. The data was obtained directly from the fuel consumption report in liters. The emission factors used were the latest available coefficients from a reliable source.

**Fugitive emissions:** For the first time, fugitive emissions were considered, taking into account emissions resulting from the use of refrigerants in office air conditioning systems. For the calculation, information regarding the types and filling quantities of refrigerants in the office building's air conditioning systems was requested from the landlords. The Sitowise's share was estimated based on the company's floor area if the building housed multiple companies. Based on scientific sources, an assumption was made about the annual evaporation of the refrigerant, and direct emissions from the losses were calculated accordingly.

Direct emissions falling under **Scope 2** category are detailed below by category.

**Purchased electricity:** For the first time, the purchased electricity was calculated both on a market and location basis. Market-based calculation involves estimating emissions using emission factors reported by energy companies. Location-based emissions are calculated using country-specific averages. Data on office-specific electricity consumption and the method of electricity production in use were collected for the calculation. If the information was not available, consumption was estimated

based on other offices, and the emission factor for electricity in the market-based calculation was used according to the residual distribution.

**Purchased district heat:** For the first time, the acquired district heating was calculated both on a market and location basis. Data on office-specific district heating consumption and the method of district heating production in use were collected for the calculation. If the information was not available, consumption was estimated based on other offices, and the emission factor for district heating in the market-based calculation was used according to the average value.

The company's indirect emissions from its activities falling under **Scope 3** category are detailed below by category.

**Purchased goods and services:** The procurement quantity data is based on information obtained from procurement systems and accounting records. In the calculation, ICT devices include laptops, mobile phones, displays, and multifunctional devices acquired in 2023. These ICT devices are considered in the emission calculation for both Finnish and Swedish operations. For the first time, emissions from purchased coffee and workwear were also included in the calculation.

Sitowise recycles its old IT devices, which have been taken out of use, with 3stepIT. Through this process, the equipment is refurbished and reused elsewhere. If, for any reason, the equipment is not suitable for reuse, it will be recycled in an environmentally friendly manner through certified partners of 3stepIT. In 2023, Sitowise recycled a total of 7 desktop computers and 215 laptops with 3stepIT. All desktop computers were refurbished and put back into use, while 95 of the laptops underwent refurbishment and were also reused. This resulted in the avoidance of 41,221 kg of carbon dioxide equivalent emissions. The avoided emissions correspond to five percent of the emissions generated by the products and services purchased in 2023. The avoided emissions are not deducted from the company's emissions in accordance with the rules of the GHG Protocol.

**Cloud computing and data centre services (Optional sub-category):** As a new category, cloud computing and data centre services were included in the calculation. It encompasses information on the carbon footprint of the utilized cloud services and data center services. This information was obtained directly from service providers, reported for the entire year.

**Fuel and energy related activities:** The category includes indirect emissions from fuel and energy consumption. In the calculation for the year 2023, unlike in previous years, emissions resulting from electricity and district heating transmission losses were taken into account.

**Upstream and downstream transportation:** The emissions from Sitowise's upstream and downstream transports are included in category 1, but they cannot yet be separated. This is under

development for the data collection in the upcoming year's calculation, aiming to report these categories separately.

**Waste generated in operations:** The generated waste has been accounted for using specific waste factors based on personnel work years. In the calculation of emissions from waste collection and treatment have been taken into account.

**Business travel:** For the operations in 2023, business travel included work-related trips by car, air, and train.

**Employee commuting:** For the first time, commuting emissions were included in the calculation. The necessary information for this was collected through a mobility survey conducted in 2023. The survey gathered data on employees' commuting methods from home to work. Based on the responses, information on the kilometers traveled in 2023 by different modes of transportation, including by car with various fuels, bus, and rail, was obtained.

**Upstream leased assets:** The category Upstream Leased Assets includes direct and indirect emissions from the procurement of fuels for employee-leased vehicles where the company covers the fuel costs. Data on fuel consumption was obtained directly from the leasing company's report.

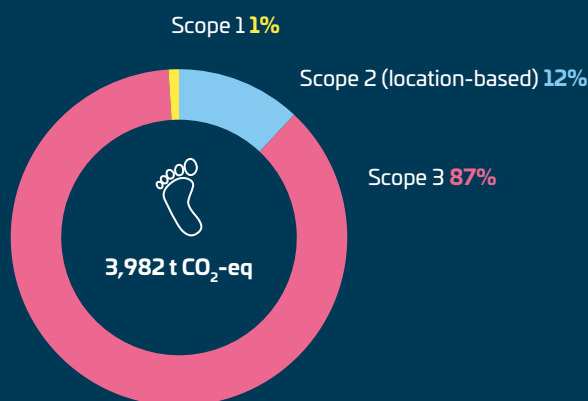
## RESULTS

The total carbon footprint of Sitowise's operations in Finland and Sweden for the year 2023, calculated on a location-based approach, was 3,982 t CO<sub>2</sub>-eq, and on a market-based approach, it was 3,891 t CO<sub>2</sub>-eq.

The total emissions increased compared to the previous year; however, the calculation is not entirely comparable to the previous year. For instance, direct emissions from energy procurement were calculated both location- and market-based method, and new categories were introduced, such as cloud computing and data centre services, fugitive emissions from refrigerants and employee commuting emissions. Additionally, this year's calculation of indirect emissions from energy procurement also accounted for transmission losses in electricity and district heating procurement.

However, the ratio between different Scope 1, 2, and 3 categories remained the same: Scope 3 category still accounts for the majority of emissions. The figure on the next page shows the company's total emissions are presented using the scope classification applied in the Greenhouse Gas Protocol.

## Carbon footprint categorized according to the GHG Protocol



### Emission per category and country

|   | Finland<br>Base year 2023                                | Sweden<br>Base year 2023 |
|---|--|--------------------------|
| <b>Scope 1 GHG emissions</b>  |  |                          |
| Gross Scope 1 GHG emissions (t CO <sub>2</sub> -eq)   | 53   | 1                        |
| Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)   | <i>No regulated emission trading schemes.</i>            |                          |
| <b>Scope 2 GHG emissions</b>  |  |                          |
| Gross location-based Scope 2 GHG emissions (t CO <sub>2</sub> -eq)  | 434  | 37                       |
| Gross market-based Scope 2 GHG emissions (t CO <sub>2</sub> -eq)  | 351  | 29                       |
| <b>Scope 3 GHG emissions</b>  |  |                          |
| Total Gross indirect (Scope3) GHG emissions (t CO <sub>2</sub> -eq) (excl. Cloud computing and data centre services)      | 2,923  | 524                      |
| Purchased goods and services  | 692  | 149                      |
| [Optional sub-category]: Cloud computing and data centre services   | 10 (Finland and Sweden)                                  |                          |
| Fuel and energy-related activities (not included in Scope 1 or Scope 2)   | 89   | 6                        |
| Upstream transportation and distribution  | <i>Included in Purchased goods and services-category</i> |                          |
| Waste generated in operations   | 79   | 16                       |
| Business traveling  | 659  | 83                       |
| Employee commuting  | 1,073  | 231                      |
| Upstream leased assets  | 330  | 39                       |
| Downstream transportation   | <i>Included in Purchased goods and services-category</i> |                          |
| <b>Total GHG emissions (excl. Cloud computing and data centre services, as it includes both Finnish and Swedish data)</b> |  |                          |
| <b>Total GHG emissions (location-based) (t CO<sub>2</sub>-eq)</b>   | <b>3,409</b>   | <b>562</b>               |
| <b>Total GHG emissions (market-based) (t CO<sub>2</sub>-eq)</b>   | <b>3,326</b>   | <b>555</b>               |



## Global reporting initiative (GRI) index

| GRI CONTENT INDEX  |   |  |  |
|--|---|--|--|
| <b>Statement of use</b> Sitowise has reported the information cited in this GRI content index for the period 1 January to 31 December 2023 in accordance to the GRI Standards. |   |  |  |
| <b>GRI 1 used</b>  | GRI 1: Foundation 2021  |  |  |
| Disclosure   | Location and additional information   | Omission   |  |
| <b>GRI 2: General Disclosures (2021)</b>   |   |  |  |
| <b>The organization and its reporting practices</b>  |   |  |  |
| 2-1  | Organizational details  | Sitowise p. 3  |  |
| 2-2  | Entities included in the organization's sustainability reporting            | General sustainability reporting information p. 74   |  |
| 2-3  | Reporting period, frequency and contact point                               | General sustainability reporting information p. 74   |  |
| 2-4  | Restatements of information   |  | No restatements to previously reported information.                                    |
| 2-5  | External assurance  |  | Sustainability report does not have external assurance.                                |
| <b>Activities and workers</b>  |   |  |  |
| 2-6  | Activities, value chain and other business relationships                    | Strategy and business: p. 11–33  |  |
| 2-7  | Employees   | Sitowise people in Figures: p. 65–70   |  |
| 2-8  | Workers who are not employees   |  | Data not available. Sitowise does not track the number of such persons in the company. |
| <b>Governance</b>  |   |  |  |
| 2-9  | Governance structure and composition  | Sustainability in the work of the Board and Management p. 52–57  |  |
| 2-10   | Nomination and selection of the highest governance body                     | Sustainability in the work of the Board and Management p. 52–57  |  |
| 2-11   | Chair of the highest governance body  | Sustainability in the work of the Board and Management p. 52–57  |  |
| 2-12   | Role of the highest governance body in overseeing the management of impacts | Sustainability in the work of the Board and Management p. 52–57  |  |
| 2-13   | Delegation of responsibility for managing impacts                           | Sustainability in the work of the Board and Management p. 52–57  |  |
| 2-14   | Role of the highest governance body in sustainability reporting             | Sustainability in the work of the Board and Management p. 52–57  |  |
| 2-15   | Conflicts of interest   | Sustainability in the work of the Board and Management p. 52–57, ► Corporate Governance Statement  |  |
| 2-16   | Communication of critical concerns  | Good governance is the basis for sustainable operations p. 72–73, ► Sitowise Group Board of Director's Report 2023 (Non Financial information) |  |
| 2-17   | Collective knowledge of the highest governance body                         | Sustainability in the work of the Board and Management p. 52–57  |  |
| 2-18   | Evaluation of the performance of the highest governance body                | Sustainability in the work of the Board and Management p. 52–57, ► Corporate Governance Statement  |  |
| 2-19   | Remuneration policies   | ► Remuneration on Sitowise.com   | Information according to paragraph A. ii-v of the standard are not reported.           |
| 2-20   | Process to determine remuneration   | ► Remuneration on Sitowise.com   | Information according to paragraph A. ii-iii and B of the standard are not reported.   |
| 2-21   | Annual total compensation ratio   | ► Remuneration on Sitowise.com   | Information according to paragraph b and c of the standard are not reported.           |
| <b>Strategy, policies and practices</b>  |   |  |  |
| 2-22   | Statement on sustainable development strategy                               | From the CEO: p. 7   |  |
| 2-23   | Policy commitments  | Sustainability is embedded in management practices p. 50–51, Good governance is the basis for sustainable operations p. 72–73                  |  |
| 2-24   | Embedding policy commitments  | Good governance is the basis for sustainable operations p. 72–73   |  |
| 2-25   | Processes to remediate negative impacts                                     | Good governance is the basis for sustainable operations p. 72–73   |  |

| Disclosure                    | Location and additional information                | Omission   |
|-------------------------------|--|--|
| 2-26                          | Mechanisms for seeking advice and raising concerns | Good governance is the basis for sustainable operations p. 72–73 |
| 2-27                          | Compliance with laws and regulations               | Good governance is the basis for sustainable operations p. 72–73 |
| 2-28                          | Membership associations                            | Stakeholders' views and collaboration p. 58                      |
| <b>Stakeholder engagement</b> |  |  |
| 2-29                          | Approach to stakeholder engagement                 | Stakeholders' views and collaboration p. 58                      |
| 2-30                          | Collective bargaining agreements                   | Sitowise people in Figures: p. 65–70                             |

**MATERIAL SUSTAINABILITY TOPICS**

**GRI 3: Material Topics (2021)**

|     |                                      |  |
|-----|--------------------------------------|--|
| 3-1 | Process to determine material topics | ► Goals of Sitowise's Sustainability Program 2025<br>Changes in Sustainability Reporting p. 38           |
| 3-2 | List of material topics              | Sustainability material topics table p. 82–85  |
| 3-3 | Management of material topics        | Sustainability material topics table p. 82–85,<br>Progress in Sitowise's sustainability program p. 41–49 |

**ECONOMIC IMPACTS**

**201 Economic performance (2016)**

|       |  |  |   |
|-------|--|--|---|
| 201-1 | Direct economic value generated and distributed                                | Sitowise's year 2023 p. 5–10, ► Sitowise's Financial statements 2023 |   |
| 201-2 | Financial implications and other risks and opportunities due to climate change | Climate risks p. 51  | The financial informations according to paragraph a of the standard are not reported. The assessment of climate risks and opportunities is updated in 2024. |
| 201-3 | Defined benefit plan obligations and other retirement plans                    | Sitowise people in Figures: p. 65–70                                 | Information according to paragraphs a-e of the standard are not reported. Retirement plans explained.   |

**205 Anti-corruption (2016)**

|       |  |  |   |
|-------|--|--|---|
| 205-1 | Operations assessed for risks related to corruption                      |  | Information according to paragraph a of the standard is not reported.   |
| 205-2 | Communication and training about anti-corruption policies and procedures | Good governance is the basis for sustainable operations p. 72–73 | Information according to paragraphs a-e of the standard are not reported. The training percentages were not reported by personnel group or geographically. Reported only percentage of the whole personnel. |
| 205-3 | Confirmed incidents of corruption and actions taken                      | Good governance is the basis for sustainable operations p. 72–73 |   |

**206 Anti-competitive behaviour (2016)**

|       |  |  |  |
|-------|--|--|--|
| 206-1 | Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices |  | No such legal actions during the reporting period. |
|-------|--|--|--|

**ENVIRONMENTAL IMPACTS**

**305 Emissions (2016)**

|       |   |  |  |
|-------|---|--|--|
| 305-1 | Direct (Scope 1) GHG emissions          | Sitowise's Carbon Footprint, Calculation Principles, and Delimitations: p. 74–78 |  |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Sitowise's Carbon Footprint, Calculation Principles, and Delimitations: p. 74–78 |  |
| 305-3 | Other indirect (Scope 3) GHG emissions  | Sitowise's Carbon Footprint, Calculation Principles, and Delimitations: p. 74–78 |  |
| 305-4 | GHG emissions intensity                 | Sitowise's Carbon Footprint, Calculation Principles, and Delimitations: p. 74–78 |  |
| 305-5 | Reduction of GHG emissions              | Sitowise will be carbon neutral by 2025: p. 74–78                                | Information according to paragraphs a-e of the standard are not reported. Reported what kind of activities are done to reduce emissions. |

| Disclosure  | Location and additional information   | Omission  |
|---|---|---|
| <b>SOCIAL IMPACTS</b>                             |   |   |
| <b>401 Employment (2016)</b>                      |   |   |
| 401-1   | New employee hires and employee turnover  | Sitowise people in Figures: p. 65–70  |
| 401-2   | Benefits provided to full-time employees that are not provided to temporary or part-time employees            | Data not available. Reporting needs to be developed.  |
| 401-3   | Parental leave  | Sitowise people in Figures: p. 65–70<br>Information according to paragraphs a, d and e of the standard are not reported. Reported number of employees that took parental leave and return to work rate. |
| <b>403 Occupational health and safety (2018)</b>  |   |   |
| 403-1   | Occupational health and safety management system  | Sitowise people in Figures: p. 65–70  |
| 403-2   | Hazard identification, riskassessment, and incident investigation   | Sitowise people in Figures: p. 65–70  |
| 403-3   | Occupational health services  | Sitowise people in Figures: p. 65–70  |
| 403-4   | Worker participation, consultation, and communication on occupational health and safety                       | Sitowise people in Figures: p. 65–70<br>Information according to paragraph B is not reported.   |
| 403-5   | Worker training on occupational health and safety   | Sitowise people in Figures: p. 65–70  |
| 403-6   | Promotion of worker health  | Making the best workplace p. 61–64  |
| 403-7   | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Data not available. Reporting needs to be developed.  |
| 403-8   | Workers covered by an occupational health and safety management system  | Making the best workplace p. 61–64  |
| 403-9   | Work-related injuries   | Making the best workplace p. 61–64<br>Information according to paragraphs a-g of the standard are not reported. Reported number of injuries per country.  |
| 403-10  | Work-related ill health   | Making the best workplace p. 61–64<br>Information according to paragraphs a-e of the standard are not reported. Reported total number of ill-health cases.  |
| <b>404 Training and education (2016)</b>          |   |   |
| 404-1   | Average hours of training per year per employee   | Sitowise people in Figures: p. 65–70  |
| 404-2   | Programmes for upgrading employee skills and transition assistance programmes                                 | Sitowise people in Figures: p. 65–70<br>Detailed ata not available. Reporting needs to be developed.  |
| 404-3   | Percentage of employees receiving regular performance and career development reviews                          | Sitowise people in Figures: p. 65–70. Performance and career development are reviewed in development discussions.   |
| <b>405 Diversity and equal opportunity (2016)</b> |   |   |
| 405-1   | Diversity of governance bodies and employees  | Sitowise people in Figures: p. 65–70  |
| 405-2   | Ratio of basic salary and remuneration of women to men  | Sitowise people in Figures: p. 65–70  |
| <b>406 Non-discrimination (2016)</b>              |   |   |
| 406-1   | Incidents of discrimination and corrective actions taken  | ► Sitowise Group Board of Director's Report 2023 (Non Financial information)  |
| <b>415 Public policy (2016)</b>                   |   |   |
| 415-1   | Political contributions   | Sitowise does not make contributions to political activity.   |

## Sustainability material topics table

| SOCIETY   |  |   |  |   |   |   |
|---|--|---|--|---|---|---|
| SUSTAINABILITY THEME  |  |   |  |   |   |   |
| Sitowise is the most active and interesting sustainability debater in the built environment   |  | Sitowise will improve our employees' sustainability skills considerably   |  | We will include sustainability in our remuneration policy   |   |   |
| <b>Target</b>   |  |   |  |   |   |   |
| Stakeholders consider Sitowise increasingly influential as a thought leader every year  |  | Our entire personnel has received sustainability training   |  | Sitowise's own Sustainability Tool will be used in all of our client projects   | Sustainability is included in all employee remuneration   |   |
| <b>Target advancement</b>   |  |   |  |   |   |   |
| Actions to advance this target include <i>The Smart City Talks</i> events where topical issues are discussed. In addition, a group of Sitowise's specialists have been coached to share their knowledge in different forums.  |  | Planning Group's sustainability training scheme began in 2023. As a first step sustainability is now part of onboarding training. DEI e-learning courses for the whole personnel were also launched. During 2024 more comprehensive sustainability trainings will be planned. |  | The Sustainability Tool has become part of project work. The tool enables setting sustainability targets for client projects. Development of the tool will continue during 2024 with the aim of making it better suited for client needs. | Sustainability is part of leadership's remuneration system. The aim is that the personnel remuneration policy for 2024 will also stress sustainability. |   |
| <b>Indicator</b>  |  |   |  |   |   |   |
| Measured by an annual general public reputation and trust survey:<br>1) Sitowise moves the industry in the right direction with regard to society<br>2) Sitowise is an industry pioneer in the climate and environmental aspects  |  | Client survey: Sitowise is the most responsible partner   | % of employees who have attended different sustainability training sessions                                      | Personnel survey: I know how I can take sustainability into account in my work.   | % of projects that have used the Sustainability Tool out of all of our client projects  | Sustainability is included in the remuneration policy at all levels |
| <b>2021</b>   |  |   |  |   |   |   |
| 1) 3.58 (1-5)<br>2) 3.36 (1-5)  |  | 3.5 (1-5)   | Realization of Group's sustainability training 2023  | 57%, (answers 4 and 5 on scale 1-5)   | 43% (Client projects in Finland)  | Sustainability is part of management remuneration.                  |
| <b>2022</b>   |  |   |  |   |   |   |
| 1) 3.50 (1-5)<br>2) 3.28 (1-5)  |  | 3.47 (1-5)  | Realization of Group's sustainability training 2023  | 61% (answers 4 and 5 on scale 1-5)  | 86% (Client projects in Finland)  | Sustainability is part of management remuneration.                  |
| <b>2023</b>   |  |   |  |   |   |   |
| 1) 3.50 (1-5)<br>2) 3.42 (1-5)  |  | 3.47 (1-5)  | DEI training (launched in June): 58% of employees in Finland have completed the training by the end of the year. | 58% (answers 4 and 5 on scale 1-5)  | 89% (Client projects in Finland)  | Sustainability is part of management remuneration.                  |
| <b>Commitments, policies and guidelines linked to target</b>  |  |   |  |   |   |   |
| <ul style="list-style-type: none"> <li>• Sitowise's strategy</li> <li>• Sitowise's sustainability program                             <ul style="list-style-type: none"> <li>• Code of Conduct</li> </ul> </li> <li>• UN Sustainable development Goals                             <ul style="list-style-type: none"> <li>• Global Compact</li> </ul> </li> </ul> |  |   |  |   |   |   |
| <b>Management</b>   |  |   |  |   |   |   |
| The various areas of thought leadership will be managed by the communication and sustainability team in cooperation with business areas and broadly with the personnel.   |  | Group's internal sustainability training path: Group's sustainability team together with business areas. Onboarding and DEI trainings in cooperation with Group's sustainability team and HR.   |  | The Group's sustainability team developing and implementing the Sustainability Tool, with help of business areas.   | The Group's Management Team and board of directors: Including sustainability into the goals when updating the remuneration policy.                      |   |

| ENVIRONMENT   |  |  |  |  |  |
|---|--|--|--|--|--|
| SUSTAINABILITY THEME  |  |  |  |  |  |
| Sitowise will continuously reduce its emissions towards carbon neutrality by 2025   | Sitowise will compensate for all the carbon dioxide emissions caused by its own operations at the latest in 2025 |  |  |  |  |
| <b>Target</b>   |  |  |  |  |  |
| Carbon footprint of own operations will be as small as possible.  | Carbon footprint of own operations, compensation included, will be zero.   |  |  |  |  |
| <b>Target advancement</b>   |  |  |  |  |  |
| During 2023, Sitowise continued to improve carbon data collection and joined SBTi. The work will continue in 2024, with developing data collection and with measures to reduce emissions. The climate target will also be aligned with ESRS requirements and SBTi during 2024.  | The background research will be started in 2024.   |  |  |  |  |
| <b>Indicator</b>  |  |  |  |  |  |
| Carbon footprint without any form of compensation (t CO <sub>2</sub> -eq/employee)  | Carbon footprint, compensation included  |  |  |  |  |
| <b>2021</b>   |  |  |  |  |  |
| 1.1 t CO <sub>2</sub> -eq/person  |  |  |  |  |  |
| <b>2022</b>   |  |  |  |  |  |
| 1.16 CO <sub>2</sub> -eq/person   |  |  |  |  |  |
| <b>2023</b>   |  |  |  |  |  |
| 1.89 CO <sub>2</sub> -eq/person   |  |  |  |  |  |
| <b>Commitments, policies and guidelines linked to target</b>  |  |  |  |  |  |
| <ul style="list-style-type: none"> <li>• Sitowise's strategy</li> <li>• Sitowise's sustainability program                             <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Environmental policy</li> </ul> </li> <li>• Multiple internal guidelines: such as travel guideline, car policy                             <ul style="list-style-type: none"> <li>• UN Sustainable development Goals</li> <li>• Global Compact, ESRS, SBTi</li> </ul> </li> </ul> |  |  |  |  |  |
| <b>Management</b>   |  |  |  |  |  |
| The overall responsibility of the carbon neutrality goal belongs to the Group's sustainability team, whose task is to monitor and support the implementation of the goal. Several different actors implement the carbon neutrality goal.  |  |  |  |  |  |



| PEOPLE  |  |   |   |  |  |
|---|--|---|---|--|--|
| SUSTAINABILITY THEME  |  |   |   |  |  |
| Sitowise will actively improve the wellbeing of its employees and listen to them  |  | Sitowise ensures diversity and equity in the company  |   |  |  |
| <b>Target</b>   |  |   |   |  |  |
| 100% of our employees feel that the employer supports the well-being of employees.  | We will conduct a diversity survey and use it to determine the necessary measures.               | Diversity training will be offered to the personnel.  | The pay gap between genders for equal work will be eliminated by 2025.  | The gender distribution among supervisors will correspond to that of the employees by 2025.                  |  |
| <b>Target advancement</b>   |  |   |   |  |  |
| First and foremost, employee wellbeing at Sitowise is supported by improving teams' and organization' ways better support wellbeing. During 2023, Sitowise offered new online courses that support wellbeing.   | In 2023, Sitowise prepared an action plan based on the results of the employee diversity survey. | The company offered training about Diversity, Equity and Inclusion for all personnel. More DEI training was organized for supervisors, especially from the supervisor work's point of view. | Supervisors have been trained for salary issues related to salary increases and equal treatment has been in focus. Full update to system and evaluation is moved to 2024. | The share of women supervisors has increased. In 2023, it was 29% of all supervisors (2022: 26%, 2021: 23%). |  |
| <b>Indicator</b>  |  |   |   |  |  |
| Employee survey: I feel that the employer supports the wellbeing of employees   | Survey done  | Share of employees who have done DEI training   | Equal pay for equal work by SKOL category/branch of activity  | The gender distribution among supervisors and the entire personnel   |  |
| <b>2021</b>   |  |   |   |  |  |
| 3.98 (1-5)  |  | No training yet   |   | Share of women: supervisors 23%; personnel 34%.  |  |
| <b>2022</b>   |  |   |   |  |  |
| 3.98 (1-5)  | Survey done  | No training yet   | Indicators developed during 2023  | Share of women: supervisors 26%; personnel 33%.  |  |
| <b>2023</b>   |  |   |   |  |  |
| 3.77 (1-5)  | Survey done in 2022  | DEI training offered  | The updating work has delayed and moved to 2024.  | Share of women: supervisors 29%; personnel 34%.  |  |
| <b>Commitments, policies and guidelines linked to target</b>  |  |   |   |  |  |
| <ul style="list-style-type: none"> <li>• Sitowise's strategy</li> <li>• Sitowise's sustainability program                             <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Personnel policy</li> </ul> </li> <li>• Multiple internal guidelines</li> <li>• UN Sustainable development Goals                             <ul style="list-style-type: none"> <li>• Global Compact</li> </ul> </li> </ul> |  |   |   |  |  |
| <b>Management</b>   |  |   |   |  |  |
| The overall responsibility belongs to the HR team whose task is to monitor and support the implementation of the goal. The Group sustainability team will support the HR team particularly in diversity matters and premises team with accessibility matters.   |  |   |   |  |  |

## ECONOMY

### SUSTAINABILITY THEME

|  |   |   |  |  |
|--|---|---|--|--|
| Sitowise anticipates and follows the shift in the markets while keeping an eye on the direction of sustainability trends and its clients' sustainability goals | Sitowise is actively developing its current and future services to meet the challenges of sustainable development | Sitowise will increase business activities aimed at sustainable development |  |  |
|--|---|---|--|--|

### Target

|   |   |   |  |  |
|---|---|---|--|--|
| According to its clients and stakeholders, Sitowise is well familiar with the developments of the industry. | Sitowise will allocate at least 80% of its RDI budget to innovation activities within sustainable development services. | % of group's business activities promote sustainable development. |  |  |
|---|---|---|--|--|

### Target advancement

|   |  |  |  |  |
|---|--|--|--|--|
| As part of the strategy implementation Sitowise's ways to generate growth for the sustainable development services were mapped and the spearheads for the sustainable development services were identified. | All the new services being developed in The Smart City Lab, Sitowise's home for all innovation, heavily focus on sustainability. Sitowise continued to strengthen the culture of innovation through a second innovation competition for all employees. The aim to improve monitoring so that it is possible to report the share for the whole RDI budget was delayed because of the ERP project in 2023. | Sustainable development is an important part of the revised strategy. In June 2023 Sitowise set a goal to double the revenue of company's sustainability services. The aim is to grow the existing services, such as carbon footprint calculations, climate roadmaps, and create new ones by combining strategic sustainability consulting with high technical understanding and built environment existing data. The Sitowise's taxonomy report was developed further and published for the third time. |  |  |
|---|--|--|--|--|

### Indicator

|   |   |  |   |  |
|---|---|--|---|--|
| Client survey: Sitowise knows the industry's developments well. | % of the entire RDI budget spent in innovation promoting sustainable development. | Client survey: Assess Sitowise's operations in terms of developing new innovative solutions. | % of our revenue consists of business that is taxonomy aligned (the desired % will be determined after the first review). |  |
|---|---|--|---|--|

### 2021

|                  |                    |   |   |  |
|------------------|--------------------|---|---|--|
| Not asked before | Not data available | 48% respondents see Sitowise as a forerunner. | For year 2021 reported the share of taxonomy eligible activities. |  |
|------------------|--------------------|---|---|--|

### 2022

|      |   |   |   |  |
|------|---|---|---|--|
| 4.08 | 88% of the innovation budget was allocated to actions promoting sustainable development. During 2023 monitoring will be improved so that it is possible to report the share for the whole RDI budget. | 53% respondents see Sitowise as a forerunner. | Taxonomy eligible activities also reported. Sitowise has no activities that are taxonomy aligned. |  |
|------|---|---|---|--|

### 2023

|      |  |  |  |  |
|------|--|--|--|--|
| 4.08 | 90% of the innovation budget was allocated to actions promoting sustainable development. | 53% respondents see Sitowise as a forerunner | Taxonomy eligible and aligned activities are reported. |  |
|------|--|--|--|--|

### Commitments, policies and guidelines linked to target

- Sitowise's strategy
- Sitowise's sustainability program
- Sitowise's innovation operations
- UN Sustainable development Goals
  - Global Compac

### Management

|   |  |  |  |  |
|---|--|--|--|--|
| Group Management Team, business area management teams | Business area management teams, Head of innovation | Group Management Team, business and management teams |  |  |
|---|--|--|--|--|





**TUOMAS**  
Director of Development

# Information for Shareholders

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## Value creation to investors

Sitowise is a fast-growing, stable and sustainable company in the growing Nordic technical consulting market. The company's goal is to strengthen its position as one of the leading providers of technical consulting and digital services for the built environment, to continue sustainable profitable growth and to create value through strong expert knowledge for Sitowise's owners, customers, other stakeholders and society. The company's growth is supported by the megatrends urbanization, renovation debt, sustainability, digitalization and security.

Sitowise Group Oyj's shares have been listed on the Nasdaq Helsinki stock exchange since March 2021.

### BASIC SHARE INFORMATION

|                                  |                    |
|----------------------------------|--------------------|
| Listing:                         | Nasdaq Helsinki Oy |
| Trading ticker:                  | SITOWS             |
| ISIN code:                       | FI4000480215       |
| Sector:                          | Industrials        |
| Number of shares on 31 Dec 2023: | 35,665,972         |

### Activities in 2023

During 2023, Sitowise met with investors and analysts in several different investor meetings. The company's strategy that focuses on innovation, sustainability and efficiency was comprehensively discussed in June at Sitowise's first capital markets day, the materials of which can be found on the page ► **Sitowise Capital Markets Day 2023**. The shareholders, investors and analysts were met in Finland but also at the Stockholm and Paris roadshows.

## Annual General Meeting 2024

Notice is given to the shareholders of Sitowise Group Plc to the Annual General Meeting to be held on Thursday 4 April 2024 at 10:00 a.m. (EEST) at Säterinportti Auditorium, address Linnoitustie 6, FI-02600 Espoo, Finland. The reception of persons who have registered for the meeting and the distribution of voting tickets will commence at 9.15 a.m. (EEST).

More information about the Annual General Meeting, including the meeting agenda and instructions for registration in Sitowise.com: ► **Annual general meeting**.

## Distribution of profit

On 31 December 2023, the distributable funds of Sitowise Group Plc amounted to EUR 108.2 million, of which profit of the parent company for the 2023 financial period was EUR 4,014,150.

According to its dividend policy, Sitowise's objective is to pay annually a dividend corresponding to 30–50 percent of net profit to its shareholders. When distributing a possible dividend, business acquisitions, the company's financial situation, cash flow and future growth opportunities are taken into account. Considering the current market environment, and to preserve capital for future growth initiatives, the Board of Directors proposes that no dividend be paid based on the balance sheet to be adopted for the financial year 2023. The Board will consider using the authorization for share buy-backs during 2024.

## Changes of address

Euroclear Finland Ltd maintains lists of Sitowise Group Plc's shares, shareholders, and options. Shareholders who wish to make changes to their personal and contact information are kindly asked to contact their own account operator directly. Sitowise does not make such updates.

### Financial Calendar 2024

|  |                  |
|--|------------------|
| Financial Statements Release 2023  | 27 February 2024 |
| Annual and Sustainability Report, and the Report of the Board of Directors and Financial Statements 2023 | week 11 2024     |
| Annual General Meeting 2024  | 4 April 2024     |
| Interim Report for January–March 2024  | 8 May 2024       |
| Half-year Financial Report for January–June 2024   | 13 August 2024   |
| Interim Report for January–September 2024  | 7 November 2024  |

### Silent period

The company observes a 30-day silent period before publishing the Interim Reports and Half-Year report, and a 45-day silent period before publishing the Financial Statements Release. In 2024, the silent periods start on 13 January, 8 April, 14 July and 8 October. During the silent period, representatives of Sitowise do not comment on the company's financial situation or meet capital market representatives.



# Share and Shareholders

## Share price development

Sitowise share price (close) development since IPO to 31 Dec 2023



## Shareholders

The table below lists the ten largest Sitowise shareholders on 31 December 2023. The information is based on the Monitor service provided by the Swedish company Modular Finance AB: \*)

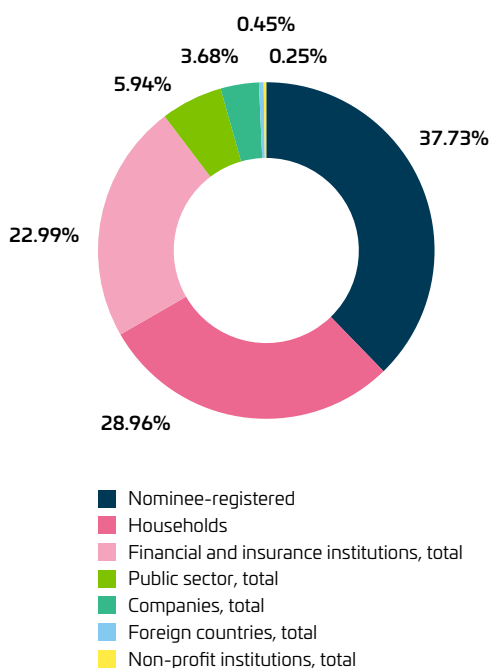
| Shareholder                                  | Number of shares  | % of shares  |
|--|-------------------|--------------|
| 1 Intera Partners Oy                         | 5,121,573         | 14.4%        |
| 2 Paradigm Capital AG                        | 3,575,309         | 10.0%        |
| 3 Lannebo Funds                              | 2,286,888         | 6.4%         |
| 4 Handelsbanken Funds                        | 1,910,079         | 5.4%         |
| 5 Evli Fund Management                       | 1,583,000         | 4.4%         |
| 6 Ilmarinen Mutual Pension Insurance Company | 1,071,500         | 3.0%         |
| 7 SEB Funds                                  | 906,965           | 2.5%         |
| 8 DNCA Finance S.A                           | 636,618           | 1.8%         |
| 9 Varma Mutual Pension Insurance Company     | 635,000           | 1.8%         |
| 10 Didner & Gerge Funds                      | 472,235           | 1.3%         |
| <b>10 largest, total</b>                     | <b>18,199,167</b> | <b>51.0%</b> |
| Total shares                                 | 35,665,927        |              |

\*) Data may be incomplete regarding the number of shares and shareholders. It is not possible for the company to verify the accuracy or timeliness of the information. The company is not responsible for the information supplied by the service provider, which is only provided as additional information. The company's shareholder register is available from Euroclear, and the company also publishes any flagging notifications it receives as stock exchange releases.

## Shareholders by sector

Largest shareholders by sector, 31 December 2023. \*)

| Rank | Shareholders by sector                      | Number of shares  | % of shares    |
|------|---|-------------------|----------------|
| 1    | Nominee-registered                          | 13,458,218        | 37.73%         |
| 2    | Households                                  | 10,330,419        | 28.96%         |
| 3    | Financial and insurance institutions, total | 8,199,306         | 22.99%         |
| 4    | Public sector, total                        | 2,119,110         | 5.94%          |
| 5    | Companies, total                            | 1,311,596         | 3.68%          |
| 6    | Foreign countries, total                    | 158,780           | 0.45%          |
| 7    | Non-profit institutions, total              | 88,498            | 0.25%          |
|      | <b>All shares, total</b>                    | <b>35,665,927</b> | <b>100.00%</b> |



## Known shareholder agreements

The company is not aware of any agreements in force related to the ownership of the company's shares or the use of voting rights.

## Evaluation of Sitowise as an investment

According to our knowledge, the following analysts follow Sitowise Group regularly. The list is not necessarily exhaustive. Sitowise assumes no responsibility for any opinions of the analysts following the company.

### Carnegie

Emil Immonen  
+358 9 618 71 240  
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### Danske Bank

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\*) Source: Euroclear Finland Oy.



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## **The Smart City Company**

**SITOWISE**