

Luotea

Report by the Board of Directors
and Financial statements 2025

Value Beyond The Surface



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Financial performance and governance

Financial performance

Continuing operations financial performance

Net sales for 2025 amounted to EUR 346.0 million (349.5). Net sales decreased by 1.0%. The adjusted EBITA for 2025 was EUR 7.0 million (1.2), representing 2.0% (0.3%) of net sales. The adjusted operating profit for 2025 was EUR 5.5 million (-0.3), and operating profit totalled EUR 3.0 million (-31.8). Net sales increased in Facility Services Sweden and decreased in Facility Services Finland. The decline in net sales in Facility Services Finland was influenced by the low-snow early months of 2025 and the planned streamlining of the contract portfolio. Demand for data-driven cleaning services and AI-assisted energy efficiency services remained strong. In Facility Services Sweden, net sales increased due to newly won customer accounts and the strengthened Swedish krona. In Finland, measures to streamline the cost structure and improve operational efficiency continued, and the division's operating profit improved clearly. Statutory social costs increased compared to the reference period.

Profitability improved compared to the reference period, particularly in property maintenance services. In the cleaning service line, profitability remained at a good level.

Division reviews

Facility Services Finland

Net sales for Facility Services Finland in January–December were EUR 224.4 million (238.0). The decline in net sales was affected by the planned streamlining of the contract portfolio as well as the low-snow early months of 2025. Demand for data-driven cleaning services and AI-assisted energy efficiency services remained strong. Adjusted EBITA was EUR 12.6 million (9.9). Measures to streamline the cost structure and improve operational efficiency continued, and the division's operating profit improved clearly. Statutory social costs increased compared to the reference period. Profitability improved compared to the reference period particularly in property maintenance services. In the cleaning service line, profitability remained at a good level. Adjusted operating profit was EUR 12.4 million (9.6). Operating profit totalled EUR 11.1 million (9.4). Operating profit was adversely affected by a total of EUR 1.3 million in items affecting comparability, mainly related to the efficiency programme.

Facility Services Sweden

Net sales for Facility Services Sweden in January–December increased to EUR 121.9 million (111.9). Net sales grew as a result of newly won customer accounts as well as the strengthened Swedish krona. Adjusted EBITA was EUR -2.7 million (-6.3). The division's loss decreased as expected. Measures to simplify and streamline operating models and to adjust the cost level are continuing. In 2025, profitability improved in the cleaning service line as well as in technical property services in

both the public and private sectors. The adjusted operating profit was EUR -3.9 million (-7.5). Operating profit totalled EUR -5.3 million (-35.1). Operating profit was improved by the reversal of provisions related to loss-making contracts, amounting to EUR 2.9 million in total. Operating profit was adversely affected by items affecting comparability totalling EUR 4.3 million, mainly related to the ongoing legal process and the efficiency programme.

Discontinued operations

The Extraordinary General Meeting of Lassila & Tikanoja plc held on 4 December 2025 approved the partial demerger. On 18 December 2025, the Board of Directors of Lassila & Tikanoja plc decided to implement the partial demerger. On 31 December 2025, Lassila & Tikanoja plc announced that the partial demerger had been registered in the Trade Register. The circular economy businesses transferred to the new Lassila & Tikanoja plc in the partial demerger have been presented as discontinued operations in accordance with IFRS 5. The operating profit of the discontinued operations for January–December was EUR 44.2 million (41.6). The net sales of the discontinued operations were EUR 426.7 million (424). The income statement for the discontinued operations includes the net sales and the costs directly attributable to the circular economy business, which will be eliminated from the Group after the demerger. In addition, the result of the discontinued operations includes the demerger gain and the demerger-related expenses as well as the translation differences accumulated from the circular economy business that were recognised in the result in connection with the demerger.

MEUR	2025	2024	Change %
Net sales			
Facility Services Finland	224.4	238.0	-5.7
Facility Services Sweden	121.9	111.9	9.0
Interdivisional net sales	-0.4	-0.4	
Group, continuing operations	346.0	349.5	-1.0
Discontinued operations	426.7	424.0	0.6
Operating profit			
Facility Services Finland	11.1	9.4	18.1
Facility Services Sweden	-5.3	-35.1	84.8
Group administration and others	-2.7	-6.1	55.1
Group, continuing operations	3.0	-31.8	
Discontinued operations	44.2	41.6	6.6

MEUR	2025	2024	Change %
Adjusted Operating Profit			
Facility Services Finland	12.4	9.6	29.8
Facility Services Sweden	-3.9	-7.5	-47.7
Group administration and others	-2.9	-2.4	-24.6
Group, continuing operations	5.5	-0.3	

%	2025	2024
Operating margin		
Facility Services Finland	4.9	3.9
Facility Services Sweden	-4.4	-31.3
Group administration and others	0.9	-9.0

Adjusted operating margin		
Facility Services Finland	5.5	4.0
Facility Services Sweden	-3.2	-6.7
Group administration and others	1.6	0.1

MEUR	2025	2024
Gross capital expenditure		
Facility Services Finland	0.9	1.1
Facility Services Sweden	0.1	0.1
Group administration and others	0.3	0.1
Group, continuing operations	1.3	1.4

MEUR	2025	2024
Capital employed		
Facility Services Finland	12.1	17.0
Facility Services Sweden	31.0	29.9
Group administration and others ¹	17.8	349.2
Group ¹	60.9	396.1

%	2025	2024
Return on capital employed (ROCE)		
Facility Services Finland	80.2	51.4
Facility Services Sweden	-17.2	-77.9
Group ¹	77.8	3.3

¹ The figures include continuing and discontinued operations

Research and development

The continuing operations had no research and development activities during the financial period.

Information on key intangible assets

The continuing operations have no key intangible assets.

Financing and capital expenditure

The balance sheet at the reporting date includes the continuing operations, while the comparative period balance sheet includes both continuing and discontinued operations. The cash flow for the financial year includes both continuing and discontinued operations. The net cash flow from operating activities for January–December 2025 was EUR 75.6 million (81.4). Net cash flow from operating activities after investments was EUR 44.2 million (40.8). The net cash flow after investments for the review period was improved by lower operational investments compared to the reference period and weakened by the change in working capital. During the review period, EUR 4.7 million of working capital was tied up (released 3.2). The increase in trade receivables was the main factor tying up working capital in January–December.

Interest-bearing liabilities totalled EUR 19.8 million (186.9) at the end of the review period. Interest-bearing net debt amounted to EUR 4.1 million (153.0). The average interest rate of long-term loans excluding lease liabilities was 3.2% (3.8). On 27 June 2025, Lassila & Tikanoja plc entered into unsecured financing arrangements consisting of a EUR 35 million term loan and a EUR 15 million combined term loan and revolving credit facility agreement with OP Corporate Bank plc. On 30 June 2025, the company drew a total of EUR 40 million under these facilities and simultaneously repaid a EUR 40 million bank loan. In addition, the company entered into a EUR 40 million revolving credit facility agreement with Danske Bank A/S, Finland Branch. Through these financing arrangements, Lassila & Tikanoja plc refinanced its long-term debt that would have matured during 2026. The agreement on the EUR 35 million term loan with OP Corporate Bank plc also included an uncommitted additional financing option, which Lassila & Tikanoja utilised to draw a EUR 15 million term loan on 16 September 2025. The drawn loan was automatically converted, in accordance with its terms, into part of the EUR 35 million term loan.

The EUR 35 million and EUR 15 million term loans, the EUR 15 million combined term loan and revolving credit facility, and the EUR 40 million revolving credit facility will mature in the second quarter of 2028, and the agreements include a two-year

extension option. The financing arrangements are subject to the following financial covenant conditions: equity ratio and net debt to EBITDA. Compliance with the covenant conditions is monitored quarterly.

The company has planned a partial demerger in which its circular economy businesses will be separated into a new listed company. In connection with this, the agreement on the EUR 35 million term loan concluded with OP Corporate Bank plc also included an EUR 80 million bridge loan. The bridge loan was entered into to finance the repayment and/or redemption of the previously issued EUR 75 million unsecured bond to the extent that bond investors exercise their early redemption right related to the partial demerger in accordance with the bond terms.

On 7 August 2025, Lassila & Tikanoja announced that it would initiate a written procedure concerning its EUR 75 million sustainability-linked bond maturing in 2028, with a fixed annual coupon of 3.375 per cent, in order to obtain the necessary consents, waivers and decisions relating to amendments of the bond terms in connection with the partial demerger of Lassila & Tikanoja announced on 7 August 2025. In the partial demerger, all assets, liabilities and responsibilities of Lassila & Tikanoja relating to, or primarily serving, the circular economy business would be transferred to a newly established independent company to be named the new Lassila & Tikanoja plc ('the Receiving Company'). According to the proposal, all obligations and liabilities of the issuer arising from or relating to the bonds would be transferred solely to the Receiving Company, which would become the new issuer of the bonds.

On 29 August 2025, Lassila & Tikanoja announced that the required majority of the bondholders participating in the written procedure had voted in favour of the proposal, and the proposal was therefore approved. One hundred per cent of the votes cast supported the proposal, representing 99 per cent of the outstanding bonds. Following the approval of the proposal in the written procedure, Lassila & Tikanoja cancelled the EUR 80 million bridge loan in September 2025.

On 31 December 2025, Lassila & Tikanoja announced that the issuer change related to its EUR 75 million sustainability-linked bond had been completed. As of 31 December 2025, the amended terms and conditions of the bond apply, and all obligations and liabilities of the issuer arising from or relating to the bond have been transferred exclusively to the new Lassila & Tikanoja plc, which has become the new issuer of the bond.

As a result of the partial demerger, Luotea retained a EUR 5 million term loan and a EUR 10 million revolving credit facility. These will mature in the second quarter of 2028, and the related agreements include a two-year extension option. The financing arrangements are subject to the following financial covenants: equity ratio and net debt-to-EBITDA.

Compliance with the covenant conditions is monitored quarterly. At the end of the review period, the EUR 100.0 million commercial paper programme was entirely undrawn (undrawn). Two EUR 10.0 million overdraft facilities and the EUR 10.0 million committed revolving credit facility were also undrawn (in the comparison period, the EUR 40 million revolving credit facility was undrawn).

Net finance expenses for the review period decreased to EUR -0.7 million (-0.8). The equity ratio was 29.1% (35.4%) and the gearing ratio 10.1% (73.2%). The Group's equity totalled EUR 41.1 million (209.2). Net debt-to-adjusted EBITDA was 0.2.

Equity was reduced by the EUR 19.1 million dividend distributed for the 2024 financial year, which was paid to shareholders on 7 April 2025 in accordance with

the resolution of the Annual General Meeting held on 27 March 2025. The impact of translation differences arising from changes in the Swedish krona exchange rate on equity was EUR -1.9 million.

Cash and cash equivalents totalled EUR 15.7 million (33.9) at the end of the review period. The company's equity includes an equity-increasing entry related to the distribution of cash resulting from the partial demerger (+EUR 1.0 million); at the balance sheet date, this EUR 1.0 million had been recorded as a receivable from the new Lassila & Tikanoja. During the financial year, equity was increased by the result of discontinued operations amounting to EUR 160.4 million and, on the other hand, reduced by the fair value of the assets transferred in the demerger amounting to EUR -313.3 million. The net effect of these items weakened the Company's equity by EUR -152.9 million during the financial year.

Other operating income includes the share of the new Lassila & Tikanoja of the partial demerger costs (+EUR 4.2 million) as well as other expenses attributable to the new Lassila & Tikanoja (EUR 0.7 million). These items, totalling EUR 4.9 million, were recorded as a receivable from the new Lassila & Tikanoja at the balance sheet date.

Loans, liabilities and contingent liabilities to related parties

Related party transactions are disclosed in Note 5.4 Related Party Transactions to the consolidated financial statements. Subsidiary loans and their terms are presented in Note 11 to the parent company's financial statements.

Outlook

Adjusted EBITA for 2026 is expected to increase or to increase significantly compared to the adjusted EBITA for 2025 (EUR 7.0 million).

Resolutions by the Annual General Meeting

The Annual General Meeting of Lassila & Tikanoja plc held on 27 March 2025 adopted the financial statements and the consolidated financial statements for 2024, discharged the members of the Board of Directors and the President and CEO from liability, and addressed the remuneration report of the governing bodies.

The Annual General Meeting resolved on the use of the profit shown on the balance sheet and the distribution of dividends, amendments to the Articles of Association, the composition and remuneration of the Board of Directors, the election and remuneration of the auditor, the election of the assurance provider for sustainability reporting, and authorised the Board of Directors to acquire the company's own shares and to decide on a share issue and on the issuance of special rights entitling to shares. The Annual General Meeting resolved that, based on the balance sheet adopted for the 2024 financial year, a dividend of EUR 0.50 per share will be paid.

The dividend payment date was set at 7 April 2025. The Annual General Meeting approved the proposal of the Board of Directors to amend Sections 4, 6 and 13 of the Articles of Association as follows:

- Section 4 shall be amended so that the Board of Directors may consist of a minimum of three (3) and a maximum of eight (8) members, instead of the previous maximum of seven (7) members.

- Section 6 shall be amended so that, in addition to an auditor, the company shall have a sustainability reporting assurer.
- Section 13 shall be amended so that, in addition to the matters previously specified in Section 13, the assurance report on sustainability reporting shall be presented at the Annual General Meeting and a sustainability reporting assurer shall be appointed.

The Annual General Meeting confirmed the number of members of the Board of Directors as eight (8), in accordance with the proposal of the Shareholders' Nomination Board. The following current members of the Board of Directors were re-elected to serve until the end of the next Annual General Meeting: Teemu Kangas-Kärki, Sakari Lassila, Jukka Leinonen, Juuso Maijala, Anna-Maria Ronkainen and Pasi Tolppanen. In addition, Tuija Kalpala and Anna-Maria Tuominen-Reini were elected as new members. Jukka Leinonen was elected Chair of the Board and Sakari Lassila Vice Chair. The audit firm PricewaterhouseCoopers Oy was elected as the company's auditor to serve until the end of the next Annual General Meeting, and has announced that APA Samuli Perälä will act as the principal auditor. PricewaterhouseCoopers Oy was also elected as the company's sustainability reporting assurer to serve until the end of the next Annual General Meeting, and has announced that CRA Samuli Perälä will act as the principal sustainability reporting assurer. Further details on the resolutions of the Annual General Meeting are provided in the stock exchange release issued on 27 March 2025.

Partial demerger

On 13 December 2024, the company announced that the Board of Directors of Lassila & Tikanoja plc had decided to initiate the planning of separating the company's circular economy businesses—Environmental Services and Industrial Services—and its facility services businesses into two independent listed companies. The intention is to separate the circular economy businesses into a new listed company through a partial demerger of Lassila & Tikanoja plc.

According to the assessment of the Board of Directors, the separation of the circular economy and facility services businesses could increase shareholder value by enabling both businesses to pursue their own strategies and growth opportunities more effectively.

On 9 June 2025, the company announced that, as part of the plan published on 13 December 2024 to separate the circular economy businesses of Lassila & Tikanoja plc into a new listed company through a partial demerger ('the Demerger'), the Board of Directors proposes that Eero Hautaniemi be appointed President and CEO of the independent circular economy businesses, should the partial demerger be completed. At the same time, the Board of Directors proposes that Antti Niitynpää be appointed President and CEO of the facility services businesses remaining with Lassila & Tikanoja after the Demerger, conditional upon the implementation of the Demerger.

Eero Hautaniemi has served as President and CEO of Lassila & Tikanoja and as a member of the Group Executive Board since 2019, and, according to the proposal, will continue in his current role as President and CEO of Lassila & Tikanoja until the implementation of the planned Demerger, at which point the appointments related to the Demerger will take effect. Antti Niitynpää has served as Senior Vice President

of Facility Services at Lassila & Tikanoja since 2021 and has more than 10 years of experience in leadership roles within the company's facility services operations. Before that, he held several managerial positions at ISS for more than 10 years.

The Board of Directors of Lassila & Tikanoja plc also proposes that M.Sc. (Econ.) Joni Sorsanen be appointed Chief Financial Officer of the independent circular economy businesses and M.Sc. (Econ.) Mika Stirkkinen be appointed Chief Financial Officer of the facility services businesses, should the partial demerger be completed. Joni Sorsanen has served as CFO of the Lassila & Tikanoja Group and as a member of the Group Executive Board since 2024 and, according to the proposal, will continue in his current role until the implementation of the planned Demerger, at which point the appointments related to the Demerger will take effect. Mika Stirkkinen has more than 20 years of experience in senior financial management positions, including serving as CFO of Finnair.

On 7 August 2025, the company announced that the Board of Directors of Lassila & Tikanoja plc had approved, at its meeting on the same day, the demerger plan for separating the circular economy businesses into a new listed company. The demerger plan and its appendices were published on 7 August 2025.

The Extraordinary General Meeting held on 4 December 2025 approved the demerger plan. On 18 December 2025, the company announced that the Board of Directors of Lassila & Tikanoja plc had decided to implement the partial demerger of Lassila & Tikanoja. It was noted that, based on the recommendation of the Shareholders' Nomination Board, the Board of Directors had proposed that Pasi Tolppanen, Anna-Maria Ronkainen and Juuso Maijala continue as members of the Board, and that Johan Mild, Timo Karppinen and Soile Kankaanpää be elected as new members of the Board for a term beginning on the date of the implementation of the demerger and ending at the end of the next Annual General Meeting of the company.

On 31 December 2025, the company announced that the partial demerger of Lassila & Tikanoja plc had been registered with the Trade Register. In connection with the implementation of the demerger, Nasdaq Helsinki Ltd ('Nasdaq Helsinki') approved the listing application for the shares of the new Lassila & Tikanoja to be admitted to trading on the Nasdaq Helsinki stock exchange list. In accordance with the demerger plan, the name of the Demerging Company was changed to Luotea plc ('Luotea') on 31 December 2025. Trading in Luotea's shares will continue on the Nasdaq Helsinki stock exchange list.

In connection with the demerger, the parent company's share capital was reduced by EUR 18 million in accordance with the demerger plan, and the reduction of share capital was transferred to the reserve for invested unrestricted equity. The reserve for invested unrestricted equity decreased by EUR 19 million as a result of the demerger, resulting in a net change of EUR -1 million. In addition, retained earnings of EUR 7 million were transferred in the demerger. The total impact of the demerger on the parent company's equity was EUR -26 million.

Efficiency program

At the beginning of 2025, Lassila & Tikanoja launched an efficiency programme aimed at improving profitability. During January–December 2025, the comparable costs of the continuing operations decreased by approximately EUR 3 million compared to January–December 2024 as a result of the measures implemented under the efficiency programme. In 2026, the programme's measures will focus primarily on improving the efficiency of the operations in Sweden.

Events after the reporting period

At 13 January 2026, the company announced that the Shareholders' Nomination Board proposes to the Annual General Meeting to be held on 29 April 2026 that the Board of Directors should consist of six (6) members. The Nomination Board proposes that all current members—Johan Mild, Pasi Tolppanen, Anna-Maria Ronkainen, Juuso Maijala, Timo Karppinen and Soile Kankaanpää—be re-elected to the Board. The Nomination Board further proposes that Johan Mild continue as Chair of the Board and Pasi Tolppanen as Vice Chair. All candidates have given their consent to the election and are independent of the company and its significant shareholders.

The Shareholders' Nomination Board consists of representatives appointed by the company's three largest shareholders as well as the Chair of the Board of Directors of Luotea plc. The members of the Shareholders' Nomination Board have been Miikka Maijala, Chair (shareholder group), Juhani Lassila (Evald and Hilda Nissi Foundation), Dag Marius Nereng (Protector Forsikring ASA) and Johan Mild (Chair of the Board of Directors of Luotea plc).

On 9 February 2026, the company announced that Luotea has appointed Hanna Inget, M.Sc. (Econ.), as Chief Commercial Officer and member of the Group Executive Board. She will assume her position on 1 March 2026. Inget will be responsible for Luotea's growth, commercial operations and the development of the customer experience.

Long-term financial and customer-related targets

The table below presents the long-term financial targets for the continuing operations.

Indicator	Target	2025	2024
Organic growth in net sales, %	4-5%	-1%	N/A
Adjusted EBITA %	5%	2%	0.3%
Operating free cash flow / Adjusted EBITA	>90%	N/A	N/A
Shared dividend of result	50%	216.4% ¹	N/A

¹ Board proposal

Changes in the Group Executive Board

On 9 June 2025, the Demerging Company announced that the Board of Directors of the Demerging Company had proposed that Antti Niitynpää be appointed President and CEO of Luotea and that Mika Stirkkinen be appointed Chief Financial Officer of Luotea, should the Demerger be completed.

Antti Niitynpää has served as Senior Vice President of Facility Services of the Demerging Company since 2021 and has more than 10 years of experience in senior leadership positions within the Demerging Company's facility services operations. Prior to that, he held several managerial roles at ISS for more than 10 years. Mika Stirkkinen has more than 20 years of experience in senior financial management positions, including serving as CFO of Finnair plc and, most recently, CFO of

Forenom Group.

The Board of Directors of the Demerging Company has also, conditional upon the implementation of the Demerger, appointed the following individuals to form the Executive Management Team of Luotea together with the President and CEO and the CFO, effective as of the date of implementation of the Demerger:

Erja Heiskanen as Senior Vice President, Cleaning and Support Services. Heiskanen has served as Senior Vice President, Cleaning and Support Services of the Demerging Company since 2021, and prior to that as Regional Director in the facility services business. Before joining the Demerging Company, she held several leadership positions at Honkarakenne plc, the Kährs Group and ABB.

Jani Lindström as Senior Vice President, Property Maintenance and Technical Services.

Lindström has served as Senior Vice President, Property Maintenance and Technical Services of the Demerging Company since 2021. Before that, he held various leadership positions at Transval Group Oy, Posti Group Corporation and the K Group.

Mikko Taipale as Senior Vice President, Facility Services Sweden. Taipale has served as Senior Vice President of Facility Services Sweden of the Demerging Company since 2023. Previously, he worked as a Partner at AIMS International Sweden, as HR Director at Veoneer and Autoliv, and held various leadership roles within the Telia Company Group.

Tom Lindgren as Senior Vice President, Strategy, Sustainability and Development. Lindgren has served as Strategy Director of the facility services business of the Demerging Company and as a member of the division's management team since 15 January 2025. Previously, he held leadership positions as Director of Digital Services at Haltian Oy and in various senior roles at Lindström Oy, Samsung and Nokia.

Jami Pohja as Senior Vice President, Human Resources. Pohja has more than 15 years of experience in HR leadership. He has served as HR Director of the facility services business of the Demerging Company since 2020. Prior to that, he held HR management positions at Alko Oy and the Demerging Company, and worked as a lawyer at the Trade Union Erto.

Heikki Eskola as Senior Vice President, Legal Affairs and EHSQ. Eskola has served in senior legal roles at the Demerging Company since March 2025. Before that, he held senior legal positions at Wärtsilä plc and ISS Services, and worked as in-house counsel at the Demerging Company.

Dividend policy

The company's long-term objective is to distribute at least 50% of the profit for the financial year as dividends.

Proposal for profit distribution

The distributable funds of Luotea plc in the financial statements amount to EUR 14,346,297.25, of which the profit for the financial year is EUR 683,830.79. There have been no material changes in the company's financial position after the end of the financial year, nor does the liquidity test referred to in Chapter 13, Section 2 of the Finnish Companies Act affect the amount of distributable funds.

The Board of Directors proposes to the Annual General Meeting that a dividend

of EUR 0.07 per share be distributed for the 2025 financial year. The dividend will be paid to a shareholder who, on the record date for the payment, 4 May 2026, is registered in the company's shareholder register maintained by Euroclear Finland Ltd. The Board proposes that the dividend be paid on 11 May 2026. No dividend will be paid on the company's own shares held by the company on the record date. On the date of the dividend proposal, the number of shares entitled to dividend is 38,211,724, resulting in a total dividend amount of EUR 2,674,820.68. Earnings per share for the Group were EUR 4.23.

Shares and shareholders

Share capital and number of shares

The company's registered share capital is EUR 1,000,000, and the number of outstanding shares at the end of the review period was 38,211,724.

Shareholders

At the end of the review period, the company had 24,235 (24,523) shareholders. The proportion of nominee-registered holdings was 13.0% (13.9%) of the share capital.

Holdings of the Board of Directors, the President and CEO and the Executive Board

As at 31 December 2025, the members of the Board of Directors, the President and CEO, and the members of the Group Executive Management Team of Luotea, together with entities under their control, held a total of 82,596 shares in the company. This corresponds to 0.2 per cent of the total number of shares and votes.

Share-based incentive plans

In December 2022, the Board of Directors of Lassila & Tikanoja plc established two new long-term share-based incentive schemes for key employees of the Group. The purpose of the new schemes is to align the objectives of the company, its shareholders and key personnel in order to increase the company's value over the long term, to strengthen the commitment of key employees to the company, and to offer competitive incentive structures based on earning and accumulating company shares as well as on the appreciation of the share price. The share-based incentive scheme for 2023–2027 comprises three (3) performance periods, each lasting three (3) years: calendar years 2023–2025, 2024–2026 and 2025–2027.

During the 2023–2025 performance period, the earning of rewards is based on the following performance criteria: return on capital employed, total shareholder return and reduction of the carbon footprint. The target group of the share-based incentive scheme for the 2023–2025 performance period consists of approximately nine key employees, including the President and CEO and the members of the Group Executive Board.

The share-based incentive programme with a performance period covering the financial years 2024–2026 is based on the following performance criteria: the Group's average return on capital employed for the years 2024–2026 with a weighting of 50 per cent, the relative total shareholder return of Lassila & Tikanoja plc's share compared to the Nasdaq Helsinki general index with a weighting of 30 per cent, and the reduction of the carbon footprint with a weighting of 20 per cent. The reward under this share-based incentive programme will be paid after the three-year performance period in 2027.

	Number of shareholders	Percentage	Number of shares	Percentage of shares and votes
Breakdown of shareholding by sector on 31 December 2025				
Corporations and housing associations	911	3.8	3,799,596	9.8
Financial and insurance corporations	47	0.2	8,413,697	21.7
General government	15	0.1	2,718,622	7.0
Households	23,007	94.9	16,531,229	42.6
Non-profit institutions serving households	185	0.8	5,731,862	14.8
Foreign shareholders	69	0.3	976,190	2.5
Shares not transferred to the book-entry securities system	0		40,528	0.1
Own shares	1		587,150	1.5
Total	24,235	100	38,798,874	1.5
Breakdown of shareholding by size of holding on 31 December 2024				
Number of shares				
1–1 000	21,671	89.4	4,710,175	12.1
1,001–5,000	2,092	8.6	4,450,877	11.5
5,001–10,000	254	1	1,811,223	4.7
10,001–100,000	181	0.7	4,923,984	12.7
100,001–500,000	23	0.1	4,995,375	12.9
over 500,000	13	0.1	17,279,562	44.5
Shares not transferred to the book-entry securities system	0		40,528	0.1
Own shares	1		587,150	1.5
Total	24,235	100	38,798,874	100
Nominee-registered	10		5,059,005	13.0

Major shareholders on 31 December 2025, excluding nominee-registered shares

Shareholder	Number of shares	Percentage of shares and votes
1 Evald and Hilda Nissi 's Foundation	3,496,487	9.0
2 NORDEA NORDIC SMALL CAP FUND	2,009,300	5.2
3 MAIJALA JUHANI	1,529,994	3.9
4 BERGHOLM HEIKKI LAURI HERMAN	895,057	2.3
5 Ilmarinen Mutual Pension Insurance Company	790,000	2.0
6 MAIJALA MIKKO JUHANI	730,000	1.9
7 Varma Mutual Pension Insurance Company	729,791	1.9
8 Åbo Akademi University Foundation	645,282	1.7
9 LUOTEA PLC	587,150	1.5
10 SIJOITUSRAHASTO AKTIA CAPITAL	580,218	1.5
11 Elo Mutual Pension Insurance Company	574,180	1.5
12 The State Pension Fund	512,000	1.3
13 TURJANMAA KRISTIINA AIRA	469,000	1.2
14 OY CHEMEC AB	420,000	1.1
15 Capital fund SELIGSON & CO PHOEBUS	405,000	1.0
16 MAIJALA EEVA KYLLIKKI	370,000	1.0
17 SAMFUNDET FOLKHÄLSAN I SVENSKA FINLAND RF	336,800	0.9
18 SECURITY TRADING	330,000	0.9
19 BROTHERUS ILKKA JOHANNES	285,000	0.7
20 MAIJALA INVESTMENT OY	210,000	0.5
20 largest owners total	15,905,259	41.0

The share-based incentive programme with a performance period covering the financial years 2025–2027 is based on the following performance criteria: the Group's average return on capital employed for the years 2025–2027 with a weighting of 30 per cent, the relative total shareholder return of Lassila & Tikanoja plc's share compared to the Nasdaq Helsinki general index with a weighting of 30 per cent, the reduction of the carbon footprint with a weighting of 20 per cent, and revenue growth for the years 2025–2027 with a weighting of 20 per cent. The reward under this share-based incentive programme will be paid after the three-year performance period in 2028.

As a result of the partial demerger of Lassila & Tikanoja plc on 31 December 2025, the content of the ESG metric (i.e. reduction of the carbon footprint) included in the performance periods 2024–2026 and 2025–2027, as well as the target levels of the metric for the years following the demerger, will be redefined by the Board of Directors of Luotea plc after the demerger. The metrics themselves (ROCE, TSR, ESG, revenue) and their respective weightings will remain unchanged regardless of the demerger until the end of the performance periods.

Trading in shares in 2025

The company's shares are listed on the Nasdaq Helsinki Ltd Mid Cap list in the Industrial Products and Services sector. The trading code is LAT1V and the ISIN code is FI0009010854. Luotea's trading code is LUOTEA and its ISIN code is FI4000592464.

During 2025, a total of 6.6 million shares were traded, corresponding to 17.4% (22.5%) of the average number of outstanding shares. The total value of the shares traded was EUR 62.9 million (75.8). The highest share price was EUR 10.7 and the lowest was EUR 7.7. The closing price at the end of the review period was EUR 10.62. The market capitalisation of the company's share capital, excluding the company's own shares, was EUR 405.8 million (300.5). This figure does not yet reflect the impact of the demerger on the company's market value.

Flagging notifications

On 31 January 2025, Lassila & Tikanoja plc received a notification pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act, according to which the number of voting rights held by Nordea Funds Ltd in Lassila & Tikanoja exceeded the 5 per cent threshold on 30 January 2025. Nordea Funds Ltd's direct shareholding in Lassila & Tikanoja amounted to 1,912,244 shares, representing 4.93% of the total number of shares, and the total number of voting rights held increased to 1,946,154 votes, representing 5.02% of the total voting rights.

On 17 March 2025, Lassila & Tikanoja plc received a notification pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act, according to which the number of voting rights held by Nordea Funds Ltd in Lassila & Tikanoja fell below the 5 per cent threshold on 14 March 2025. Nordea Funds Ltd's direct shareholding fell below 5 per cent of the total number of shares in Lassila & Tikanoja, and the number of voting rights decreased to below 5 per cent of the total voting rights.

On 7 April 2025, Lassila & Tikanoja plc received a notification pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act, according to which the number of voting rights held by Nordea Funds Ltd in Lassila & Tikanoja reached the 5 per cent threshold on 4 April 2025. Nordea Funds Ltd's direct shareholding amounted to

1,911,570 shares, representing 4.92 per cent of the total number of shares in Lassila & Tikanoja, and the number of voting rights increased to 1,942,180 votes, representing 5 per cent of the total voting rights.

On 19 May 2025, Lassila & Tikanoja plc received a notification pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act, according to which the number of voting rights held by Nordea Funds Ltd in Lassila & Tikanoja fell below the 5 per cent threshold on 16 May 2025. Nordea Funds Ltd's direct shareholding fell below 5 per cent of the total number of shares in Lassila & Tikanoja, and the number of voting rights decreased to below 5 per cent of the total voting rights.

On 1 September 2025, Lassila & Tikanoja plc received a notification pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act, according to which the number of voting rights held by Nordea Funds Ltd in Lassila & Tikanoja exceeded the 5 per cent threshold on 29 August 2025. Nordea Funds Ltd's direct shareholding increased to 1,951,870 shares and 1,982,480 votes, representing 5.03% of the total number of shares and 5.11% of the total voting rights in Lassila & Tikanoja.

Own shares

At the end of the review period, the company held 587,150 of its own shares, representing 1.5% of all shares and votes. On 26 February 2025, the company transferred 8,399 of its own shares to nine key employees covered by the Group's share-based incentive scheme. The transferred shares constitute the share-settled portion of the reward payable under the 2024 share-based incentive scheme. On 5 May 2025, the company transferred 14,392 of its own shares to members of the Board of Directors as part of their remuneration. No own shares were repurchased during the financial year.

Authorisations for the Board of Directors

The Annual General Meeting of Lassila & Tikanoja plc held on 27 March 2025 resolved to authorise the Board of Directors to repurchase the company's own shares using the company's unrestricted equity. In addition, the Annual General Meeting resolved to authorise the Board of Directors to decide on a share issue as well as on the issuance of special rights entitling to shares.

The Board of Directors is authorised to repurchase a maximum of 2,000,000 of the company's own shares (corresponding to 5.2% of the total number of shares). The authorisation to repurchase shares is valid for 18 months.

The Board of Directors is authorised to decide on a share issue of new shares or on the transfer of shares possibly held by the company, and/or on the issuance of option rights or other special rights entitling to shares as referred to in Chapter 10, Section 1 of the Finnish Companies Act, so that a total of no more than 2,000,000 shares, corresponding to 5.2% of the total number of shares, may be issued and/or transferred under the authorisation. The authorisation is valid for 18 months.

Risks and risk management

Luotea has established a risk management process that covers financial and funding risks, strategic risks, operational risks, sustainability-related responsibility risks, and hazard risks.

Key risk management principles

The objective of Luotea's risk management is to identify significant risk factors, prepare for them and manage them optimally. The role of risk management is to support management and decision-making in achieving the company's objectives. Comprehensive risk management aims to manage the Group's overall risk exposure rather than merely individual risk factors.

Risk management is carried out by the various functions in accordance with the defined responsibility matrix. The risk assessments conducted at Group level are consolidated, and the prioritised development actions are identified.

In accordance with the risk management process, risks are assessed annually in the following categories

- Strategic risks
- Financial risks
- Operational risks
- Sustainability risks
- Supply chain risks, and
- ICT-risks

The risk management process also seeks to assess the opportunities arising from risks.

Responsibilities

The Board of Directors approves the principles of risk management, monitors the implementation of risk management and evaluates the effectiveness of the methods used. The President and CEO is responsible for organising and implementing risk management. Risk management in the Luotea Group is guided by the risk management and insurance policy approved by Luotea's Board of Directors, as well as the related risk management principles, which are updated regularly. The policy defines the objectives and principles of the Group's risk management, the organisation and responsibilities, and the operating procedures. The management of financial risks complies with the Group's financing policy approved by Luotea's Board of Directors. The principles for managing insurance risks are defined in the risk management and insurance policy.

Identification, assessment and reporting of risks

Risks are identified regularly and systematically at both the business-unit and company level, as well as within critical Group functions. The assessment also covers risks related to the collection and reporting of sustainability information, such as potential errors in data collection or consolidation. The significance of risks is evaluated using a risk matrix, and actions are defined and assigned to manage and minimise the identified risks. The impact of risks is analysed, among other things, through their potential EBIT effects, and the probability of risks materialising is assessed based on operational quality and the risk-mitigating measures already implemented. The most significant identified risks and the preparedness measures related to them are reported regularly to the President and CEO and to the Board of Directors.

Risk analysis

Pages 7–8 describe the most significant strategic, operational and sustainability related risks in Luotea's business operations which, if realised, could jeopardise or prevent the achievement of the company's business objectives. Financial risks are described in Note 4.2 Financial Risk Management to the consolidated financial statements.

Near-term risks and uncertainties

Luotea's business is exposed to economic cycles, and changing market conditions as well as fluctuations in the industries of Luotea's customers may affect the demand for Luotea's services and solutions.

Luotea operates in highly competitive markets, and increased competition or failure to respond effectively to competitive pressures may lead to a loss of market share. In its operations, Luotea is also exposed to fluctuations in the pricing and availability of materials, raw materials and production inputs.

Luotea operates in a labour-intensive sector, and failure to recruit skilled personnel, the loss of senior executives or other key employees, or disruptions in the availability or work ability of personnel may have an adverse effect on Luotea's business, and the company may not always succeed in recruiting and/or retaining employees with the required competence.

Luotea's operations and service delivery are highly dependent on data networks and digital solutions, and disruptions, breaches or attacks targeting them—along with potential failures in IT development projects or insufficient data processing agreements—may adversely affect Luotea's business and financial position and cause reputational harm.

The geopolitical situation involves uncertainty due to Russia's war of aggression and U.S. trade policies. Indirect impacts on general economic activity in Finland and Sweden could negatively affect net sales and profitability.

The Extraordinary General Meeting of Luotea resolved to separate the circular

economy and facility services businesses into two independent listed companies as of 31 December 2025. As a result of the partial demerger, the operating models, processes and systems of the two companies were separated. The demerger may involve risks related, for example, to the retention of skilled personnel, customer relationships, costs or the execution of potential transactions.

Luotea's mergers, acquisitions and corporate restructuring activities expose the company to various risks that may adversely affect its business.

The Group company Luotea FM AB is both plaintiff and defendant in legal proceedings in Sweden concerning unpaid receivables invoiced from a former customer of the Group. In June 2022, Luotea FM AB filed a claim with the Solna District Court against the former customer, seeking payment of outstanding receivables. At the end of the review period, the company had no receivables related to the case recognised on the balance sheet. The former customer has disputed Luotea FM AB's claims and payment obligation and has filed a counterclaim demanding approximately SEK 144 million from Luotea FM AB. The legal proceedings were concluded in December 2025, and a ruling is expected during the second quarter of 2026. Luotea considers the counterclaim unfounded and has made no provisions related to it.

Strategic, operational and sustainability risks

Strategic risks

Risk	Risk description	Risk management
Markets	<ul style="list-style-type: none"> The general economic development in Luotea's operating countries and changes in the competitive landscape affect the company's business. Changes in customers' tendering criteria towards solely price-based selection may negatively impact the company's business and the size of the overall market. Changes in the markets and the market environment, such as fluctuations in material prices, may negatively affect the businesses and business growth. Changes in the intentions of the social and healthcare regions (SOTE) regarding the outsourcing of services may affect the company's growth outlook. Developments in market-based energy costs may increase production costs. 	<ul style="list-style-type: none"> Creating and regularly updating scenarios, regularly reviewing, refining and updating the strategy, taking into account industry developments and identifying the need for renewal as part of the continuous strategy process. Continuous monitoring and analysis of market developments and the operating environment. Developing the company's own competitiveness factors. Luotea is not dependent on any single major customer, and its service offering is diversified. Developing new service models. Customer contracts that allow price increases when production costs rise. Price adjustment clauses in supplier contracts and a flexible resourcing model that enables rapid response to changes.
Regulation	<ul style="list-style-type: none"> The political environment in Luotea's operating countries and changes in regulation may affect the company's business. 	<ul style="list-style-type: none"> Active monitoring of legislative developments, anticipating upcoming changes and engaging in dialogue with authorities and lawmakers.
Technology	<ul style="list-style-type: none"> The competitiveness of Luotea's offering affects the Group's future growth. Errors in assessing technology choices for service production and equipment may weaken the company's profitability. Loss of competitiveness due to falling behind in AI development. 	<ul style="list-style-type: none"> Continuous monitoring and analysis of the operating environment related to Luotea's business and equipment. Temporal diversification of equipment investments. Implementing the AI strategy, for example by training personnel.
Employees	<ul style="list-style-type: none"> Challenges related to the availability and turnover of labour may hinder service delivery and increase the company's costs Changes in collective bargaining agreements may increase the company's costs. When collective agreements are expiring, there may be a threat of strikes or industrial action, which could lead to temporary interruptions in work. A decline in employee satisfaction may affect Luotea's competitive advantage, which is largely built on the work of skilled and motivated personnel. Increases in disability pension and occupational accident pension costs may negatively affect Luotea's competitiveness and profitability. 	<ul style="list-style-type: none"> Improving the employee experience by offering training, enhancing onboarding and leadership practices, and promoting job rotation and career advancement opportunities. Cooperation with municipal employment services, state organisations and educational institutions to ensure access to labour. Promoting labour-based immigration and the employment of special groups. Regular task- and site-specific risk assessments, workplace surveys and support for employees' work ability and well-being through work ability management activities. Luotea's own health fund, which supports the company's work ability management and complements occupational health services. The 'Suitable Work' model, aimed at rehabilitating and employing individuals at risk of disability pension.
Strategic development projects	<ul style="list-style-type: none"> Luotea is carrying out several strategic development projects aimed at driving growth and improving operational efficiency and operating models. Slower-than-planned progress or other challenges in these projects could weaken Luotea's competitiveness. 	<ul style="list-style-type: none"> The regular monitoring of the implementation of strategic projects is assigned to responsible parties, and corrective actions are taken when necessary. Alternative paths forward are explored as part of the projects. Luotea continuously assesses the capabilities required for the execution of strategic development projects and develops or acquires them where needed from external providers.

Operational risks

Risk	Risk description	Risk management
ICT systems, data security and data protection	<ul style="list-style-type: none"> Due to the partial demerger, disruptions, delays and operational challenges related to information and communication systems and their implementation may affect Luotea's operations and customer service. Renewal of business-critical systems may cause disruptions in service delivery. Cybercrime may compromise the company's information security and data protection and disrupt business continuity, for example through data breaches, malware or denial-of-service attacks. 	<ul style="list-style-type: none"> Developing the system environment and ensuring the reliability of the ICT environment by, for example, identifying business-critical systems and defining and clarifying responsibilities between system suppliers and Luotea. Thorough planning of the deployment of new systems and related operating models. Instructions on information security and data protection, and training for personnel.
Damage-related risks	<ul style="list-style-type: none"> Occupational accidents may lead to a significant increase in insurance premiums and, in the worst case, affect the company's ability to participate in public procurements. Loss of keys to a customer site may result in additional costs, for example due to lock replacements, and may weaken customer trust and damage the company's reputation. 	<ul style="list-style-type: none"> Goal-oriented proactive occupational safety work and thorough induction of personnel into safe working practices. A clear and comprehensive key management process and continuous insurance coverage that encompasses all operating countries and subsidiaries.
Procurement risks	<ul style="list-style-type: none"> Increases in fuel, electricity and other procurement costs may weaken Luotea's profitability. 	<ul style="list-style-type: none"> Managing the procurement chain and diversifying energy sources for equipment, as well as improving pricing and efficiency Customer contracts that allow price increases when production costs rise.
Weather conditions	<ul style="list-style-type: none"> Extreme weather conditions, such as significantly increased annual rainfall and snowfall, may lead to higher costs as service delivery becomes more difficult. For example, variations in winter snowfall levels can have a substantial impact on the costs and resourcing needs of winter maintenance. 	<ul style="list-style-type: none"> The company manages this risk by allocating its resources flexibly, using a subcontractor network to balance demand peaks, and actively monitoring weather forecasts and snow conditions to support operational planning. In addition, contracts aim to take weather variability into account whenever possible.
Financing risks	<ul style="list-style-type: none"> A potential rise in interest rates may increase the company's interest expenses. Investments in foreign currencies (SEK). 	<ul style="list-style-type: none"> More detailed information on the management of financial risks is presented in Note 4.2 to the financial statements.

Sustainability risks

Risk	Risk description	Risk management
Environmental risks	<ul style="list-style-type: none"> Changes in climate legislation, national and international targets and political steering may slow down the development of low-emission equipment technology or have a negative impact on fuel prices or emissions. 	<ul style="list-style-type: none"> Luotea's own climate targets, the measures taken to advance them, and the separate climate targets set for the supply chain are aligned with the findings of the scenario analysis. Luotea manages transition risks by assessing market developments and responding to them in a timely manner.
Social risks	<ul style="list-style-type: none"> Safety is at the core of working at Luotea. Accidents are possible despite comprehensive processes and training related to occupational safety. Human rights violations and occupational accident risks occurring in the supply chain. 	<ul style="list-style-type: none"> Comprehensive training, communication, and guidelines and principles related to safety management, as well as regular safety assessments and proactive safety work. Careful compliance with laws and collective agreements. Thorough risk assessment and the implementation of preventive measures based on identified risks. Ensuring the fulfilment of the duty of care, updating the human rights risk assessment in 2026. Considering supply chain responsibility: Code of Conduct guidelines for suppliers, supplier self-assessments, a risk assessment tool for audit prioritisation, KPI metrics, and monitoring via the Vastuu Group Reliable Partner service.
Ethical business	<ul style="list-style-type: none"> Participation in corruption or bribery. 	<ul style="list-style-type: none"> Determined prevention of corruption and bribery, for example through regular training for personnel. A whistleblowing channel available on the intranet and the company's website.

Sustainability report

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ESRS 2 General Disclosures

BP-1 – General basis for preparation of the sustainability statements

Luotea Plc's consolidated Sustainability Report has been prepared in accordance with Commission Delegated Regulation (EU) 2023/2772 (hereinafter referred to as "Sustainability Reporting Standard") and European Parliament and Council Directive 2013/34/EU (CSRD), the provisions of which concerning sustainability have been implemented in chapter 7 of the Finnish Accounting Act (1336/1997). This Sustainability Report covers all Luotea group companies presented in the consolidated financial statements for the financial year 1 January–31 December 2025, (Note 5.2), unless otherwise stated in connection with the reported information. On 31 December 2025, a partial demerger was completed at Luotea, separating the facility services business and the circular economy business into two independent listed companies. In accordance with the demerger plan published in August 2025, a new parent company to which the circular economy business are transferred was established for the circular economy company on 31 December 2025, and it will continue under the company name Lassila & Tikanoja Plc. The facility services business will remain in the demerging company, which continues under the new company name Luotea Plc as of 31 December 2025.

According to the assessment of the demerging company's Board of Directors', the separation of the circular economy and facility services businesses could increase shareholder value by enabling both businesses to pursue their own strategies and growth opportunities more effectively. Starting from 2026, the partial demerger will have a significant impact on sustainability themes that are material to Luotea as the circular economy business, which has a more significant environmental impact, is removed from the Group. With the demerger, Luotea will revise its strategy and strategic goals, including the non-financial sustainability targets, in 2026. The policies, operating principles and action plans related to the material sustainability topics will be updated to meet the needs of the demerging company. Updates will be made in particular to the company's environmental policy and transition plan related to Luotea's climate change mitigation measures.

The information in the Sustainability Report is reported for two entities: Luotea continuing operations and Luotea total (hereinafter referred to as "Luotea" or "the company"). Unless otherwise stated, Luotea's continuing operations include the parent company Luotea Plc, *Luotea Siivous Oy*, *Luotea Kiinteistöhuolto Oy*, *Luotea Kiinteistötekniikka Oy*, *Luotea Service Ab* and *Luotea FM Ab*. Luotea total covers Luotea's continuing operations and the discontinued operations L&T Ympäristöpalvelut Oy, L&T Teollisuuspalvelut Oy and Sand & Vattenblöst i Tyringen AB for the entire year 2025 and Recond Konsept Ab and Viemärihuolto Reinikka Oy for December 2025 (hereinafter referred to as "discontinued operations" or "the circular economy business"). Luotea does not report information on a company-specific basis. The information concerning the company's own workforce is also divided into country-specific figures. Luotea reports value chain information in accordance with disclosures in relation to specific circumstances. Information concerning trade secrets

and intellectual property rights has not affected the reporting of information that is material to Luotea.

BP-2 – Disclosures in relation to specific circumstances

The reported sustainability topics and sustainability indicators are based on Luotea's double materiality assessment, which was updated in 2025. The definitions of short-, medium- and long-term presented in paragraph 6.4 of ESRS 1 have been applied in the double materiality assessment. The same time horizon definitions are applied in this Sustainability Report. With regard to the metrics, the Sustainability Report applies the reporting period used in the financial statements. More information on the double materiality assessment and its results is provided in paragraph ESRS 2 IRO-1, pp. 22-24.

The assessment of impacts, risks and opportunities made in the double materiality analysis as well as the company's related policies, actions, targets and metrics apply, as a rule, to Luotea's own operations, with the exception of the following disclosures which apply to the value chain:

ESRS E1 Climate change

- Luotea reports Scope 3 emissions in accordance with the GHG Protocol (upstream and downstream).
- The carbon handprint describes the emissions avoided through the services provided to Luotea's customers.
- Luotea has set a separate climate target for the value chain.

ESRS E4 Biodiversity and ecosystem services

- The metrics concerning the remediation of contaminated soil sites and meadow restoration projects are related to services provided to customers.

ESRS E5 Resource use and circular economy

- Luotea's recycling rate target applies to materials collected from customers.

ESRS S2 Workers in the value chain

- The information applies to Luotea's direct suppliers and their employees.

The reported Scope 3 emission data is largely estimated using indirect sources and the data involves uncertainties. The background data used in the accounting is mainly based on euro-denominated procurement data and emission factors in accordance with the sector classification. The basis of calculation for greenhouse gases includes the background information used in the supply chain emissions calculation provided by the supplier or third party and assumptions made in the accounting. As a change to the previous reporting period, the company's remote work policy has been taken into account in the calculation of Scope 3 category 7 in this Sustainability Report. The basis of GHG calculation and changes in accounting are described in more detail in paragraph ESRS E1-6, pp. 52-58.

The reported carbon footprint is partly estimated using indirect sources and the reported data involves a high degree of uncertainty. The calculation method, the assumptions made therein and the uncertainty included in the calculation are described in more detail in paragraph ESRS E1-6, pp. 52-58.

The targets for managing the impacts on supply chain workers have been changed from the reporting year 2024 to the reporting year 2025. The targets relate to the coverage of the Supplier Code of Conduct and Supplier Self-Assessment processes. The target level and scope have been revised. The targets are described in paragraph S2-5, p. 68.

The calculation principles applicable to each topic and the background data used in the calculations are presented in connection with each topic. The disclosure indexing related to the European Sustainability Reporting Standards (ESRS) is reported in paragraph ESRS 2 IRO-2, pp. 31-36.

Luotea has certified its quality, occupational health and safety and environmental management systems in accordance with the ISO9001, ISO 45001 and ISO 14001 standards. In addition to the assurance of sustainability reporting, Luotea has not certified or obtained third-party assurance for the metrics presented in the sustainability report.

The Sustainability Report presents comparison data for Luotea (continuing and discontinued operations total) and Luotea's continuing operations.

With regard to transitional provisions, the list set out in Amendment C to ESRS 1 has been applied, and Luotea uses the Commission's "quick-fix" delegated act concerning the ESRS standard of 11 July 2025 in calculating the anticipated financial effects for the SBM-3, E1-9, E4-6 and E5-6 disclosure requirements. These are listed in the disclosure index ESRS 2 IRO-2, pp. 31-36. In addition, Luotea applies the transitional provision related to the value chain presented in ESRS 1 paragraph 10.2 in the following topics:

- E1 Biogenic CO2 emissions in all scope 3 categories
- E1 Emission data in scope 3 category 2 (capital goods)
- S2 Consultation of value chain workers

The Sustainability Report is published annually. The reporting period is the same as for financial reporting, i.e. 1 January 2025–31 December 2025.

GOV-1 – The role of the administrative, management and supervisory bodies

The Board of Directors and Board committees

Luotea's Board of Directors is the most senior body responsible for sustainability. The Board of Directors is responsible for the management of the company, the proper arrangement of the company's operations, and the proper arrangement and supervision of the company's accounting and financial management. The Board of Directors decides upon matters that are of major importance, in view of the scope and size of the operations of the company. The Board of Directors is also respon-

sible for the duties specified in the Companies Act and the Articles of Association, and in other regulations.

The duties of the Board of Directors include overseeing the company's strategy, major business decisions and the risk management process, and approving key policies and principles pertaining to business conduct. The Board of Directors approves the company's strategic sustainability targets and metrics, the key policies that guide the company's operations and the results of the company's double materiality assessment, for example. Progress towards strategic targets is presented to the Board of Directors four times per year, in connection with each interim report. In addition, the Board of Directors annually reviews the results of the company's risk management, which also cover the company's climate risks.

A separate CSRD-related training session was organised for the Board of Directors in 2025. The training sessions provided the Board members with information on the company's most material sustainability-related impacts, risks and opportunities of changes in the company's business environment. The company does not have a separate control procedure in place for managing sustainability-related impacts, risks and opportunities. Instead, the company assesses them as part of the strategic risk management process. The company's climate risks, for example, are assessed in accordance with Luotea's risk management process.

The Board of Directors has two committees: an Audit Committee and a Personnel and Sustainability Committee. In 2025, the Audit Committee consisted of four Board members, and the Personnel and Sustainability Committee consisted of four Board members. The committee members must have the expertise and experience required by the duties of the committee. The Board of Directors confirms the charters of the committees annually. The committees have no independent decision-making authority; the Board of Directors makes the decisions based on the preparation work by the committees. The Personnel and Sustainability Committee prepares the double materiality assessment on behalf of the Board of Directors. The double materiality assessment is then discussed by the Audit Committee and approved by the Board of Directors. The double materiality assessment is updated and approved annually by the Board of Directors. The chairman of the committee reports on the work of the committee at the Board meeting following the committee meeting. Minutes of the committees' meetings are provided to the Board members for information.

Personnel and Sustainability Committee

The new focus areas and future development areas of sustainability are discussed regularly by the Personnel and Sustainability Committee of the Board of Directors. Based on a presentation by Luotea's Sustainability Director, the Committee prepares the results of the company's double materiality assessment, which are based on an assessment of the company's impacts, risks and opportunities. The Personnel and Sustainability Committee also monitors and assesses the development of Luotea's business environment, regulation and stakeholder support. The Personnel and Sustainability Committee met four times in 2025.

Audit Committee

The charter of the Audit Committee includes monitoring and assessing the development of sustainability in the company and the results of the company's ESG assessments and analyses, and assisting the Board of Directors in the preparation

and monitoring of sustainability reporting. The Committee monitors and evaluates sustainability-related target setting in the short and long term and the effectiveness of risk management systems. In 2025, the Audit Committee monitored the progress of sustainability reporting as part of the process of working on the Report by the Board of Directors at each meeting.

Diversity and expertise of the Board of Directors

Both genders have been represented in the Board of Directors and its committees for a long time. In 2025, the Board of Directors had eight members, of whom 5/8 (62.5%) were male and 3/8 (37.5%) were female. The age range of the Board members was 45–70 years. The Board of Directors had one more member than in 2024, and the gender distribution of the Board of Directors also levelled out from the previous year, when two out of five members of the Board of Directors were female. The term of the Board of Directors ended on 30 December 2025. The current Board of Directors, which started on 31 December 2025, consists of six members, of whom 4/6 are male and 2/6 are female, aged 50–61. None (0%) of the members of the Board of Directors are in an employment relationship with the company. The Board of Directors has assessed that all (100%) of its members are independent of the company.

The members of the Board of Directors are familiar with the circular economy and facility sectors. They have extensive experience in different business areas and an understanding of different markets and their special characteristics through their previous experience. The experience and competence of the members of the Board of Directors support the strategic development of the service business. The Board of Directors has assessed its own performance and expertise in the areas that are the most significant to the company. The members of the Board of Directors have assessed the extent to which their expertise corresponds to the company's business, industry, services, geographical scope and material aspects of sustainability. From the perspective of sustainability, the key areas of expertise of the Board of Directors in 2025 were

- environmental responsibility (ESRS E1 Climate change, ESRS E4 Biodiversity and ecosystems, ESRS E5 Resource use and circular economy),
- human resource management (ESRS S1 Own workforce),
- corporate governance (ESRS 2 General Disclosures, ESRS G1 Business conduct),
- supply chain management (ESRS S2 Workers in the value chain, ESRS G1 Business conduct),
- international market knowledge (Finnish and Swedish markets) and
- industry expertise (ESRS E5 Resource use and circular economy, ESRS S1 Own workforce).

CEO and Group Executive Board

The President and CEO is responsible for Luotea's operations in keeping with the instructions of the Board of Directors, and is in charge of the company's strategy process. The President and CEO reports to Luotea's Board of Directors. The President and CEO is assisted by the members of the Group Executive Board, each of whom is, in their own area of responsibility, in charge of the development of sustainability and the management and implementation of the identified development themes. These include, among other things, the policies, strategic targets and tar-

gets set for sustainability work submitted to the company's Board of Directors for approval, as well as the results of the double materiality assessment. Luotea's President and CEO monitors the implementation of the sustainability targets and reports to the Board of Directors and its committees on their impacts, risks and opportunities. The members of the Group Executive Board report to Luotea's President and CEO. In 2024, the members of Luotea's Group Executive Board participated in the Board of Directors' training sessions that covered CSRD reporting.

At Luotea, the management and development of sustainability work is integrated into business management. Sustainability is incorporated into the company's strategy and taken into account in key indicators. Therefore, the material aspects of sustainability have been taken into account and measurable and monitored objectives have been set for them. Luotea has identified the key sustainability themes related to its operations through a double materiality assessment. The focus areas of sustainability have been determined based on the impacts of Luotea's operations, the expectations of key stakeholders and the Group's strategic priorities. Luotea's Board of Directors approves the sustainability targets in connection with the strategy and sets the company's long-term targets. Luotea has also taken into account the special characteristics of the operations and business environment of a service company in the environmental sector as well as the UN's sustainable development principles and the objectives of the Global Compact initiative in its sustainability work.

The Group Executive Board assesses the development of sustainability quarterly. Development primarily takes place in business-driven working groups, but the Sustainability Director and Sustainability and the sustainability organisation operating under their supervision are in charge of the practical coordination and reporting of sustainability efforts. The businesses and other functions are in charge of the sustainability and compliance of their operations in accordance with the Group's management system. Luotea's management system has been certified in accordance with the ISO 9001, ISO 14001 and ISO 45001 standards. Luotea Group Executive Board from 1 January 2025 and 30 December 2025 consisted of eight members, of whom 12.5% were female and 87.5% were male. The Group Executive Board that started on 31 December 2025 has six members, of whom 33.3% are female and 66.7% are male.

Compliance task force

Policies and principles are prepared by the compliance task force, which operates under Luotea's Senior Vice President, HR and Legal, and meets at least four times per year. The President and CEO and the Group Executive Board approve all policies and principles, and some are also subsequently approved by the Board of Directors.

The compliance task force also reviews compliance related to sustainability reporting, develops the company's monitoring activities related to legislation, and monitors incidents reported via the company's whistleblowing channels. The compliance task force consisted of the Senior Vice President, HR and Legal, and the Compliance Officer as permanent members, as well as the HR and HSQ Manager, Environmental Manager, Head of Sustainability and the SVP, Corporate Relations and Responsibility.

Luotea's compliance task force ensures that the company's policies are up to date. Most of the company's sustainability-related policies are public and can be found on the company's website. Luotea also has internal plans that guide its oper-

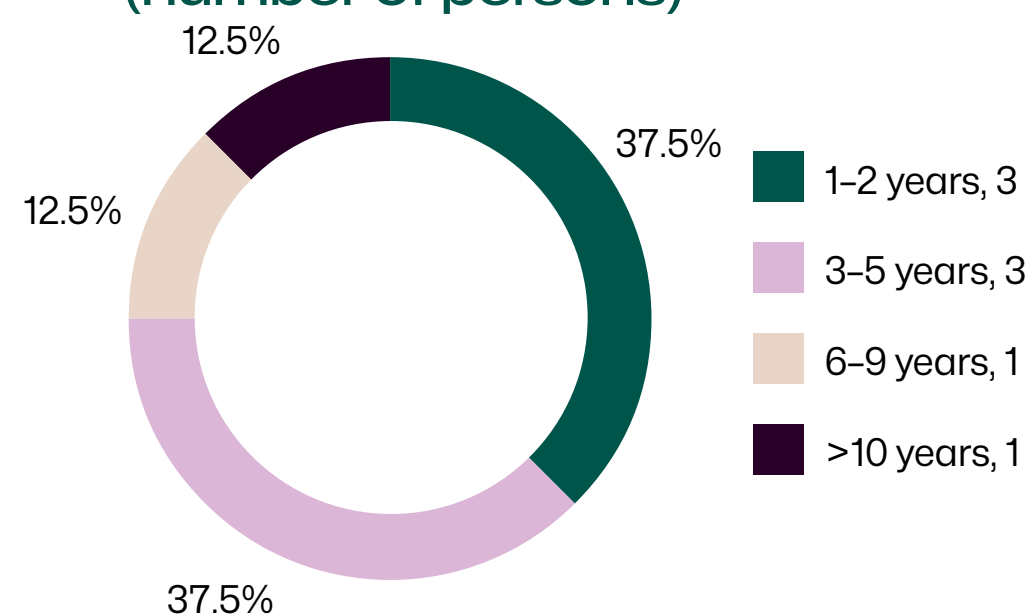
Diversity and expertise of the Board of Directors 1 January 2025–30 December 2025

The areas of expertise of the Board of Directors

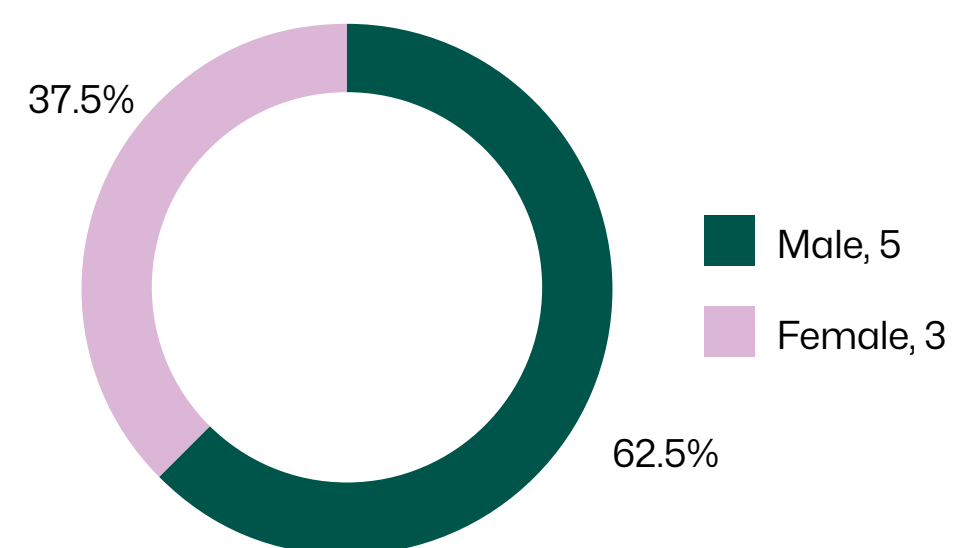
Name	Board member since	Area of expertise	Independent of the company	Independent of the shareholders	Audit Committee	Personnel and Sustainability Committee	Concurrent Board memberships in listed companies
Jukka Leinonen	2021	Customer accounts, environmental responsibility, HR management, ICT and data analytics, operational management, strategy and M&A	●	●		Chairman	2
Sakari Lassila	2011	Governance, internal control and risk management, strategy and M&A, finance and supply chain management	●	●	Member		
Tuija Kalpala	2025	Sustainability, customer accounts/customer experience, industry knowledge, strategy and acquisitions and operational management	●	●	Member		
Teemu Kangas-Kärki	2016	Governance, ICT and data analytics, internal control and risk management, strategy and M&A, finance	●	●	Chairman		1
Juuso Majjala	2024	Customer accounts, HR management, ICT and data analytics, technologies and supply chain management	●	●	Member	Member	
Anna-Maria Ronkainen	2023	Customer accounts, HR management, ICT and data analytics, technologies	●	●		Member	4
Pasi Tolppanen	2020	Customer accounts, international market insight, operational management, industry expertise and technologies	●	●		Member	
Anna-Maria Tuominen Reini	2025	Sustainability, governance, international market insight, industry knowledge and supply chain management	●	●	Member		

The table presents the key areas of expertise of the members of the Board of Directors on 30 December 2025. A particular area of expertise not being specifically mentioned for a Board member does not mean that the member in question lacks expertise in that area.

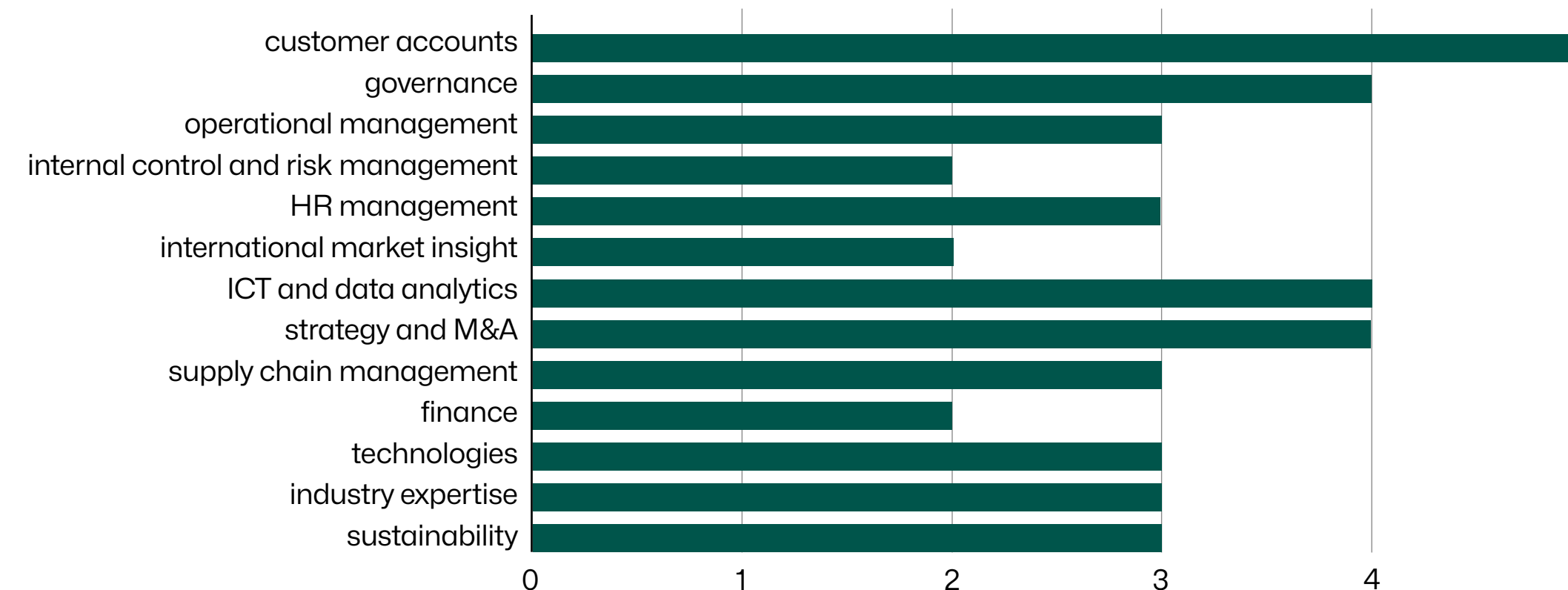
Duration of Board membership in years (number of persons)



Gender distribution (number of persons)



Main areas of expertise



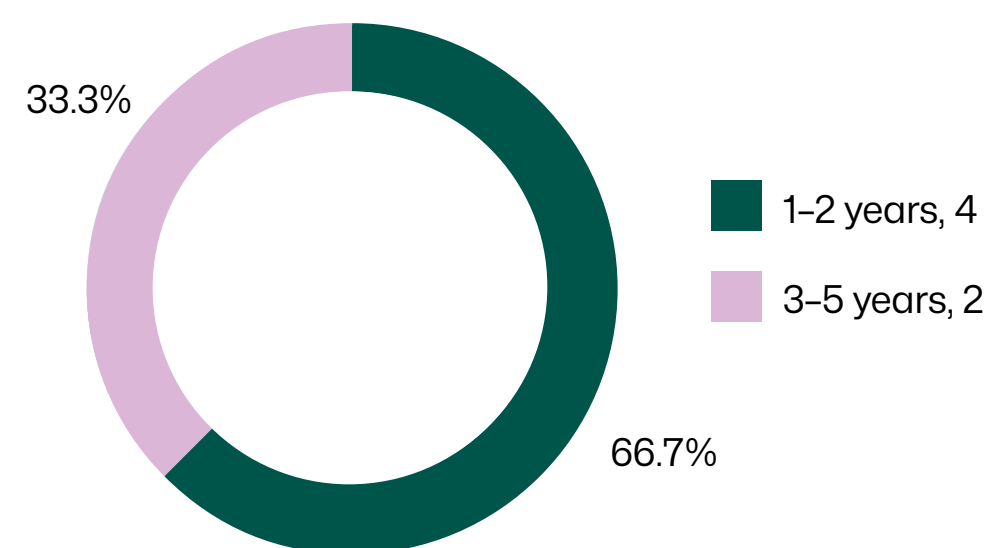
Diversity and expertise of the Board of Directors 31 December 2025

The areas of expertise of the Board of Directors

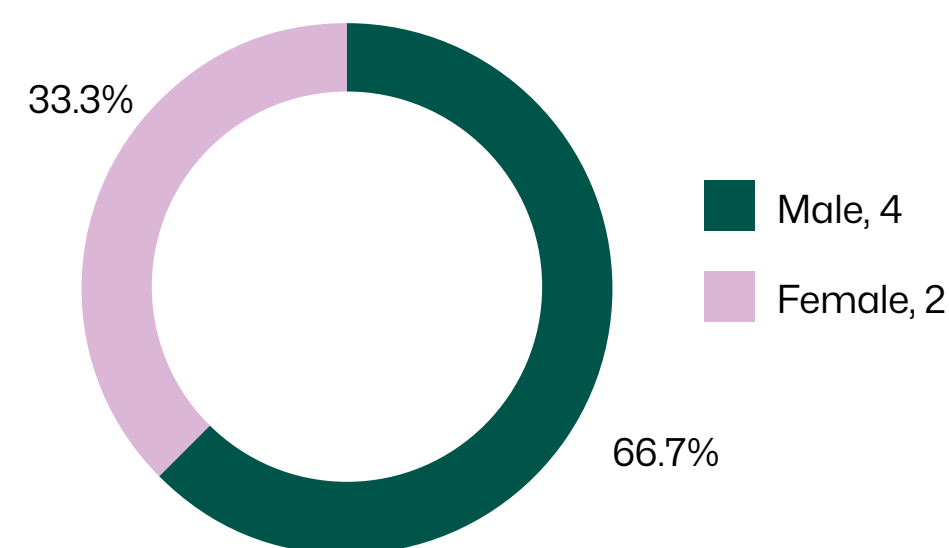
Name	Board member since	Area of expertise	Independent of the company	Independent of the shareholders	Audit Committee	Personnel and Sustainability Committee	Concurrent Board memberships in listed companies
Soile Kankaanpää	2025	Customer accounts, operational management, international market insight, strategy and M&A and industry expertise	●	●	Member		1
Timo Karppinen	2025	Governance, internal control and risk management, strategy and M&A, finance and supply chain management	●	●	Chairman		1
Juuso Maijala	2024	Customer accounts, HR management, ICT and data analytics, technologies	●	●	Member		1
Johan Mild	2025	Customer accounts, HR management, operational management, strategy and M&A, finance and industry expertise	●	●		Chairman	
Anna-Maria Ronkainen	2023	Customer accounts, HR management, ICT and data analytics, technologies	●	●		Member	3
Pasi Tolppanen	2020	Customer accounts, governance, international market insight, operational management, industry expertise	●	●		Member	2

The table presents the key areas of expertise of the members of the Board of Directors on 31 December 2025. A particular area of expertise not being specifically mentioned for a Board member does not mean that the member in question lacks expertise in that area.

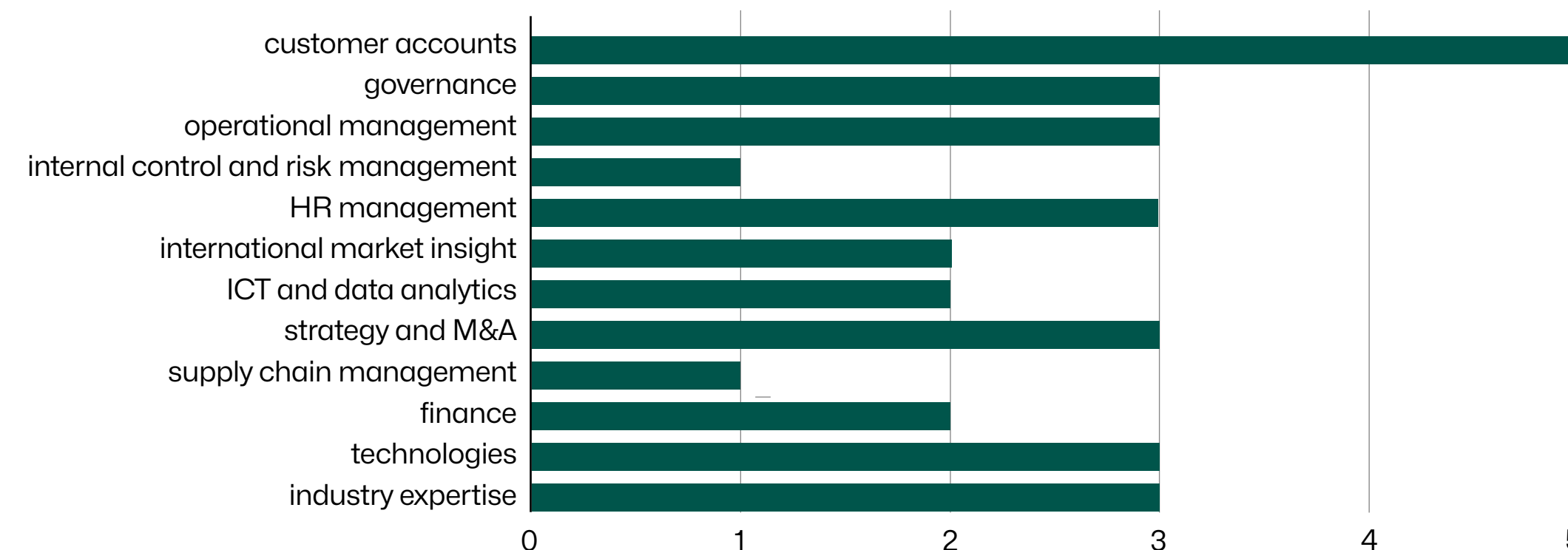
Duration of Board membership in years (number of persons)



Gender distribution (number of persons)



Main areas of expertise



ations, such as business-specific diversity plans and guidelines that supplement policies, which can be found via the company's internal communication channels.

Policies are updated at two-year intervals in collaboration with specialists. Responsible parties and approvers have been designated for each policy. The governance-related Employee Code of Conduct, anti-corruption and anti-bribery policy, data protection policy, information security policy, guidelines on gifts and hospitality in procurement activities, and related targets and metrics are described in more detail in paragraph ESRS G1-1, pp. 77–79. The occupational safety policy, personnel policy and human rights policy are described in more detail in paragraph ESRS S1-1, pp. 64–65. The Supplier Code of Conduct is described in more detail in paragraph ESRS S2-1, pp. 74–75. The environmental policy is described in more detail in section ESRS E1-2, p. 50.

Luotea also requires that employees complete online training on policies and principles on a job role-specific basis. Statistics on the completion of these training activities are monitored by the compliance task force and the Group Executive Board. The development of competence is the responsibility of the Senior Vice President, HR and Legal, together with the HR organisation. The HR organisation also prepares company-specific personnel development plans. The company's key policies and principles with relevance to the sustainability report are listed below. All of the listed policies and principles, with the exception of the information security policy, are publicly available on Luotea's website.

Shop steward organisation and European Works Council

At Luotea, employees are mainly represented by shop stewards or representatives elected from among the personnel.

The election and duties of shop stewards are laid down in collective agreements and, in part, in labour law. The election and duties of the shop steward are, on the other hand, provided for in labour law.

European Works Council meetings are held twice a year, and they bring together employee representatives from both operating countries to discuss various issues.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Sustainability matters are taken into account in the company's strategy, in connection with major business decisions and in risk management processes to the extent that they are material to the strategy, decision or process. This also includes the assessment of material impacts, risks and opportunities. The Board of Directors additionally monitors, as part of the risk management process, that Luotea has sufficient capabilities to identify, assess and manage risks effectively. The Board of Directors annually approves the results of Luotea's double materiality assessment, which address Luotea's material impacts, risks and opportunities. Luotea's key sustainability targets are reported to the Board of Directors four times per year in connection with interim reports, and they are part of the company's strategic objectives. In connection with interim reports, the Board of Directors assesses the measures necessary for achieving the targets and metrics. The sustainability risk manage-

Key policies 2025, responsibilities and training related to policies

Subject area	Policy	Responsibility	The most senior approval body	Training intended for personnel
Corporate governance	Employee Code of Conduct	Senior Vice President, HR and Legal	Board of Directors	Online training
Corporate governance	Anti-corruption and anti-bribery policy	Senior Vice President, HR and Legal	CEO and Group Executive Board	Online training
Corporate governance	Information security policy	Chief Information Officer	CEO and Group Executive Board	Online training
Corporate governance	Data protection policy	Senior Vice President, HR and Legal	Board of Directors	Part of online training on the data protection policy
Corporate governance	Tax policy	Chief Financial Officer	Board of Directors	Part of the induction of separately identified experts
Corporate governance	Policy on supplier gifts and hospitality	Senior Vice President, Corporate Relations and Sustainability	CEO and Group Executive Board	Part of the induction of separately identified experts
Society	HR policy	Senior Vice President, HR and Legal	CEO and Group Executive Board	Part of induction
Society	Occupational Safety Policy	Senior Vice President, HR and Legal	CEO and Group Executive Board	Online training
Society	Human rights policy	Senior Vice President, HR and Legal	Board of Directors	Part of online training on the Code of Conduct
Society	Supplier Code of Conduct	Chief Purchasing Officer	CEO and Group Executive Board	Part of the contractual requirements
Society	Sanctions control policy	Senior Vice President, HR and Legal	Board of Directors	Part of the induction of separately identified experts
Environment	Environmental policy	Senior Vice President, Corporate Relations and Sustainability	CEO and Group Executive Board	No specific training, implementation through objectives, targets, metrics and monitoring

ment process is part of the company's overall risk management process. The due diligence process related to acquisitions is described in more detail in section ESRS 2 GOV-4, p. 16.

During the reporting period, the following sustainability-related topics, among others, were discussed in the meetings and training sessions of the Board of Directors and its committees:

- Organisation of and allocation of resources of sustainability work
- Review of policy updates (data protection policy)
- Approval of the results of the double materiality assessment
- Monitoring the development of sustainability reporting by Audit Committee meetings
- Development work related to sustainability reporting at the Board of Directors' training sessions
- Monitoring regulation concerning sustainability
- The pressures, risks and opportunities caused by the geopolitical situation and the development of regulation for business and sustainability - review by the Board of Directors' training sessions
- Development of the key sustainability targets.

During the reporting period, the following sustainability-related topics, among others, were discussed in the meetings of the Group Executive Board:

- Organisation of and allocation of resources of sustainability work
- Procurement policy
- Results of the double materiality assessment
- Supplier Code of Conduct
- EHSQ Manual
- Monitoring regulation concerning sustainability
- Information security policy
- Progress of the key sustainability targets
- The Group's climate transition plan

GOV-3 – Integration of sustainability-related performance in incentive schemes

The Personnel and Sustainability Committee of Luotea's Board of Directors has drafted, and the Board of Directors has approved, the Remuneration Policy, which was presented to the Annual General Meeting on 21 March 2024. The aim is to follow the policy for four years until the Annual General Meeting in 2028. The Remuneration Policy describes the remuneration principles concerning the Company's governing bodies, namely the Board of Directors and the President and CEO. During the financial year 2025, Luotea complied with the Remuneration Policy presented to the Annual General Meeting. There were no deviations from the Remuneration Policy and no clawback of remuneration.

In accordance with the Remuneration Policy, the aim of the remuneration scheme of the Board of Directors and the President and CEO is to contribute to the positive development of shareholder value, as well as to enhance the Company's competitiveness, long-term financial success, and fulfilment of the strategy and goals set by the Company. An analysis of the total compensation of the Board of

Directors, the President and CEO and the Group Executive Board is prepared annually by an external consultant that is independent of the company. The analysis is reviewed by the Personnel and Sustainability Committee.

On 4 December 2025, the Extraordinary Annual General Meeting decided on the remuneration of the members of Luotea's Board of Directors. The remuneration of the Board of Directors did not include remuneration components related to sustainability matters.

The remuneration of the President and CEO consists of a fixed monthly salary and benefits, and a separate annually decided short-term incentive. The objectives of the short-term incentive scheme are set – and their achievement assessed – annually. In addition, the President and CEO is included in the share-based incentive scheme, which serves as a long-term incentive scheme. The Board of Directors decides on the remuneration and financial benefits payable to the President and CEO. Prior to the decision-making of the Board of Directors, the matter is prepared by the Personnel and Sustainability Committee of the Board.

The short-term incentive scheme and the share-based incentive scheme that serves as a long-term incentive scheme constitute the variable components of the President and CEO's remuneration.

The President and CEO's short-term incentive bonus for the earnings period that corresponds to the financial year 2024 was based on the Group's profit performance and strategic targets defined by the Board of Directors as follows: consolidated operating profit (70% weight), improving working capital (20% weight) and the employee Net Promoter Score (eNPS, 10% weight). Based on the achievement of the earnings criteria for the earnings period that corresponded to the financial year 2025, the incentive bonus was earned at 38.0% of the maximum amount. The President and CEO will be paid a short-term incentive bonus of EUR 103,658 in the financial year 2026 for the earnings period that corresponds to the financial year 2025.

The long-term incentive scheme includes a share-based incentive programme that covers the financial years 2023–2027. Luotea's emission reduction targets (scope 1 and 2) are part of the company's strategic goals and they have been taken into account in the long-term incentive scheme for senior management. As a rule, the earnings period of the plan is three calendar years. Luotea's Board of Directors decides on the earning criteria for each earnings period based on the Personnel and Sustainability Committee's proposal. The Board of Directors monitors and evaluates performance annually.

The share-based incentive schemes with the financial year 2024 and the financial years 2023–2025, 2024–2026 and 2025–2027 as the earnings periods, are described below:

- The share-based incentive scheme with the financial year 2024 as the earnings period. The reward is based on the Group's return on capital employed (ROCE) with a weight of 80% and carbon footprint reduction with a weight of 20%. The earnings criteria for the earnings period that corresponds to the financial year 2024 were achieved to such an extent that the reward represented 23.51% of the maximum amount. In the financial year 2025, the President and CEO was paid a total of EUR 60,827.68 under the long-term incentive scheme (corresponding to 7,382 L&T shares to be transferred and including the cash component) for the earnings period that corresponded to the financial year 2024, calculated at the average share price on 25 February 2025.
- The share-based incentive scheme with the financial years 2023–2025 as the

earnings period. The reward is based on the Group's average return on capital employed (ROCE) for 2023–2025 (50% weight), the total shareholder return (TSR) of the Lassila & Tikanoja plc share relative to the stock market index for the Helsinki Stock Exchange (30% weight), and carbon footprint reduction (ESG, 20% weight). The earnings criteria for the earnings period that corresponds to the financial years 2023–2025 were achieved to such an extent that the reward represented 20% of the maximum amount. The President and CEO was paid a short-term incentive bonus of EUR 49,560 in the financial year 2026 for the earnings period that corresponds to the financial years 2023–2025.

- The share-based incentive scheme with the financial years 2024–2026 as the earnings period. The reward is based on the Group's average return on capital employed (ROCE) for 2024–2026 (50% weight), the total shareholder return (TSR) of the Lassila & Tikanoja plc share relative to the stock market index for the Helsinki Stock Exchange (30% weight), and carbon footprint reduction (20% weight). Payment of the rewards under the share-based incentive scheme in question will take place after the three-year earnings period, in 2027.
- The share-based incentive scheme with the financial years 2025–2027 as the earnings period. The reward is based on the Group's average return on capital employed (ROCE) for 2025–2027 (30% weight), the total shareholder return (TSR) of the Lassila & Tikanoja plc share relative to the stock market index for the Helsinki Stock Exchange (30% weight), carbon footprint reduction (ESG, 20% weight), and net sales growth for the period 2025–2027 (20% weight). Payment of the rewards under the share-based incentive scheme in question will take place after the three-year earnings period, in 2028.

As a result of the partial demerger of Lassila & Tikanoja Oyj completed on 31 December 2025, the Board of Directors decided in early 2026 to make necessary updates to the ongoing performance periods for the years 2026 and 2027. The update concerned the content of the ESG criterion. For the remaining years of the performance period, the ESG criterion was changed from reducing carbon footprint to an employee experience-based eNPS metric. The amounts of the rewards and the other performance criteria remained unchanged. For performance periods commencing in 2026, Total Shareholder Return (TSR) and Return on Capital Employed (ROCE) are linked to the performance of Luotea.

GOV-4 – Statement on sustainability due diligence

Luotea applies due diligence in its operations. Information related to sustainability themes has been taken into account as part of the company's processes concerning acquisitions, procurement and human rights risk assessment.

Due diligence process in the context of acquisitions

In connection with acquisitions, various practices of the company being acquired are identified and assessed. Examples of these include employment contracts, occupational safety management and occupational health. Depending on the nature of the operations, compliance with environmental permits and the current state of production are also examined, provided that they may have impacts related to Luotea's climate targets, for instance. Due diligence always includes a financial and legal evaluation. Luotea's due diligence obligation concerning acquisitions is fulfilled at the business management level, in collaboration with the company's

Legal Affairs function. If necessary, external M&A professionals are utilised to assist in the evaluation of the subject of the acquisition. The due diligence reports are available to the President and CEO, the Group Executive Board and the Board of Directors when they make the investment decision.

Due diligence process in procurement

Supplier due diligence is taken into account at different stages of the procurement process. Luotea's compliance-related expectations are set out in the Supplier Code of Conduct, which is included in the appendices to Luotea's procurement agreements. Compliance is verified during the cooperation through self-assessment questionnaires, audits and monitoring in accordance with the Contractor's Liability Act. In addition, the supplier's financial and legal information is reviewed in connection with contract negotiations. Luotea uses many long-term suppliers, which promotes the transparency of the chain and enables the long-term development of various operating models. The Group's Chief Purchasing Officer is responsible for supplier cooperation and its development. The policies, actions and objectives are described in more detail in paragraph ESRS S2, pp. 74–76.

Due diligence process in human rights risk assessment

Luotea observes the Universal Declaration of Human Rights, workers' rights as defined by the International Labour Organization (ILO), international agreements and the UN Guiding Principles on Business and Human Rights. The company is committed to supporting the UN Global Compact initiative and its principles pertaining to human rights and labour rights. Human rights are also taken into account in Luotea's public policies and plans, such as the Employee Code of Conduct, Supplier Code of Conduct, human rights policy, occupational safety policy and internal diversity plan. Luotea's human rights principles have been approved by the President and CEO and the Group Executive Board.

In 2024, Luotea carried out a company-wide human rights risk assessment that covered not only the company's own operations but also the impacts of Luotea's supply chain. The assessment was based on the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises. The estimated direct and potential human rights impacts of Luotea in its own operations and value chain have been taken into account in Luotea's double materiality analysis 2025. In order to manage the potential impacts related to the value chain that were assessed in 2025, Luotea specified its requirements related to respecting human rights in the Supplier Code of Conduct.

Luotea's President and CEO and the Group Executive Board decide on the focal points and approach to sustainability work, including human rights, and related targets as part of the company's sustainability programme. The President and CEO and the Group Executive Board also approve Luotea's policies together with the Board of Directors. Each division is responsible for allocating resources to the policies and putting them into action. Luotea's sustainability organisation is responsible for assessing human rights impacts in close cooperation with the company's HR and procurement functions. Human rights issues have also been taken into account in personnel training, such as the online training on the Code of Conduct and occupational safety training.

Luotea has an anonymous whistleblowing channel in place. All workers and other operators in the value chain can use it to report suspected misconduct related

to working conditions or human rights violations. The whistleblowing channel is described on Luotea's public website, intranet, Employee Code of Conduct and Supplier Code of Conduct. A more detailed description of whistleblowing practices and reports is provided in paragraph G1-1, pp. 77-79.

Due diligence process for compliance with international sanctions

In order to identify and comply with international sanctions, Luotea signed an agreement on continuous sanctions monitoring with a service provider in 2025. In 2025, Luotea also drafted a Group-wide sanctions control policy.

GOV-5 – Risk management and internal controls over sustainability reporting

Risk management pertaining to sustainability reporting takes into account the processes related to sustainability reporting, the data used and its quality, as well as the necessary internal and external systems and resources. The aim of the risk management model is to ensure the identification, assessment and management of key risks related to the sustainability report. Risks are monitored at all stages of the sustainability reporting process so that they are identified and assessed proactively and any deficiencies can be addressed in a timely manner.

The risk assessment is the responsibility of Luotea's sustainability organisation together with Luotea's CFO. Its key results are reported annually to the President and CEO and the Group Executive Board, as well as the Audit Committee. This ensures that risk management measures are implemented consistently and support the company's sustainability targets.

The risk assessment model in use includes risk prioritisation methods that involve the assessment of risks based on their impacts and likelihood. The final results also take into account the company's existing policies and practices. The most significant risks are related to topics that are material in terms of their impact or likelihood.

In the 2025 risk assessment, the most significant risk related to sustainability reporting concerns the partial demerger prepared in Luotea and completed on 31 December 2025. The partial demerger affects the collection of reported information and required special arrangements for the reporting of quantitative data in January 2026. The company has carefully prepared for the partial demerger, reviewed its data collection process and taken into account the special arrangement in the reporting schedule.

There may be risks related to the completeness and integrity of data, as some of the environmental indicators are compiled manually from several of the company's information systems. Luotea has increased the specificity of the related instructions, clarified the process descriptions and developed internal control to ensure that any data errors are detected at a sufficiently early stage.

Luotea conducts internal audits to ensure that the risk management and control systems function as expected and that they are complied with. The risk management process related to sustainability reporting can also be addressed in connection with internal audits. Internal audit results are reported to the President and CEO and the Group Executive Board, as well as the Audit Committee.

SBM-1 – Strategy, business model and value chain

Business model and value chain

Luotea's business model builds sustainable future growth related to the digitalisation of properties, energy efficiency and biodiversity, creating added value for customers, investors and other stakeholders. The company had three divisions in 2025:

- Facility Services in Finland and Sweden improve the value of our customers' properties and aim for the continuous improvement of energy efficiency and increase in biodiversity
- The Circular Economy business keeps customers' materials in circulation as efficiently as possible and with the highest possible degree of processing, as recycled or secondary raw materials, and offers cleaning and restoration services. The division operates in Finland and Sweden.

From the beginning of 2025, Luotea has two divisions: Facility Services Finland and Facility Services Sweden.

Luotea operates in the service sector and is a significant employer. With this in mind, the occupational well-being and work ability of the personnel are key success factors for the company's business. Effective frontline management, good induction and offering development opportunities have an impact on the retention of personnel. On 31 December 2025, Luotea had a total of 5,007 employees. The breakdown of personnel by country is presented in paragraph S1-6, p. 69.

In Facility Services, the company aims to extend the lifespan of properties through efficient and timely cleaning and maintenance, and improves the efficiency of, and reduces, the energy consumption of properties. Luotea's key customers include operators in the fields of social welfare and health care, manufacturing, construction, commerce and logistics, as well as public sector entities and property sector operators.

Until the end of 2025, Luotea operated in circular economy businesses in the waste and side stream value chain. The circular economy business covers waste generation, supporting the customer in the sorting of waste and the selection of waste collection containers, as well as transport, recycling, secondary use and reuse. Together with its customers and partners, the operations ensure efficient waste logistics and the recycling of raw materials.

The upstream value chain of activities related to the circular economy includes the waste and side streams generated in different customer industries, such as heavy manufacturing, construction, commerce, the public sector and other properties. In 2025, the Circular Economy business was responsible for the waste management of tens of thousands of companies and households in Finland, supporting them in sorting at source and waste reporting. Partners in the downstream value chain of the circular economy business that carry out the recycling and other recovery of raw materials. The recycled materials processed by the circular economy business are sold to industrial customers that use them as raw materials in their production activities.

Other key partners in Luotea's value chain are subcontractors that provide services.

Strategy

Climate change and biodiversity loss are megatrends whose mitigation creates

business opportunities for Luotea. Mitigating climate change and biodiversity loss requires energy efficiency and circular economy actions from society, businesses and individuals. Businesses need responsible partners to support the transition to a circular economy and to improve the energy efficiency of properties and biodiversity. Cities continue to grow, and the expectations concerning the built environment are increasing, which creates demand for Luotea's services. Properties are expected to have long life spans, and changes in needs and the use of buildings over the years must be taken into account in maintenance and new construction.

In December 2025, the Annual General Meeting of Luotea decided to separate the company's circular economy business operations into a new listed company through the partial demerger of Lassila & Tikanoja Plc. According to the Board of Directors' assessment, the separation of the circular economy and facility services businesses increases shareholder value by enabling both businesses to pursue their own strategies and growth opportunities more effectively.

In 2025, Luotea implemented the Leader of the Regenerative Society strategy for the strategy period 2022-2026. In accordance with the strategy, the company's mission is to make the circular economy a reality, and the company helps its customers achieve their sustainability targets. During 2025, Luotea's continuing operations northwest prepared a new strategy that has been specified further for the Facility Services businesses in Finland and Sweden. Luotea's continuing operations will focus on facility services and offer comprehensive solutions for the entire life cycle of properties.

The new mission of Luotea's continuous services is: We create deeper value for people, businesses and society. Our facility services make everyday life smoother and strengthen our customers' business. Continuous improvement is part of our day-to-day routine. Our passion is to do our work more responsibly and with higher quality – to constantly improve. The new vision for Luotea's continuing operations is: Leading the way to a smarter tomorrow. In line with our vision, we are developing a new era of property maintenance. In our work, technology and human competence work seamlessly together to make buildings more ecological, smart and functional for their users.

Our strategic initiatives are taking us towards Luotea's vision. We grow in our core business by providing high-quality and responsible services that generate measurable value for the customer. We improve the efficiency of our operations through modern and uniform operating models. At the same time, we are building a workplace where people feel good, develop and stay – our goal is to be the best workplace in the industry. In addition, we are strengthening our competitiveness by utilising digital services and artificial intelligence with a pioneering approach.

The Facility Services Finland and Facility Services Sweden divisions focus on developing paths to profitable growth alongside improving their profitability.

Growth is sought through spearhead services that create significant cost and sustainability benefits for customers, bring new profitable customers to Luotea's continuing operations and improve customer retention. Competitive spearhead services enable faster growth than the market in current operations.

The spearhead services include data-driven property services, energy efficiency services and sustainability expert services. The services improve customers' sustainability, for example, by reducing the carbon footprint, increasing biodiversity and offering solutions for climate change adaptation. Data-driven services provide higher-quality reporting, enhance the efficiency of property use and improve conditions

and energy efficiency.

Luotea's continuing operations continuously develop the sustainability of their core services. The development work meets the needs of customers and provides a competitive advantage. A reporting portal has been created for customers for monitoring the quality of the service and the carbon footprint, for example. The development and management of sustainability work uses its own tool, the sustainability index, which describes the progress of the work. The sustainability index regularly monitors the development of social responsibility, environmental impact, carbon handprint and the quality of operations using selected metrics.

The strong balance sheet and the favourable development of the contract portfolio create excellent conditions for organic and inorganic growth during the strategy

Strategic sustainability targets 2025

Indicator	The goal	2025	2024
Employee Net Promoter Score, eNPS	>50 by 2026	24	21
Carbon footprint (Scope 1 and 2)	-50% by 2030, using 2018 as the baseline	-53	-42
Carbon handprint	grows faster than net sales	-378.8	-438.2
Total recordable incident frequency	19 by 2026	18	19
Sickness-related absence rate	less than 4.3% by 2026	5.0	5.0
Code of Conduct training coverage among personnel	100% of own personnel	68	64
Increase the recycling rate of collected and processed materials	to 70% by 2030	49.8	55.2

period. Luotea wants to be the best sustainability partner for its customers and an excellent workplace for the best experts in its field. During the strategy period, Luotea will invest in the renewal of operating models, which will enable even more cost-efficient service production.

Luotea measures the success of its strategy by financial, sustainability and stakeholder targets.

Business environment

The business environment in the facility services market in Finland was quite difficult. Economic uncertainty was reflected in the demand for facility services and the market. Customers actively tendered the services and sought cost-efficient solutions for the provision of services. On the other hand, customers' cost focus was reflected in the growth in the volume of Luotea's spearhead services, such as data-driven cleaning and energy efficiency solutions.

The focus on costs was particularly clear in the public sector, municipalities and social welfare and healthcare areas. Market dialogues on cost-efficient service solutions for various support services were actively conducted. The opening up of the public sector support services market seems to be accelerating in Finland, which is still clearly behind the Swedish situation.

In Finland, the aim is to accelerate the opening up of the public sector service market to competition by amending the Procurement Act. From Luotea's point of view, the reform proceeded in line with expectations and wishes. The aim of the Act is to set a minimum ownership threshold of 10% for a municipality's in-house entity, which will have a significant impact on the opening up of the market. The public sector still has a large number of unhealthy in-house structures that artificially seek to close the market and avoid competition. The Procurement Act is planned to enter into force in 2026.

The difficult employment situation in Finland and Sweden has provided temporary relief to the availability of labour in Cleaning Services. Over the past few years, personnel turnover has fallen to a record low. The structural challenge of the sufficient availability of labour remains a significant challenge for the industry, which will require investments in the future as well.

Towards the end of the year, there was a social debate on sustainable working life policies in Finland. Journalist Paavo Teittinen's book Pitkä vuoro ("Long shift") highlighted dramatic misconduct in the treatment of employees in the cleaning industry. Luotea believes that discussion and raising concerns are important, and they concretely illustrate the importance of sustainability work throughout the value chain.

The EU is currently reviewing sustainability regulations. The aim is to improve the competitiveness of European companies by reducing the administrative burden, clarifying sustainability regulation and targeting it at large undertakings with significant impacts.

Regulatory simplification is implemented through Omnibus initiatives, the most material of which for Luotea are related to the directives on sustainability reporting (CSRD) and corporate responsibility (CSDDD) and the EU Taxonomy Regulation.

The EU's goals of streamlining regulation are correct and welcome. The Corporate Sustainability Reporting Directive in particular is too ambitious in terms of the scope and detail of the reporting obligation. Sustainability work has

become too reporting-oriented, leaving behind the strategic work of undertakings to reform their business activities to align with sustainable development.

With its own responsible cleaning and property maintenance development programmes, Luotea has sought to integrate sustainability into its service solutions. The concepts guide Luotea and its customers to choose sustainable policies in property maintenance.

In Finland, the requirements of the Energy Efficiency Directive and the Energy Efficiency of Buildings Directive are currently being implemented in national legislation. The Member States have been given a lot of leeway as to how high the bar is set. In accordance with Finland's Government Programme, the national implementation of the Directive will be carried out with as few changes as possible to the current regulations. As a provider of energy efficiency solutions, Luotea supports ambitious goals.

Improving energy efficiency should be seen not only as a means of mitigating consumption and emissions, but also, and in particular, as a way to improve the value of properties.

Luotea sustainability work supports the company's strategy

The targets of Luotea's sustainability programme take into account the potential impacts of the business environment. The targets of the current sustainability programme contribute to Luotea's goal of being the most responsible partner in the industry.

- Through its services, Luotea creates solutions to mitigate climate change and biodiversity loss, promotes the circularity of materials and creates solutions for the sustainable use of the built environment.
- Luotea values diversity and equality at the workplace and invests in well-being at work and occupational safety.
- Luotea acts appropriately and transparently throughout the value chain. Good corporate governance is a cornerstone of Luotea's sustainability.

Luotea's sustainability programme includes targets extending to 2030. The key measurable targets of the sustainability programme for 2025 concern Luotea's climate targets, the recycling rate, the occupational safety frequency of the personnel, the health and job satisfaction of the personnel and the coverage of training on the Code of Conduct. Compliance in the supply chain is measured by the coverage of the Supplier Code of Conduct and related self-assessments.

Relevant SDGs

Luotea is committed to supporting the UN Sustainable Development Goals (SDG) in its operations. The company has identified the following SDGs as especially relevant to its operations:

- SDG 7: affordable and clean energy
- SDG 8: decent work and economic growth
- SDG 10: reduced inequalities
- SDG 11: sustainable cities and communities

Key stakeholders and their interests, expectations and engagement

Stakeholder	Key areas of interest in 2025	Responding to expectations	Engagement
Customers	Customer service and satisfaction, delivery reliability, communication and reporting, pricing, working conditions in the value chain, circular economy, recycling and restoration, energy efficiency.	<ul style="list-style-type: none"> • Luotea developed sustainability-promoting business solutions related to the restoration of nature and the promotion of diversity. • Luotea has continued to develop the effectiveness of its digital service channels and business-specific measures to optimise the efficiency of services in the customer interface. 	A customer survey (NPS) to measure the net promoter score (NPS) among corporate customers, and several customer-specific surveys. Customer service (telephone, digital service channels) and dialogue with customer relations officers and sales. Marketing communications, digital events and other events.
Personnel	The employees' physical and mental well-being, ability to cope with work, training and competence development, as well as job satisfaction and the employee experience.	<ul style="list-style-type: none"> • Luotea provided diverse physical and mental well-being services to employees along with learning-on-the-job opportunities, career paths and training. • Luotea expanded its training offering by strengthening themes that support the well-being of employees in the training offering, including time management, team skills and self-development. 	Feedback and development discussions, Fiilinki personnel surveys, co-operation and European Works Council activities, workshops, digital events and other events as well as internal communication channels such as the intranet and Teams.
Potential employees	Employer brand and the employee experience.	<ul style="list-style-type: none"> • As in the previous years, Luotea made extensive use of digital avenues to reach potential job applicants and share information about working at Luotea. The company also participated in various career and recruitment events. 	Co-operation with educational institutions, recruitment and career events, development of the employer image and sharing information through social media channels.
Investors and shareholders	Partial demerger, financial performance, the strategy and its progress, the sustainability of operations and ESG ratings, customer satisfaction and employee satisfaction.	<ul style="list-style-type: none"> • Luotea has provided up-to-date information on the progress of the partial demerger • Luotea participated in select ESG surveys and developed sustainability reporting. • Luotea also engaged in active dialogue with investors on sustainability-related topics. 	Stock exchange releases, financial reports, annual reporting, the Group's website, webcasts, regular investor meetings and the Annual General Meeting.
Decision-makers and influencers (including national and regional decision-makers), industry organisations and employer organisations	Circular economy and climate change mitigation, employment, working conditions and the functioning of the market and competitive neutrality.	<ul style="list-style-type: none"> • Luotea participated in the activities of industry and labour market organisations. • Luotea promoted initiatives aimed at strengthening the green transition and developing the labour market. • Luotea took initiatives in Finland to accelerate the circular economy • Luotea has promoted the employment opportunities of people with partial work ability and work-related immigration 	Participation in associations, dialogue with the public authorities and decision-makers, co-operation projects, other projects, responding to surveys, the company website and annual reporting.
Media and NGOs	Practical steps related to the circular economy, actions to promote biodiversity, working conditions and human rights.	<ul style="list-style-type: none"> • Luotea published numerous press releases and participated in interviews. 	Press releases, interviews, publications, media events, the company website and social media channels. Dialogue and responding to surveys.
Suppliers and sub-contractors	Quality, responsible procurement, value chain workers.	<ul style="list-style-type: none"> • Luotea engaged in dialogue and carried out audits and self-assessments. 	Dialogue, responding to surveys, audits and self-assessments.

- SDG 12: responsible consumption and production
- SDG 13: climate action
- SDG 15: life on land.

Commitment to national and international initiatives

Luotea is committed to supporting the following key declarations and agreements:

- UN sustainable development principles since 2018
- Global Compact principles since 2018
- ILO Declaration on Fundamental Principles and Rights at Work
- Universal Declaration of Human Rights
- Society's commitments to sustainable development
- Science-based emission targets (SBTi)

Value creation

By investing in sustainable solutions, Luotea aims to create increasing value for all of its key stakeholders.

Resources

- Luotea has robust expertise in the development of low-carbon, resource-saving services.
- Luotea continuously develops new solutions to promote energy efficiency, smart cleaning, industrial side streams, nature-related services and the circular economy. The solutions improve the efficiency of the customers' operations, increase the value of properties and reduce environmental impacts.
- Luotea looks after the well-being and safety of employees and invests in work ability and well-being. Training opportunities and certifications, such as ISO 9001, ISO 14001 and ISO 45001, support the quality and sustainability of operations.

Results

- The reuse and recycling of materials saves virgin natural resources and reduces waste and emissions.
- With its business solutions, Facility Services promotes the energy efficiency, productivity and value of properties, as well as biodiversity.
- Occupational safety has improved from each year to the next, and Luotea also introduces good practices to its subcontractors and partners.
- Luotea is the first workplace for many young people.

SBM-2 – Interests and views of stakeholders

Luotea's stakeholder engagement is focused on the stakeholders who are the most affected by the impacts of the company's operations and whose actions have the greatest influence on the achievement of Luotea's business objectives and sustainability targets. Stakeholder expectations are taken into account in Luotea's strategy development and business choices. Stakeholder views were also a key part of Luotea's double materiality assessment.

The company's key stakeholders include customers, current and potential employees, and investors, as well as national and regional policymakers and influ-

encers, non-governmental organisations, the media, and suppliers and subcontractors.

Luotea engages in active dialogue with its key stakeholders. The company regularly measures stakeholder support by means of customer and employee satisfaction surveys and a reputation survey carried out by a third party. Luotea also participates in the Ecovadis corporate responsibility assessment, which measures the quality of Luotea's sustainability work and through which Luotea receives questions and development suggestions related to corporate responsibility from its customers. Through dialogue and measurements, Luotea identifies stakeholder expectations and determines what development measures are necessary. The results of the customer and employee satisfaction survey and the reputation survey, as well as any related development areas, are reported at least once a year to the President and CEO and the Group Executive Board, as well as the Personnel and Sustainability Committee of the Board of Directors. In 2025, no reputation survey was carried out due to preparations for the partial demerger.

Luotea's current strategy and the targets of the sustainability programme are in line with stakeholder expectations. No changes have been made to Luotea's strategy or business model during 2025 due to the interests and views of stakeholders. The sustainability targets are updated regularly, taking into account any changes in the business environment and stakeholder expectations. The key future development areas are described in connection with each topic as part of the company's sustainability reporting.

Luotea has summarised stakeholder expectations into the following three perspectives:

- A leader in sustainability: As a leader in its field, Luotea is expected to develop the entire industry in the right direction for society and to conduct itself correctly and sustainably in environmental matters.
- A good employer: As a large employer and service company, Luotea is expected to be a responsible employer that looks after the well-being of its personnel and treats its personnel responsibly and fairly while exercising special care with regard to the employment of people who are in vulnerable positions.
- A useful partner: Luotea is expected to be a useful partner to its customers, developing new services and supporting the customers in their work towards their goals as well as keeping its promises.

Luotea takes the interests, views and rights of its own workforce into account in its strategy and business model in many ways. Luotea has identified and assessed the impacts, risks and opportunities related to its own workforce. The key themes include employment security; working time; adequate wages; freedom of association; the information, consultation and participation rights of workers; social dialogue; work-life balance; health and safety; and gender equality. Attracting the best professionals in the industry is a strategic priority for Luotea, and the well-being of the personnel is a key success factor for the company's business. Luotea engages in extensive and diverse dialogue with its personnel, and the views of the personnel are taken into account in drawing up the business strategy. In addition, Luotea's Code of Conduct for Personnel, personnel policy, human rights policy and occupational safety policy guide operations and ensure respect for employees' rights. The company's own workforce is described in paragraph ESRS S1, pp. 64–65.

Luotea also takes the interests, views and rights of value chain workers and respecting their human rights into account in its operations. Luotea's Supplier Code of Conduct lays down minimum requirements that suppliers must respect and adhere to in their own operations and the supply chain. The Supplier Code of Conduct covers topics including respect for workers' rights, occupational safety and the prohibition of the use of child labour and forced labour, for example. Luotea requires its suppliers to commit to the Supplier Code, and they are also incorporated into Luotea's procurement agreements. Luotea also uses a separate self-assessment model to monitor and assess compliance with the Supplier Code of Conduct. The company has also identified and assessed potential human rights risks in the supply chain in cooperation with the procurement function (carried out in 2024). The assessment is part of the company's human rights principles.

Luotea has a separate, public and anonymous whistleblowing channel through which value chain workers can report misconduct. Luotea processes potential human rights violations in accordance with clear procedures and carries out corrective measures as necessary. Value chain workers are described in more detail in paragraph ESRS S2, pp. 74–75.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business models

The material impacts, risks and opportunities of Luotea are based on the double materiality analysis updated in 2025. The update work assessed changes in Luotea's business operations and business environment and the significance of the changes to the previous materiality assessment carried out in 2024. The update reviewed the materiality both with regard to the company's sectors facility services and circular economy business and the company as a whole. Luotea's material impacts, risks and opportunities and their focus within the company's operations and value chain are summarised in a table, pp. 25-28.

Impact of the partial demerger on Luotea's material impacts, risks and opportunities

Based on the results of the double materiality analysis, the material impacts, risks and opportunities for the environment, society and governance occur in the short term. The partial demerger will have a significant impact on the materiality of Luotea's impacts, risks and opportunities in terms of continuing operations in the medium and long term. The material impacts and opportunities of the sustainability themes E4 Biodiversity and ecosystems and E5 Resource use and circular economy focus on discontinued operations (circular economy business) and its upstream and downstream value chain, and are only material for Luotea in the short term. With regard to sustainability topic E1 climate change, the company's positive impact on climate change mitigation is assessed using the entity-specific metric carbon handprint (tCO₂eq). The carbon handprint is mainly created in the circular economy business and its value chain, and the impact is also only material for Luotea in the short term. The transition risks of climate change are largely targeted at the circular economy business and its upstream value chain and are only material for Luotea in the short term.

Impacts, risks and opportunities related to own workforce, value chain workers and business conduct

As a large operator in the service sector, the company's own workforce is a key resource in the implementation of the company's strategy and services. Luotea's operations are also dependent on the supply chain and the services and products it produces. Through its operating practices, the company influences the well-being, occupational safety, occupational health, diversity and work practices of its own workforce and value chain workers.

The strong legislation and social structure in Finland and Sweden provide a good foundation for promoting positive work-related practices in the value chain. Through its operating practices, the company also influences the human rights and working practices of workers in the value chain and thereby mitigates potential risks that, if realised, could weaken the Luotea's reputation, have an adverse impact on labour availability and increase employee turnover.

Good corporate governance practices provide the foundation for Luotea's business activities. The key positive impacts associated with business conduct are related to Luotea's good corporate culture, such as the company's Code of Conduct, anti-corruption and anti-bribery practices and whistleblowing processes. The company's policies, principles and instructions guide operating practices in both its own operations and the value chain, and the related measures strengthen the company's reliability in the eyes of customers and stakeholders.

Risks related to corruption and bribery can cause negative reputational and financial impacts on the company. Luotea uses regular training, audits and strict rules to engage the commitment of the parties concerned. Compliance with the Code of Conduct is of utmost importance to Luotea. It strengthens the company's reputation as a responsible operator and creates trust among customers and stakeholders.

Impacts, risks and opportunities related to the environment

Luotea's environmental impacts are largely related to the strategy and business models of the circular economy business that belonged to the Group until the end of 2025. The services produced in the circular economy business for customers reduce emissions (carbon handprint) and promote the recycling of materials. At the same time, they promote the sustainable use of natural resources and reduce the value chain's dependence on virgin raw materials. For the customers, this is reflected in efficient waste management in which the recycling of materials is the priority, regardless of the type of waste.

With regard to continuing operations, the energy efficiency solutions produced by Luotea have a positive impact on the electricity consumption of customers' properties, while also reducing emissions arising from energy use. Luotea believes that the strong demand for energy consumption management services will continue and expects growth in its related service business. The nature-related services produced by the company, such as contaminated soil remediation projects in environmental construction, meadow restoration projects in facility services and the removal of invasive species have a positive impact on biodiversity. These measures support the preservation of biodiversity and improve the state of the environment, and they are a growth opportunity.

Luotea's business units are dependent on energy with regard to logistics and property operations, for example. This also generates a significant amount of

carbon dioxide emissions. However, most of the emissions are generated in the supply chain. Climate change mitigation measures are key to reducing these impacts.

The entity-specific carbon handprint is created through services produced for customers. The carbon handprint reveals the extent to which a company has, through conscious choices and decisions, avoided emissions and adverse environmental impacts compared to its previous operating practices. Until 2025, Luotea's aim was to continuously increase the positive climate impact of its operations.

The potential risks in the short term are related to tighter regulation of circular economy operations and changes in markets and financial drivers, such as financing. Regulatory changes can increase costs, for example as the company transitions towards lower-emission operations. At the same time, however, regulatory changes create new opportunities, particularly with regard to energy efficiency and renewable energy, as well as the development of recycling solutions and material efficiency.

Changes in impacts, risks and opportunities compared to the previous reporting period

Based on the double materiality analysis, there was no change in sustainability themes that are material to Luotea during the reporting period. Changes in Luotea's material impact, risks, and opportunities compared to the previous reporting period are summarised in table on pages 25-28.

With regard to sustainability topic E4 *Biodiversity and ecosystem services* sub-topic *Impacts on the extent and condition of ecosystems* sub-sub-topic *example Soil sealing*, the scoring of financial effects did not exceed the materiality threshold, nor was there a reported opportunity identified for circular economy business. The materiality of the topic was not confirmed by stakeholder interviews or the assessment of nature impacts and dependencies in 2025. The sub-sub-topic was selected for reporting in 2024 in a qualitative review.

In the materiality assessment of sustainability topic S2 *Workers in the value chain*, the results of Luotea's human rights risk assessment conducted in 2024 were taken into account. The assessment identified potential material human rights risks to workers in the value chain related to occupational safety, working conditions and discrimination were taken into account in the scoring of the sub-topics in such a way that the severity of the impact is prioritised over its likelihood. The sub-topics where the identified human rights risk was taken into account included all sub-sub-topics of sub-topic *working conditions* and the sub-topic *Equal treatment and equal opportunities for all* sub-sub-topic *Measures against violence and harassment in the workplace*. The scoring changed so that sub-sub-topic *Measures against violence and harassment in the workplace* emerged as a new material impact. With regard to working conditions, only sub-sub-topic *Health and safety* exceeded the materiality threshold. In 2024, the potential negative impacts related to the working conditions of value chain workers emerged as material in their entirety in the qualitative review. However, Luotea's current assessment is that Luotea's impacts and risks with regard to this sub-topic are low, especially with regard to direct suppliers.

The impact scoring of sustainability topic G1 *Business Conduct* sub-topic *Relationships with suppliers* did not exceed the materiality threshold in the internal assessment, and the materiality of impacts was not confirmed by the stakeholder

interviews in 2025. Therefore, Luotea does not report the information required by disclosure requirement ESRS 2 G1-2 *Relationships with suppliers* and ESRS 2 G1-6 *Payment practices* in 2025. In 2024, the impacts related to the sub-topic emerged in the qualitative review. Luotea's development work related to supplier management was actively continued in 2025, with dedicated category managers in charge of supplier relationship management.

The scoring of the impacts of sub-topic *Protection of whistleblowers* did not exceed the materiality threshold in the internal assessment. The materiality of the topic was not confirmed in stakeholder interviews in 2025. No changes that would have affected the assessment were identified in the business environment or in our own operations. In 2024, the impacts related to the sub-topic emerged in the qualitative review. Luotea has existing policies that are followed to keep personal data confidential. Luotea has not become aware that Luotea's WB channel would be considered unreliable.

The financial effects of the material impacts, risks and opportunities, and their effects on strategy and business

The company annually assesses opportunities and risks, as well as their financial effects and related risk management measures.

During the reporting period, Luotea has managed the material impacts, risks and opportunities related to its financial position, financial results and cash flows by means of the company's existing risk management methods and policies. The material sustainability risks did not create significant financial effects during the reporting period, and the financial effects of risks are expected to remain low in both the short and the long term. No related adjustments to carrying values are expected over the next financial period.

Luotea estimates that the resilience of its strategy and business models regarding its capacity to address its material impacts and risks and to take advantage of its material opportunities is good during the strategy period 2022–2026. The company has well-established risk management practices and the capacity to adapt to market changes, and the company engages in close monitoring of the business environment. Luotea is seeking growth in energy efficiency services by investing in the development of the Smartti service. Growth will be sought through business development and potential complementary acquisitions.

Based on the double materiality assessment, Luotea's material impacts on society and the environment (impact materiality) and sustainability-related risks and opportunities (financial materiality) are related to climate change (E1), biodiversity and ecosystems (E4), resource use and circular economy (E5) with regard to the environment, and the company's own workforce (S1) and workers in the value chain (S2) with regard to society. In addition, the topic of business conduct (G1) is material to Luotea. All of these topic areas are also included in Luotea's current sustainability programme and they are linked to the company's strategy.

The environmentally material sustainability matters (E1, E4 and E5) are in line with Luotea's strategy followed in 2025, which aims to mitigate climate change and biodiversity loss and promote the sustainable use of raw materials. The circular economy plays a key role in achieving these goals. Luotea's strategy is also dependent on society and people, which is reflected in the impacts, risks and opportunities associated with both its own workforce (S1) and workers in the value chain (S2). Luotea's

aim is to provide employees with a balanced daily life in which everyone can be who they are, and to promote human rights in the supply chain. The policies concerning business conduct (G1) and Luotea's corporate culture provide the foundation for sustainable business. Luotea aims for good and fair governance. The current and anticipated effects of the company's material impacts, risks and opportunities on its business model, value chain, strategy and decision-making are subject to continuous monitoring. The impacts on the environment, own workforce and value chain arise from Luotea's strategic objectives and business model, while the issues that fall under business conduct are perceived as basic preconditions for good corporate governance. The company responds to these effects by making changes to its strategy, business model or governance models as necessary. The company has set comprehensive sustainability targets that apply to the entire value chain, especially with regard to the climate. The sustainability of the supply chain is also promoted through requirements set out in procurement agreements and their monitoring.

Luotea has also described the material impacts, risks and opportunities related to climate change, biodiversity and ecosystems, own workforce and workers in the value chain, and their interaction with the company's strategy and business model, as part of the following topical ESRS standards:

- The impacts, risks and opportunities related to climate change are described in paragraph E1 Climate change, under disclosure requirement SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model, p. 50.
- The impacts and opportunities related to biodiversity and ecosystems are described in paragraph E4 Biodiversity and ecosystem services under disclosure requirement SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model, p. 59.
- The impacts and opportunities related to own workforce are described in paragraph S1 Own workforce, under disclosure requirement SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model, p. 64.
- The impacts related to workers in the value chain are described in paragraph S2 Workers in the value chain under disclosure requirement SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model, p. 74..

IRO-1 – The process to identify and assess material impacts, risks and opportunities

Luotea's double materiality assessment focused on Luotea's impacts on society, the environment and governance, as well as the financial risks and opportunities associated with these impacts. The analysis is based on the sustainability topics presented in the European Sustainability Reporting Standards, and their sub-topics and sub-sub-topics.

In 2025, the company's double materiality assessment was updated as internal expert work. The materiality analysis covered all Luotea Group companies. The company's sustainability, business, EHSQ, procurement, legal and human resources management from both divisions participated in the update. The update work assessed the coverage and timeliness of the impacts, risks and

opportunities arising from the company's operations identified by Luotea in the previous assessment, and assessed whether there have been changes in the business environment or Luotea's business model that would change the previous assessment. The update work was carried out as a workshop. In the workshop, the expert groups reassessed the scoring of the latest double materiality analysis and supplemented the existing list of identified impacts, risks and opportunities. The materiality of the ESRS-aligned themes for the company was analysed bi-directionally and through two business segments. The review was extended to Luotea's value chain and its sustainability impacts.

In addition to own operations, the value chain review included contractual suppliers and waste treatment partners as well as customers. No material changes were identified in the value chain or stakeholders for 2025, so the stakeholder analysis or value chain description were not updated in connection with the update work of the double materiality analysis.

The assessment took into account the results of the human rights risk assessment conducted by Luotea in 2024. With regard to the double materiality results, it has been verified that they do not conflict with the human rights assessment.

The views of key stakeholders were collected through targeted interviews. The interviews presented an updated list of material impacts, risks and opportunities for the company to the stakeholders and asked the stakeholders for their assessment of the coverage of the list. More in-depth stakeholder interviews were conducted with key suppliers, customers and other stakeholders, and the aim was to survey stakeholder sustainability expectations and potential development needs more broadly. Stakeholder views were taken into account in the scoring. Stakeholders' views on sustainability topics, impacts, risks and opportunities that are material to Luotea were consistent with the company's own internal assessment.

An updated list of the company's material impacts, risks and opportunities was presented to Luotea's European Works Council, discussed by Luotea's Group Executive Board and the Personnel and Sustainability Committee, and finally the Board of Directors confirmed the double materiality of Luotea. The update process was carried out by the Group Head of Sustainability, who reported on the methods used in the process, the progress of the process and the results to the steering group assigned for the double materiality analysis three times during the process.

Impact materiality

Luotea's assessment of impact materiality took into account the scale, scope and irremediable character of the impacts on a five-point scale where a score of five was deemed significant for each aspect. The assessment took into account changes in potential impacts in the short term (reporting period), medium term (2–5 years) and long term (over 5 years) and examined the likelihood of occurrence of the potential impacts. The assessment took into account potential negative human rights impacts, the severity of which takes precedence over their likelihood. The materiality threshold was defined as a score of eight (maximum score 15), which meant that the impact would be deemed significant for the company. In addition, the results of stakeholder surveys and interviews were taken into account in the assessment.

Financial materiality

The assessment of Luotea's financial effects was based on Luotea's risk assessment process. The impact of risks is analysed in terms of their effects, and the

assessment of the likelihood of their realisation took into account the nature of operations and the risk mitigation measures taken. The aim of the application of Luotea's risk assessment process was to ensure that sustainability-related risks are identified in a similar way to the company's strategic and operational risks. Changes in the markets for recycled raw materials, the development of regulation with regard to waste management, for example (E5 Circular Economy) and challenges related to the availability and turnover of labour (S1 Own workforce) have also been taken into account in Luotea's strategic risks.

The assessment took into account changes in potential impacts in the short term (reporting period), medium term (2–5 years) and long term (over 5 years) and examined the likelihood of occurrence of the potential impacts. The materiality threshold was defined as a score of eight (maximum score 15), which meant that the risks and opportunities would be deemed significant for the company.

During the double materiality assessment process, Luotea reviewed its impacts and dependencies as well as their links to risks and opportunities by analysing the impact of each sustainability topic on the company's business model, current risk management methods, processes and personnel. Luotea has also assessed the risks and opportunities caused by changes in legislation. The assessment also took into account dependencies on natural resources, human resources and social resources.

Financial risks related to climate change mitigation are managed by the company's climate-related transition plan, which includes emission reduction targets and the investments required for them. Investments in workplace safety and well-being, in turn, can improve the availability and retention of personnel, which reduces the risks arising from these factors.

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Luotea's material impacts, risks and opportunities related to climate change have been assessed as part of the update of Luotea's double materiality in 2025. Luotea did not update the previously prepared scenario analyses in 2025.

Climate impact assessment

The assessment of the company's material impacts related to climate change mitigation is based on the company's energy consumption and the calculation of the carbon footprint and carbon handprint. Luotea's management and sustainability organisation monitor the direct emissions arising from own operations and the company's carbon handprint, which was material in 2025, at quarterly levels. The emissions generated in the company's value chain are assessed on an annual basis.

Assessment of climate risks and opportunities

The Task Force for Climate-related Financial Disclosures (TCFD) recommendations have been applied in assessing the risks and opportunities related to climate change. Climate risks are assessed in accordance with Luotea's risk model in the short term (reporting period), medium term (2–5 years) and long term (over 5 years). The impact of risks is analysed through EBIT effects and likelihood, taking into account the nature of the risk and the existing mitigation measures. The short and medium-term horizons correspond to the time horizons applied for the company's strategic risks. The actions are described in more detail in paragraph ESRS E1-3, pp.

50–51.

The assessment took into account physical risks and transition risks as well as their impact on Luotea's own personnel and business. The risks and opportunities in the value chain are mainly focused on the service offering of discontinued operations. Physical risks may arise from the effects of natural phenomena, such as temperature changes (chronic risk) or potential flooding (acute risk). These are expected to intensify due to climate change. Transition risks include the possible effects of regulatory and market changes. With regard to Luotea's continuing operations, these focus on the development of the energy efficiency market and, with regard to discontinued operations, the effects of new technologies on the development of low-emission equipment.

Physical risks

Luotea has assessed physical risks related to climate change as part of its resilience analysis. Chronic climate risks, such as rising temperatures and an increase in extreme weather, have been identified as potential impacts on the company's logistics and the energy efficiency of properties. The analysis is based on IPCC's RCP scenarios (1.5°C, <2°C and 4°C) and IEA's APS, NZE2050 and STEPS scenarios, which have been mirrored to weather fluctuations in Finland and Sweden. The review covers the short-term (5 years) and long-term (until 2035) impacts. The impacts of acute climate risks, such as flooding, on Luotea's properties have been estimated to be minimal, as the sites are not located in particularly flood-sensitive areas. The geographical review covered operations in Finland and Sweden. Based on the analysis, no significant risks were identified that would prevent the achievement of the company's climate targets.

According to Luotea's assessment, the company's assets and businesses are sensitive to these climate-related risks to a significant extent. Luotea's operations are evenly distributed across Finland and Sweden, which means that operations can be temporarily relocated as necessary in the event of a disturbance. In addition, Luotea's properties and movable property are insured.

Transition risks

Previous analyses have identified Luotea's significant transition risks in a climate scenario where global warming can be limited to 1.5 degrees Celsius. With regard to the identified transition risks, the materiality assessment was updated in connection with the company's double materiality update. The material transition risks were focused on discontinued operations, changes in regulation related to the industry and market development. In Luotea's risk assessment, the background factors behind regulatory risks include the price development of emission rights, bioeconomy and low-carbon economy scenarios, the development of circular economy-related legislation, potential changes in national waste legislation and national recycling and reuse targets.

Luotea has assessed the exposure and sensitivity of its businesses to identified transition events. The assessment takes into account the likelihood, scope and duration of transition risks. Investments made by energy sector operators, particularly in renewable fuels, or the growing adoption of new technologies in equipment, for example, will, in turn, influence the achievement of Luotea's emission targets and the company's climate transition plan.

The current targets, operating models and measures increase Luotea's resilience

in the changing business environment. The company has a strong market position in all of its business areas. In addition, the climate transition plan enables the effective implementation of changes. Increasing the use of renewable energy sources and decarbonisation, particularly in transport, will continue to be key focal points. Risk management is enhanced by assessing regulatory and market changes and reacting to them in a timely manner. The company participates in advocacy work related to legislative processes through key industry advocacy organisations.

The climate transition creates a significant business opportunity for Luotea. Luotea creates value for customers with its energy management services that reduce the energy consumption of properties and help customers to achieve their energy efficiency targets. Luotea regularly assesses climate risks as part of its risk assessment and adapts its strategy accordingly. The climate scenarios and the related assumptions have not had significant impacts on the company's financial statements or key financial figures.

Regulatory and market-related transition risks have been taken into account as part of Luotea's strategic risks for the period 2022–2026.

Description of the processes to identify and assess material impacts, risks and opportunities related to pollution and water and marine resources

In the double materiality analysis, Luotea also examined the sub-topics and sub-sub-topics of ESRS E2 Pollution and ESRS E3 Water and marine resources. The assessment of pollution and water and marine resources took into account the location and ownership of the sites. Luotea's actual and potential impacts, risks and opportunities were assessed on the basis of the location, the assessment of environmental aspects related to the operations of the sites and the environmental observations made at the sites. Sufficiently high-quality data was not available for the value chain, which meant that the assessment was superficial. Luotea did not organise a separate stakeholder consultation related to these sustainability topics in connection with the assessment.

Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities

The material impacts, risks and opportunities related to biodiversity and ecosystems of Luotea's own operations were updated in connection with the double materiality analysis and were estimated to focus mainly on discontinued operations. The identification of environmental impacts used the company's environmental assessments, information obtained from the environmental permit process, customer feedback, particularly with regard to production sites, and geographical information on the locations of the sites in relation to valuable natural sites. Luotea has consulted the affected communities regarding potential negative environmental impacts related to the sites during the environmental permit applications. No actual impacts on local communities have been identified in the consultations. Luotea did not organise a separate stakeholder consultation related to the sustainability topic in connection with the double assessment.

In 2025, the impacts and dependencies related to the circular economy business divisions and their value chain were examined using the TNFD leap framework and

the ENCORE analysis tool. The analysis clarified the understanding of the industry's nature impacts with regard to own operations and aimed to identify significant nature impacts with regard to the value chain. A corresponding review was not carried out for Facility Services, as divisions's impacts on biodiversity and ecosystems were assessed to be minor in the internal impact assessment carried out in connection with the double materiality analysis. Luotea is considering extending the review to Facility Services in 2026.

Based on geographical data analysis, Luotea has identified sites that are located close to biodiversity-sensitive areas. With regard to the operations of sites in the vicinity of biologically sensitive areas, the impact materiality of negative impacts on the deterioration of natural habitats and the habitats of species was assessed as internal expert work based on the environmental permit entries, internal control procedures and stakeholder feedback received. Based on the assessment, it is estimated that Luotea's sites have a low impact on the environment in biologically sensitive areas. The sites have not been found to have a negative impact on the biodiversity-sensitive areas in their vicinity, and no mitigation measures related to biodiversity have been separately specified for the sites by the authorities.

Luotea has not assessed the physical, transition and systemic risks of the company's identified impacts and dependencies on biodiversity and ecosystems, but they have been considered indirectly as part of climate risks. Climate change is a significant driver of biodiversity loss and the deterioration of ecosystem services, on which Luotea has a direct impact through its own emissions and those of its value chain. The climate risk assessment assesses the financial effects of extreme weather on the company's own operations. The deterioration of ecosystem services may also lead to an increase or intensification of extreme weather and related effects, such as flooding.

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Luotea updated and assessed material impacts, risks and opportunities related to resource inflows and outflows and waste as part of the double materiality assessment. Luotea analysed its operations to identify and assess the actual and potential impacts, risks and opportunities in its own operations and the value chain. The material impacts and opportunities related to resource use and the circular economy are focused on discontinued operations and are listed in the table in paragraph ESRS 2 SBM-3, p. 26, and these are discussed in more detail on p. 61.

Luotea has analysed its assets and operations to identify the actual and potential impacts, risks and opportunities in its own operations and the upstream and downstream value chain. The information used in the analysis included environmental permits concerning the company's operations, information about inflows and outflows of waste received from customers, general national and international reports and studies, and stakeholder consultations in various forums.

Luotea did not separately consult the local communities around recycling plants or processing centres as part of the double materiality assessment. With regard to the circular economy businesses, the company engages in regular dialogue with local residents about the environmental impacts of its sites within the environmental permit processes for sites and regional cooperation.

Description of the processes to identify and assess material impacts, risks and opportunities related to the company's own workforce

In its double materiality assessment, Luotea has identified and assessed the impacts, risks and opportunities related to its own workforce. Luotea has established an understanding of the impacts and risks related to workers through, for example, regular dialogue, the identification of special groups and the assessment of occupational safety risks and observations and the human rights review of 2024. Material impacts and opportunities related to the following sub-sub-topics were identified and assessed: employment security, occupational health and safety, working hours, adequate wages and pay equality, work-life balance, freedom of association, the existence of works councils, employees' access to information, rights of consultation and participation, competence development, support for diversity and prevention of harassment, inappropriate behaviour and discrimination. These topics play a key role in Luotea's strategy and business model, and they have a direct impact on the company's operations and its adaptation. The material impacts, risks and opportunities related to the company's own workforce are described in more detail in paragraph S1 SBM-3, p. 64.

Description of the processes to identify and assess material impacts, risks and opportunities related to value chain workers

Luotea has identified and assessed the material impacts, risks and opportunities concerning value chain workers as part of the double materiality assessment. The assessment was based on the results of the human rights risk assessment prepared in 2024, an assessment of the nature of Luotea's subcontracting work and risks related to occupational safety, procurement cooperation and Luotea's own supplier risk assessment. Material impacts related to the following sub-sub-topics were identified and assessed: occupational safety and well-being of value chain workers and discrimination against value chain workers. The material impacts related to value chain workers are described in more detail in paragraph ESRS S2 SBM-3, p. 74.

Luotea has identified that certain value chain workers who possess particular characteristics, who work under particular conditions, or who engage in particular activities, may be at greater risk of harm. Among workers in subcontracting, workers with a foreign background may have inadequate language proficiency in particular, which can make it more difficult to understand and implement the appropriate occupational safety practices. They may also have inadequate knowledge of national work practices. Young employees who lack previous work experience can also be more vulnerable to various types of violations. In addition, workers who work at Luotea's or customers' premises, particularly in logistics, environmental construction projects and process cleaning and property maintenance in production-related tasks which may involve an actual elevated occupational safety risk, may be at risk of harm. Potential impacts may also be related to the inadequate implementation of work practices, such as unclear records of working time.

Description of the processes to identify and assess material impacts, risks and opportunities related to business conduct

The material impacts and risks identified in the double materiality assessment were related to the following sub-topics and sub-sub-topics: corporate culture and the prevention, detection and incidents of corruption and bribery. The geographical location, activities, industry and business structure of Luotea's businesses have been taken into account as background data in the assessment of the related material impacts.

Corporate culture emerged as a material topic on the basis of impact materiality in the double materiality assessment. With regard to financial materiality, the prevention of corruption and bribery emerged as a material risk related to business conduct.

Updating the double materiality assessment

The double materiality assessment process is integrated into Luotea's risk management process and implemented in cooperation with business-level specialists, risk management functions and financial organisations. The impacts, risks and opportunities associated with sustainability matters are assessed during the process, taking into account potential changes in the business environment. The results of the assessment will be updated annually, and they will be discussed and approved by Luotea's Group Executive Board and Board of Directors. The next update to the double materiality assessment will be carried out in 2026.

IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statements

The following tables provide a list of the disclosure requirements of the Sustainability Reporting Standard (ESRS) that Luotea has complied with in preparing this sustainability report on the basis of double materiality, as well as information on the disclosure requirements that Luotea has assessed as not material on the basis of double materiality. The table also includes Luotea's entity-specific disclosures. The tables can be used to navigate to information on a specific disclosure requirement in the Sustainability Report.

If Luotea has not had to report information related to a specific disclosure requirement on the basis of double materiality, this is indicated by a dash. The absence of information with regard to material disclosure requirements is specified in an explanation.

E Environment

Material sustainability topics and sub-topics	Sub-sub-topics	Impact, risk or opportunity	Location in the value chain	Description	Time horizon (Short, Medium, Long)
E1 Climate change					
Climate change mitigation		Actual negative impact	across the value chain	GHG emissions from own operations and value chain (Scope 1-3)	SML
Climate change mitigation		Potential positive impact	across the value chain	Material recycling services can avoid emissions in value chain and customers' operations. The avoided emissions constitute the company's carbon hand-print.	S
Climate change mitigation		Risk	own operations, upstream value chain	Transition risks related to regulation, financing, fuel markets and the development of low-emission technology related to the green transition and circular economy. Regulation may cause changes in the pricing of energy and emissions. The market may develop more slowly than expected in terms of low-emission heavy equipment. Failure to meet the climate targets will affect the fulfilment of the loan terms.	S
Energy		Opportunity	own operations	Regulation and customers' increasingly ambitious climate targets create opportunities for energy efficiency solutions.	SML
ESRS E4 Biodiversity and ecosystems					
Impacts and dependencies on ecosystem services	Self-classified sub-topic: Nature services offered by the company and circular economy	Potential positive impact	own operations, downstream value chain	The service offering includes the restoration of contaminated soil, meadowing and removal of invasive species, which have a positive impact on the state of ecosystems. Recycling promotes the sustainable use of natural resources and thereby reduces the pressure on ecosystem services.	S
Impacts and dependencies on ecosystem services	Self-classified sub-topic: Nature services offered by the company and circular economy	Opportunity	own operations	Business opportunities concerning transition risks and regulation related to environmental construction and customer restoration projects	S

Material sustainability topics and sub-topics	Sub-sub-topics	Impact, risk or opportunity	Location in the value chain	Description	Time horizon (Short, Medium, Long)
E5 Circular economy					
Resource inflows		Actual positive impact	upstream value chain	Customers are instructed in the separate collection of waste so that the materials can be recycled in accordance with the principles of the circular economy, which reduces the value chain's dependence on fossil and primary raw materials.	S
Resource inflows		Opportunity	own operations	The recycling and recycled raw material targets arising from regulation create opportunities for customer relationship development and expert services.	S
Resource outflows		Actual positive impact	downstream value chain	Recycling of materials with partners to create raw materials for new products and packaging.	S
Resource outflows		Opportunity	own operations	The recycling and recycled raw material targets arising from regulation create opportunities for material processing and development of recycling.	S
Waste		Actual negative impact	across the value chain	The amount of energy waste, mixed waste and waste directed to final disposal.	S

S Social

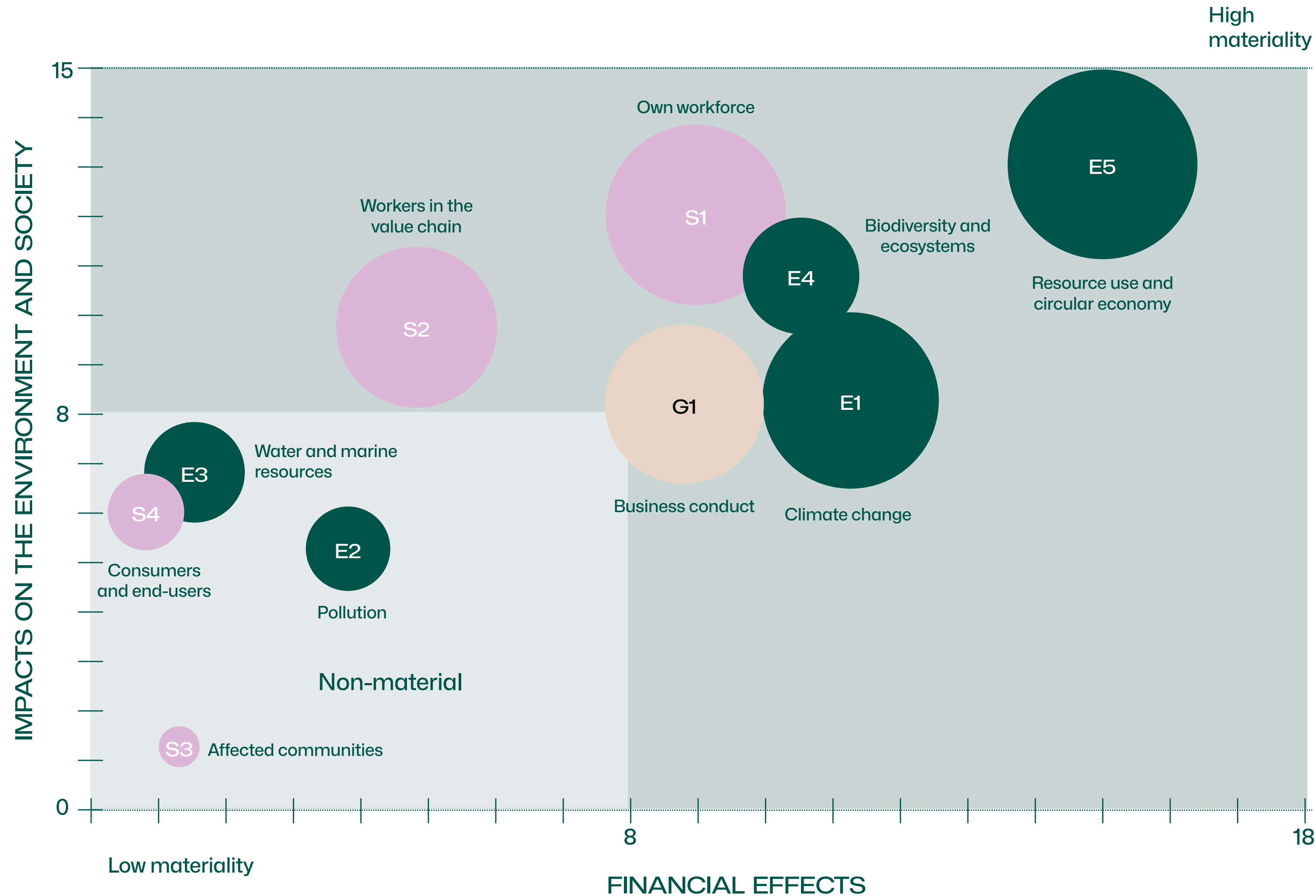
Material sustainability topics and sub-topics	Sub-sub-topics	Impact, risk or opportunity	Location in the value chain	Description	Time horizon (Short, Medium, Long)
S1 Own workforce					
Working conditions	Secure employment	Actual positive impact	own operations	High percentage of permanent employees	SML
Working conditions	Working time	Actual negative impact	own operations	Amount of part-time work in some tasks	SML
Working conditions	Adequate wages	Actual negative impact	own operations	Some divisions in low-wage sectors	SML
Working conditions	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	Actual positive impact	own operations	Freedom of association, shop steward systems	SML
Working conditions	Social dialogue	Actual positive impact	own operations	Dialogue meeting systems and EWC body	SML
Working conditions	Collective bargaining	Actual positive impact	own operations	Almost all personnel are covered by collective agreements	SML
Working conditions	Health and safety	Potential negative impact	own operations	Deficiencies in occupational health and safety practices could affect the physical and mental work ability of employees.	SML
Working conditions	Health and safety	Opportunity	own operations	Investing in occupational safety is essential for customers	SML
Working conditions	Work-life balance	Actual positive impact	own operations	Flexible working hours policy and shift planning	SML
Equal treatment and equal opportunities for all	Gender equality and equal pay	Actual positive, negative	own operations	Pay equality higher than national average	SML
Equal treatment and equal opportunities for all	Training and skills development	Actual positive impact	own operations	Competent workforce and diverse training offering	SML
Equal treatment and equal opportunities for all	Measures against violence and harassment in the workplace	Potential negative impact	own operations	Potential harassment, inappropriate behaviour and discrimination in industries with employees from different countries and cultures.	SML
Equal treatment and equal opportunities for all	Diversity	Actual positive, negative	own operations	the work community is multinational with an even age distribution	SML

Material sustainability topics and sub-topics	Sub-sub-topics	Impact, risk or opportunity	Location in the value chain	Description	Time horizon (Short, Medium, Long)
S2 Workers in the value chain					
Working conditions	Health and safety	Potential negative	upstream and downstream value chain	Health and safety of value chain workers in subcontracting and agency work	SML
Equal treatment and equal opportunities for all	Measures against violence and harassment in the workplace	Potential negative	upstream and downstream value chain	Potential harassment, inappropriate behaviour and discrimination in subcontracting and agency work in industries with employees from different countries and cultures.	SML
G1 Business conduct					
Corporate culture		Actual positive	across the value chain	Good and transparent governance and business ethics	SML
Bribery and corruption	Prevention and detection, including training.	Risk	own operations, upstream value chain	Participation in bribery or corruption	SML

Changes IROs

ESRS sub-topic/sub-sub-topic	Impact/Financial effect	Material 2025, not reported 2024	2024 reported, did not become material to report in 2025
E4 Biodiversity and ecosystem services/e.g. soil sealing	Opportunity		x
S2 Working conditions/Employment security	Potential negative impact		x
S2 Working conditions/Working hours	Potential negative impact		x
S2 Working conditions/Adequate wages	Potential negative impact		x
S2 Working conditions/ Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	Potential negative impact		x
S2 Working conditions/ Social dialogue	Potential negative impact		x
S2 Working conditions/ Collective bargaining	Potential negative impact		x
S2 Working conditions/ Work-life balance	Potential negative impact		x
S2 Equal treatment and equal opportunities for all/Measures against violence and harassment in the workplace	Potential negative impact	x	
G Whistleblower protection	Potential negative impact		x
G Relationships with suppliers and service providers	Potential negative impact		x

Results of the double materiality assessment



Overview of the results

The double materiality assessment separately examined the impacts, risks and opportunities of each sustainability topic, sub-topic and sub-sub-topic on Luotea's operations. In addition, the impacts, risks and opportunities of Luotea's operations on the environment, people and society were examined for each sustainability topic, sub-topic and sub-sub-topic, on a scale of 0–15.

All sub-topics and sub-sub-topics whose score exceeded the threshold value for impact materiality or financial materiality were considered to be material topics. The threshold value was eight for both impact materiality and financial materiality. The materiality threshold is indicated by a blue background colour in the graph. In the graph, the X and Y axes take into account the maximum scores assigned to each ESRS sustainability topic, even if they consist of different sub-topics.

The average score of the impact assessment of the ESRS sustainability topics is expressed in the graph by the size of the point. This makes it possible to identify how large a proportion of the sub-topics or sub-sub-topics under each topic were identified as material in the double materiality assessment. For example, E4 Biodiversity and ecosystems is a topic that is identified as material, but the average score for the topic is relatively low, which means that only a few sub-sub-topics were identified as material in the assessment.

Colour coding

- Material sub-topics
- Non-material sub-topics
- Environment (E)
- Society (S)
- Governance (G)

Disclosure requirement		Paragraph/included reference and page number	Material /Non-material
ESRS 2 General Disclosures			
BP-1	General basis for preparation of sustainability statements	Sustainability Report: ESRS 2 General Disclosures, p. 11	Material
BP-2	Disclosures in relation to specific circumstances	Sustainability Report: ESRS 2 General Disclosures, p. 11	Material
GOV-1	The role of the administrative, management and supervisory bodies	Sustainability Report: ESRS 2 General Disclosures, p. 11	Material
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Sustainability Report: ESRS 2 General Disclosures, p. 15	Material
GOV-3	Integration of sustainability-related performance in incentive schemes	Sustainability Report: ESRS 2 General Disclosures, p. 16	Material
GOV-4	Statement on due diligence	Sustainability Report: ESRS 2 General Disclosures, p. 16	Material
GOV-5	Risk management and internal controls over sustainability reporting	Sustainability Report: ESRS 2 General Disclosures, p. 17	Material
SBM-1	Strategy, business model and value chain	Sustainability Report: ESRS 2 General Disclosures, p. 17	
SBM-2	Interests and views of stakeholders	Sustainability Report: ESRS 2 General Disclosures, p. 20	Material
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Sustainability Report: ESRS 2 General Disclosures, p. 20	Material
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Sustainability Report: ESRS 2 General Disclosures, p. 22	Material
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Sustainability Report: ESRS 2 General Disclosures, p. 24	Material

Disclosure requirement		Paragraph/included reference and page number	Material /Non-material
ESRS E1 Climate change			
E1 ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	Sustainability Report: ESRS 2 General Disclosures, p. 15	Material
E1-1	Transition plan for climate change mitigation	Sustainability Report: ESRS E1 Climate change, p. 49	Material
E1 ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Sustainability Report: ESRS E1 Climate change, p. 50	Material
E1 ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Sustainability Report: ESRS 2 General Disclosures, p. 22	Material
E1-2	Policies related to climate change mitigation and adaptation	Sustainability Report: ESRS E1 Climate change, p. 50	Material
E1-3	Actions and resources in relation to climate change policies	Sustainability Report: ESRS E1 Climate change, p. 50	Material
E1-4	Targets related to climate change mitigation and adaptation	Sustainability Report: ESRS E1 Climate change, p. 51	Material
E1-5	Energy consumption and mix	Sustainability Report: ESRS E1 Climate change, p. 52	Material
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Sustainability Report: ESRS E1 Climate change, p. 52	Material
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Luotea has no plans to purchase climate units from the voluntary market, and Luotea does not promote greenhouse gas emissions removal or storage projects in its own operations or value chain.	Non-material
E1-8	Internal carbon pricing	Luotea does not use an internal carbon pricing mechanism	Non-material
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Luotea makes use of the transitional provision with regard to the required disclosures and does not report for 2025	Material
ESRS E2 Pollution			
E2 ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and	Sustainability Report: ESRS 2 General Disclosures, p. 22	Material
E2-1	Policies related to pollution	-	Non-material
E2-2	Actions and resources related to pollution	-	Non-material
E2-3	Targets related to pollution	-	Non-material
E2-4	Pollution of air, water and soil	-	Non-material
E2-5	Substances of concern and substances of very high concern	-	Non-material
E2-6	Impact metrics related to biodiversity and ecosystems change	-	Non-material

Disclosure requirement		Paragraph/included reference and page number	Material /Non-material
ESRS E3 Water and marine resources			
E3 ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Sustainability Report: ESRS 2 General Disclosures, p. 22	Material
E3-1	Policies related to water and marine resources	-	Non-material
E3-2	Actions and resources related to water and marine resources	-	Non-material
E3-3	Targets related to water and marine resources	-	Non-material
E3-4	Water consumption	-	Non-material
E3-5	Anticipated financial effects of impacts, risks and opportunities related to water and marine resources	-	Non-material
ESRS E4 Biodiversity and ecosystems			
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Sustainability Report: ESRS E4 Biodiversity and ecosystems, p. 59	Material
E4 ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Sustainability Report: ESRS E4 Biodiversity and ecosystems, p. 59	Material
E4 ESRS 2 IRO-1	Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	Sustainability Report: ESRS 2 General Disclosures, p. 22	Material
E4-2	Policies related to biodiversity and ecosystems	Sustainability Report: ESRS E4 Biodiversity and ecosystems, p. 59	Material
E4-3	Actions and resources related to biodiversity and ecosystems	Sustainability Report: ESRS E4 Biodiversity and ecosystems, p. 59	Material
E4-4	Targets related to biodiversity and ecosystems	Sustainability Report: ESRS E4 Biodiversity and ecosystems, p. 59	Material
E4-5	Impact metrics related to biodiversity and ecosystems change	Sustainability Report: ESRS E4 Biodiversity and ecosystems, p. 60	Material
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Luotea makes use of the transitional provision with regard to the required disclosures and does not report for 2025	Material
ESRS E5 Resource use and circular economy			
E5 ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Sustainability Report: ESRS 2 General Disclosures, p. 22	Material
E5-1	Policies related to resource use and circular economy	Sustainability Report: ESRS E5 Resource use and circular economy, p. 61	Material
E5-2	Actions and resources related to resource use and circular economy	Sustainability Report: ESRS E5 Resource use and circular economy, p. 61	Material
E5-3	Targets related to resource use and circular economy	Sustainability Report: ESRS E5 Resource use and circular economy, p. 62	Material
E5-4	Resource inflows	Sustainability Report: ESRS E5 Resource use and circular economy, p. 62	Material
E5-5	Resource outflows	Sustainability Report: ESRS E5 Resource use and circular economy, p. 62	Material
E5-6	Anticipated financial effects of impacts, risks and opportunities related to resource use and circular economy	Luotea makes use of the transitional provision with regard to the required disclosures and does not report for 2025	Material

Disclosure requirement		Paragraph/included reference and page number	Material /Non-material
ESRS S1 Own workforce			
S1. ESRS 2 SBM-2	Interests and views of stakeholders	Sustainability Report: ESRS 2 General Disclosures, p. 20	Material
S1. ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Sustainability Report: ESRS S1 Own workforce, p. 64	Material
S1-1	Policies related to own workforce	Sustainability Report: ESRS S1 Own workforce, p. 64	Material
S1-2	Processes for engaging with own workers and workers' representatives about impacts	Sustainability Report: ESRS S1 Own workforce, p. 65	Material
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Sustainability Report: ESRS S1 Own workforce, p. 65	Material
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Sustainability Report: ESRS S1 Own workforce, p. 66	Material
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Sustainability Report: ESRS S1 Own workforce, p. 68	Material
S1-6	Characteristics of the undertaking's employees	Sustainability Report: ESRS S1 Own workforce, p. 69	Material
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Sustainability Report: ESRS S1 Own workforce, p. 70	Material
S1-8	Collective bargaining coverage and social dialogue	Sustainability Report: ESRS S1 Own workforce, p. 70	Material
S1-9	Diversity metrics	Sustainability Report: ESRS S1 Own workforce, p. 70	Material
S1-10	Adequate wages	Sustainability Report: ESRS S1 Own workforce, p. 70	Material
S1-11	Social protection	Sustainability Report: ESRS S1 Own workforce, p. 71	Material
S1-12	Persons with disabilities	-	Non-material
S1-13	Training and skills development metrics	Sustainability Report: ESRS S1 Own workforce, p. 71	Material
S1-14	Health and safety metrics	Sustainability Report: ESRS S1 Own workforce, p. 72	Material
S1-15	Work-life balance metrics	Sustainability Report: ESRS S1 Own workforce, p. 73	Material
S1-16	Compensation metrics (pay gap and total compensation)	Sustainability Report: ESRS S1 Own workforce, p. 73	Material
S1-17	Incidents, complaints and severe human rights impacts	Sustainability Report: ESRS S1 Own workforce, p. 73	Material

Disclosure requirement		Paragraph/included reference and page number	Material /Non-material
ESRS S2 Workers in the value chain			
S2 ESRS2 SBM-2	Interests and views of stakeholders	Sustainability Report: ESRS 2 General Disclosures, p. 20	Material
S2 ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Sustainability Report: ESRS S2 Workers in the value chain, p. 74	Material
S2-1	Policies related to value chain workers	Sustainability Report: ESRS S2 Workers in the value chain, p. 74	Material
S2-2	Processes for engaging with value chain workers about impacts	Sustainability Report: ESRS S2 Workers in the value chain, p. 75	Material
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Sustainability Report: ESRS S2 Workers in the value chain, p. 75	Material
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Sustainability Report: ESRS S2 Workers in the value chain, p. 75	Material
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Sustainability Report: ESRS S2 Workers in the value chain, p. 76	Material
ESRS S3 Affected communities			
ESRS 2 SBM-2	Interests and views of stakeholders	-	Non-material
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	-	Non-material
S3-1	Policies related to affected communities	-	Non-material
S3-2	Processes for engaging with affected communities about impacts	-	Non-material
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	-	Non-material
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	-	Non-material
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	-	Non-material

Disclosure requirement		Paragraph/included reference and page number	Change from the previous year	Material /Non-material
ESRS S4 Consumers and end-users				
ESRS 2 SBM-2	Interests and views of stakeholders	-		Non-material
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	-		Non-material
S4-1	Policies related to consumers and end-users	-		Non-material
S4-2	Processes for engaging with consumers and end-users about impacts	-		Non-material
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	-		Non-material
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	-		Non-material
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	-		Non-material
ESRS G1 Business conduct				
G1 ESRS GOV-1	The role of the administrative, management and supervisory bodies	Sustainability Report: ESRS 2 General Disclosures, p. 11		Material
G1 ESRS IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Sustainability Report: ESRS 2 General Disclosures, p. 22		Material
G1-1	Corporate culture and business conduct policies and corporate culture	Sustainability Report: ESRS G1 Business conduct, p. 77		Material
G1-2	Management of relationships with suppliers	-		Non-material
G1-3	Prevention and detection of corruption and bribery	Sustainability Report: ESRS G1 Business conduct, p. 79		Material
G1-4	Confirmed incidents of corruption or bribery	Sustainability Report: ESRS G1 Business conduct, p. 79		Material
G1-5	Political influence and lobbying activities	-		Non-material
G1-6	Payment practices	-		Non-material

Disclosures stemming from other legislation

The following table contains all other data points derived from EU legislation listed in Appendix B of ESRS 2. The table shows where the data points can be found in our report and which data points have been assessed to be non-material on the basis of the double materiality assessment. If Luotea does not yet have information related to a specific data point, it is indicated with a dash (-).

Disclosure requirement	Data point	Sustainability disclosure	Location and page	Reference to other EU legislation			
				SFDR	Pillar 3	Benchmark Regulation EU Climate Act	
ESRS 2 GOV-1	21 (d)	Board's gender diversity	GOV-1 – The role of the administrative, management and supervisory bodies, p. 11	x		x	
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent	GOV-1 – The role of the administrative, management and supervisory bodies, p. 11			x	
ESRS 2 GOV-4	30	Statement on due diligence	GOV-4 – Statement on sustainability due diligence, p. 16	x			
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	Non-material	x	x	x	
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	Non-material	x		x	
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	Non-material	x		x	
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco	Non-material			x	
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050	E1-1 – Transition plan for climate change mitigation, p. 49				x
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks	Non-material		x	x	
ESRS E1-4	34	GHG emission reduction targets	E1-4 – Targets related to climate change mitigation and adaptation, p. 51	x	x	x	
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	E1-5 – Energy consumption and mix, p. 52	x			
ESRS E1-5	37	Energy consumption and mix	E1-5 – Energy consumption and mix, p. 52	x			

Disclosure requirement	Data point	Sustainability disclosure	Location and page	Reference to other EU legislation		
				SFDR	Pillar 3	Benchmark Regulation EU Climate Act
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	E1-5 – Energy consumption and mix, p. 52	x		
ESRS E1-6	44	Gross Scopes 1, 2, 3 and Total GHG emissions	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions, p. 52	x	x	x
ESRS E1-6	53-55	Gross GHG emissions intensity	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions, p. 52	x	x	x
ESRS E1-7	56	GHG removals and carbon credits	Non-material			x
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	Luotea makes use of the transitional provision with regard to the required disclosures			x
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk	Luotea makes use of the transitional provision with regard to the required disclosures		x	
ESRS E1-9	67 (c)	Breakdown of the carrying value of the undertaking's real estate assets by energy-efficiency classes	Luotea makes use of the transitional provision with regard to the required disclosures		x	
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities	Luotea makes use of the transitional provision with regard to the required disclosures			x
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	Non-material	x		
ESRS E3-1	9	Water and marine resources	Non-material	x		
ESRS E3-1	13	Dedicated policy	Non-material	x		
ESRS E3-1	14	Sustainable oceans and seas	Non-material	x		
ESRS E3-4	28 (c)	Total water recycled and reused	Non-material	x		
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	Non-material	x		
ESRS 2 SBM-3 – E4	16 (a)	List of material sites in own operations	Non-material	x		
ESRS 2 SBM-3 – E4	16 (b)	Sites located in affected biodiversity-sensitive areas	Non-material	x		
ESRS 2 SBM-3 – E4	16 (c)	Operations that affect threatened species	Non-material	x		

Disclosure requirement	Data point	Sustainability disclosure	Location and page	Reference to other EU legislation			
				SFDR	Pillar 3	Benchmark Regulation	EU Climate Act
ESRS E4-2	24 (b)	Sustainable land/agriculture practices or policies	E4-2 – Policies related to biodiversity and ecosystems, p. 59	x			
ESRS E4-2	24 (c)	Sustainable oceans/seas practices or policies	E4-2 – Policies related to biodiversity and ecosystems, p. 59	x			
ESRS E4-2	24 (d)	Policies to address deforestation	E4-2 – Policies related to biodiversity and ecosystems, p. 59	x			
ESRS E5-5	37 (d)	Non-recycled waste	E5-5 – Resource outflows, p. 60	x			
ESRS E5-5	39	Hazardous waste and radioactive waste	E5-5 – Resource outflows, p. 60	x			
ESRS 2 SBM-3 – S1	14 (f)	Risk of incidents of forced labour	S1 SBM-3 – Impacts, risks and opportunities from the perspective of the strategy and business model, p. 64	x			
ESRS 2 SBM-3 – S1	14 (g)	Risk of incidents of child labour	S1 SBM-3 – Impacts, risks and opportunities from the perspective of the strategy and business model, p. 64	x			
ESRS S1-1	20	Human rights policy commitments	S1-1 – Policies related to own workforce, p. 64	x			
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8	GOV-4 – Statement on sustainability due diligence, p. 16			x	
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	S1-1 – Policies related to own workforce, p. 64	x			
ESRS S1-1	23	Workplace accident prevention policy or management system	S1-1 – Policies related to own workforce, p. 64	x			
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns, p. 65	x			
ESRS S1-14	88 (b) & (c)	Number of fatalities and number and rate of work-related accidents	S1-14 – Health and safety metrics, p. 72	x			x
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Luotea makes use of the transitional provision with regard to the required disclosures	x			
ESRS S1-16	97 (a)	Unadjusted gender pay gap	S1-16 – Compensation metrics (pay gap and total compensation), p. 73	x			x
ESRS S1-16	97 (b)	Excessive CEO pay ratio	S1-16 – Compensation metrics (pay gap and total compensation), p. 73	x			

Disclosure requirement	Data point	Sustainability disclosure	Location and page	Reference to other EU legislation		
				SFDR	Pillar 3	Benchmark Regulation EU Climate Act
ESRS S1-17	103 (a)	Incidents of discrimination	S1-17 – Incidents, complaints and severe human rights impacts, p. 73	x		
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	Not applicable	x		x
ESRS 2 SBM-3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	S2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model, p. 74	x		
ESRS S2-1	17	Human rights policy commitments	S2-1 – Policies related to value chain workers, p. 74	x		
ESRS S2-1	18	Policies related to value chain workers	S2-1 – Policies related to value chain workers, p. 74	x		
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	Non-material	x		x
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8	GOV-4 – Statement on sustainability due diligence, p. 16			x
ESRS S2-4	36	Human rights issues and incidents connected to upstream and downstream value chain	Non-material	x		
ESRS S3-1	16	Human rights policy commitments	Non-material	x		
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	Non-material	x		x
ESRS S3-4	36	Human rights issues and incidents	Non-material	x		
ESRS S4-1	16	Policies related to consumers and end-users	Non-material	x		
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	Non-material	x		x
ESRS S4-4	35	Human rights issues and incidents	Non-material	x		
ESRS G1-1	10 (b)	Anti-corruption and anti-bribery principles aligned with the United Nations Convention against Corruption	Not applicable	x		
ESRS G1-1	10 (d)	Protection of whistleblowers	Not applicable	x		
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	G1-4 – Corruption and bribery, p. 77	x		x
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery	G1-3 – Prevention and detection of corruption and bribery, p. 79	x		

EU taxonomy

In this section, Luotea publishes information on environmentally sustainable economic activities in accordance with the EU taxonomy. The information is based on Regulation (EU) 2020/852 of the European Parliament and of the Council (Taxonomy Regulation). The Regulation contains key performance indicators that companies are required to report with regard to their environmentally sustainable economic activities.

The taxonomy specifies six key environmental objectives against which a company's various business activities are assessed. The environmental objectives are climate change mitigation, climate change adaptation, water and marine resources, the circular economy, pollution, and biodiversity and ecosystems. For the financial year 2025, Luotea reports the taxonomy-aligned, taxonomy-eligible and non-taxonomy-eligible proportions of business activities for three key performance indicators (turnover, operating expenditure and capital expenditure). The company's EU Taxonomy reporting covers all Luotea group companies presented in the consolidated financial statements for the financial year 1 January–31 December 2025. Luotea's facility services business refers to continuing operations and circular economy business refers to discontinued operations. The company's Taxonomy reporting does not take advantage of the relief provided by the European Commission's Omnibus package.

With regard to taxonomy alignment, the company reports the extent to which the business in question supports the environmental objectives. An activity is considered to be taxonomy-aligned if it contributes substantially to one of the specified environmental objectives while doing no significant harm (DNSH) to the other objectives. In addition, the activity must comply with the criteria concerning minimum safeguards.

Luotea's assessment

Luotea has carried out assessments concerning taxonomy eligibility and taxonomy alignment on the basis of the company's best interpretation of the EU Taxonomy Regulation, the Climate Delegated Act, the Complementary Climate Act, the Environmental Delegated Act and the currently available guidelines issued by the European Commission.

Taxonomy eligibility has been assessed on the basis of the descriptions of economic activities and related NACE codes provided in the European Commission's Delegated Regulations. The assessment related to the taxonomy has been carried out on turnover, capital expenditure and operating expenditure associated with climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. Luotea does not have business activities related to nuclear energy or fossil natural gas.

The financial indicators concerning the taxonomy are based on figures extracted from financial management systems and ERP systems. When calculating the proportion of turnover of products related to taxonomy-aligned and taxonomy-eligible

economic activities, Luotea takes into account revenue from services and products that have a clear connection to the identified economic activities. In taxonomy reporting for the 2025 reporting period, turnover consists of turnover from the facility services business (Note 1.2 to the financial statements) and turnover from the circular economy business (Note 6). For capital expenditure and operating expenditure, data from 2025 was analysed and compared to the screening criteria.

Capital expenditure consists of additions to property, plant and equipment, intangible assets and right-of-use assets, including additions arising from acquisitions. In Luotea's taxonomy reporting, capital expenditure consists of the capital expenditure of the facility services business (Notes 3.1, 3.3 and 3.4 to the financial statements) and capital expenditure of the circular economy business (Note 6). Operating expenditure consists of non-capitalised direct expenses of the facility services and circular economy businesses that are necessary to ensure the continuous and efficient operation of property, plant and equipment. The expenses include maintenance, repair and servicing of the fleet and buildings, short-term rents and similar expenses, and other direct expenses related to the maintenance of the assets in question. The assessments concerning taxonomy eligibility and taxonomy alignment take into account only the operating expenditure and capital expenditure that correspond to the technical screening criteria for the activity. Luotea does not have separate capital or operating expenditure plans for the taxonomy.

Luotea reports on taxonomy at the Group level. Specialists from each division and representatives of the businesses have assessed whether the economic activities identified in the taxonomy meet the criteria for taxonomy alignment. The assessment is based on the activity-specific technical screening criteria described in the Taxonomy Regulation and the DNSH criteria. Luotea's climate risks are described in paragraph E1 SBM-3, p. 50.

Luotea's circular economy business operations are regulated and require separate environmental permits that specify environmental requirements for water, soil contamination and nature. We aim to comply with all environmental requirements that are applicable to our operations. The procedures are described in more detail in paragraph E4-2, p. 59.

Luotea has a management system in place that covers all of Luotea's services with regard to ISO 9001, ISO 14001 and ISO 45001 certification. The EHSQ management model ensures that Luotea's operations comply with the permit conditions, and they are monitored and reported on regularly. Luotea also strives to manage and reduce the environmental impacts of its activities through training and technical solutions. The technical screening criteria have been examined side by side in order to achieve the greatest possible consistency in reporting and to avoid double accounting.

Minimum safeguards

In addition to the technical screening criteria, the Taxonomy Regulation lays down minimum safeguards that concern labour and human rights, the prevention of corruption and bribery, fair competition and taxation. At Luotea, the minimum safe-

guards have been assessed at the Group level.

Luotea observes the Universal Declaration of Human Rights, workers' rights as defined by the International Labour Organization (ILO), international agreements and the UN Guiding Principles on Business and Human Rights, and complies with the six steps outlined in the OECD Guidelines for Multinational Enterprises. Luotea's human rights impacts are described in more detail in paragraph ESRS 2 GOV-4, p. 16.

In the prevention of corruption and bribery, Luotea complies with national legislation and agreements. These principles have also been incorporated into a separate anti-corruption and anti-bribery policy, which clearly prohibits bribery, the receiving and giving of gifts, and other unethical conduct. Luotea's guidelines on receiving gifts and hospitality are public and can be found on the company's website and intranet. Actions to prevent corruption and bribery are described in more detail in paragraph ESRS G1-3, p. 79.

The main principles concerning taxation are described in Luotea's tax policy, which has been approved by the company's Board of Directors. The policy covers all of Luotea's divisions in all operating countries and applies to all employees. Luotea complies with local legislation in the payment, collection, accounting and reporting of taxes. A key principle is the high-quality and timely submission of tax forms and reporting of other legally required information to the authorities.

Luotea pays and collects taxes in the operating countries in which its business creates value, and does not transfer the created value to low-tax jurisdictions. In the pricing of intra-Group transactions, the company complies with the applicable transfer pricing legislation, the OECD transfer pricing guidelines and the recommendations of the tax administration. All of Luotea's investment and location decisions are made on the basis of business needs. Tax effects are assessed and taken into account as part of the decision-making process, and businesses and group structures are dealt with on the basis of their economic substance. Luotea does not participate in arrangements made purely for tax reasons without business substance.

Luotea operates in Finland and Sweden, supports fair competition and complies with good business conduct and the rules of competition law in all of its business operations. All business activities undertaken by Luotea either in full or in part are structurally transparent and financially justified. In its acquisition processes, Luotea complies with competition law, carries out due diligence on the subjects of acquisition and submits the legally required notifications to the competition authorities.

Luotea's Code of Conduct includes basic rules on compliance with competition law and legislation. In addition, Luotea provides training on competition law for employees whose role involves an identified need for more in-depth training. The purpose of the training is to help the personnel identify situations that may be questionable or prohibited from the perspective of the rules of competition law, and to provide more detailed instructions on the course of action to take in different situations.

Luotea has due diligence processes in place with regard to taxation, anti-corruption, anti-bribery and fair competition. Requirements concerning human rights, labour rights and corruption have been taken into account as separate principles, included in the Code of Conduct and training, and taken into consideration in the company's procurement processes and guidelines. The Group-level policies apply to all of Luotea's business operations in Finland and Sweden.

Identified taxonomy-eligible activities

The taxonomy-eligible and taxonomy-aligned activities of Luotea's circular economy business include, among other things, the collection and transport of waste, recovery of materials from non-hazardous waste, hazardous waste treatment, wastewater collection and treatment, sale of second-hand goods, and environmental construction services related to the remediation of contaminated sites and areas. These circular economy businesses include activities related to climate change mitigation 5.5 (Collection and transport of non-hazardous waste in source segregated fractions) and 5.9 (Material recovery from non-hazardous waste), activities related to the transition to a circular economy and the prevention and recycling of waste 2.3 (Collection and transport of non-hazardous and hazardous waste), 2.7 (Non-hazardous waste sorting and material recovery and 5.4 (Sale of second-hand goods). activities related to pollution prevention and control 2.1 (Collection and transport of hazardous waste), 2.2 (Hazardous waste treatment) and 2.4 (Remediation of contaminated sites and areas), and an activity related to the sustainable use of water and marine resources 2.2 (Urban waste water treatment).

Among taxonomy-eligible and taxonomy-aligned activities, Luotea's facility services business operations in Finland and Sweden include, for example, the installation, maintenance and repair of energy efficiency equipment and renewable energy technology, as well as the installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings. The business operations also include expert services related to improving the energy efficiency of buildings. In taxonomy reporting, the company has taken into account the climate change-related activities 7.3 (Installation, maintenance and repair of energy efficiency equipment), 7.4 (Installation, maintenance and repair of electric vehicle charging stations in buildings), 7.5 (Installation, maintenance and repair of equipment for measuring, regulating and controlling the energy performance of buildings), 7.6 (Installation, maintenance and repair of renewable energy technologies) and 9.3 (Professional services related to the energy efficiency of buildings).

Transitional activities (nuclear power and natural gas)

A transitional activity is an economic activity that supports the transition to a climate-neutral economy and for which there are no technologically and economically feasible low-carbon alternatives. Luotea does not have any taxonomy-eligible or non-taxonomy-eligible nuclear power or natural gas-related economic activities as described in the Complementary Climate Delegated Act. Consequently, Template 1: Nuclear and fossil gas-related activities (Complementary Climate Delegated Act, Annex III) is presented on the right, and templates 2-5 are omitted.

Nuclear energy-related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas-related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Net sales, continuing operations

Economic Activities	2025			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)						Minimum Safeguards	Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) proportion of turnover, year N-1 (%)	Category enabling activity	Category transitional activity	
	Code	Turnover (MEUR)	Proportion of Turnover, year N (%)	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity					Y; N
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	15.0	4.3%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	2.6%	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	0.2	0.05%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	0.03%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	5.9	1.7%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	1.5%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1.4	0.4%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	0.3%	E	
Professional services related to energy performance of buildings	CCM 9.3	7.0	2.0%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	1.8%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		29.5	8.5%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	6.2%		
Of which Enabling		29.5	8.5%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	6.2%	E	
Of which Transitional		0.0	0.0%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	7.1	2.1%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL									2.1%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	3.5	1.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.7%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.0%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.0%		
Professional services related to energy performance of buildings	CCM 9.3	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		10.7	3.1%	3.1%														2.9%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		40.2	11.6%	11.6%														9.0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		305.7	88.4%																	
TOTAL (A+B)		346.0	100%																	

Code: CCM = Climate Change Mitigation, WTR = Water and Marine Resources, PPC = Pollution Prevention and Control, CE = Circular Economy.
A.1: Y - Yes, a taxonomy-eligible and taxonomy-aligned activity with regard to the environmental objective in question, N - No, a taxonomy-eligible but not taxonomy-aligned activity with regard to the environmental objective in question, N/A - Not applicable, a non-taxonomy-eligible activity with regard to the environmental objective in question
A.2: EL - A taxonomy-eligible activity with regard to the objective, N/EL - A non-taxonomy-eligible activity with regard to the objective

Capital expenditure, continuing operations

Financial year N	2025		Substantial Contribution Criteria							DNSH criteria (Does Not Significantly Harm)							Minimum Safeguards	Taxonomy-aligned (A.1) or taxonomy-eligible (A.2.) proportion of turnover, year N-1	Category enabling activity	Category transitional activity
	Economic Activities	Code	Capital Expenditure (MEUR)	Share of capital expenditure, year N (%)	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity				
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.6	5.3%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	4.6%	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	0.1	1.1%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	1.0%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.2	2.0%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	2.5%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.1	0.7%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	0.6%	E	
Professional services related to energy performance of buildings	CCM 9.3	0.4	3.2%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	3.8%	E	
Capital expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1.4	12.3%	12.3%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	Y	12.6%		
Of which Enabling		1.4	12.3%	12.3%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	Y	12.6%	E	
Of which Transitional		0.0	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y	Y	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.6	5.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									5.8%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	0.1	1.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									1.0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.0%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.0%		
Professional services related to energy performance of buildings	CCM 9.3	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.8	6.6%	6.6%	0.0%	0.00%	0.0%	0.0%	0.0%									6.8%		
A. Capital expenditure of taxonomy-eligible activities (A.1+A.2)		2.2	18.9%	18.9%	0.0%	0.00%	0.0%	0.0%	0.0%									19.4%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Capital expenditure for taxonomy-non-eligible activities		9.3	81.1%																	
TOTAL		11.5	100%																	

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A.1: Y - Yes, a taxonomy-eligible and taxonomy-aligned activity with regard to the environmental objective in question, N - No, a taxonomy-eligible but not taxonomy-aligned activity with regard to the environmental objective in question, N/A - Not applicable, a non-taxonomy-eligible activity with regard to the environmental objective in question
A.2: EL - A taxonomy-eligible activity with regard to the objective, N/EL - A non-taxonomy-eligible activity with regard to the objective

Operating expenditure, continuing operations

Financial year N	2025		Substantial Contribution Criteria							DNSH criteria (Does Not Significantly Harm)							Minimum Safeguards	Taxonomy-aligned (A.1) or taxonomy-eligible (A.2.) proportion of operating expenditure, year N-1	Category enabling activity	Category transitional activity
	Code	Operating Expenditure	Share of operating expenditure, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	(%)				
Economic Activities	(MEUR)	(%)	Y; N; N/A	Y; N; N/A	Y; N; N/A	Y; N; N/A	Y; N; N/A	Y; N; N/A	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N					
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.4	5.5%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	3.7%	E		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	0.1	0.9%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.7%	E		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.2	3.4%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	2.4%	E		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.05	0.7%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.5%	E		
Professional services related to energy performance of buildings	CCM 9.3	0.3	3.7%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	3.1%	E		
Operating expenditure of environmentally sustainable activities (taxonomy-aligned) (A.1)		1.0	14.2%	14.2%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	10.5%			
Of which Enabling		1.0	14.2%	14.2%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	10.5%	E		
Of which Transitional		0.0	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y	0.0%		T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.4	5.7%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								4.7%			
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	0.1	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7%			
Operating expenditure of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		0.5	6.6%	6.6%	0.0%	0.00%	0.0%	0.0%	0.0%								5.3%			
A. Operating expenditure of taxonomy-eligible activities (A.1+A.2)		1.5	20.7%	20.7%	0.0%	0.00%	0.0%	0.0%	0.0%								15.9%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Operating expenditure of taxonomy-non-eligible activities		5.6	79.3%																	
TOTAL		7.1	100%																	

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A.2: EL - A taxonomy-eligible activity with regard to the objective, N/EL - A non-taxonomy-eligible activity with regard to the objective

Turnover, continuing and discontinued operations

Financial year N	2025		Substantial Contribution Criteria							DNSH criteria (Does Not Significantly Harm)							Minimum safe-guards	Taxono-my-aligned (A.1) or taxono-my-eligible (A.2) propor-tion of turnover, year N-1 (%)	Category enabling activity	Catego-ry tran-sitional activity
	Code	Turnover (MEUR)	Propor-tion of Turnover, year N (%)	Climate change miti-gation	Climate change adap-tation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adap-tation	Water	Pollution	Circular Econo-my	Biodiver-sity	Y; N				
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Installation, maintenance and repair of energy efficiency equipment	CCM7.3	15.0	1.9%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	12%	E		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM7.4	0.2	0.0%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.0%	E		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM7.5	5.9	0.8%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.7%	E		
Installation, maintenance and repair of renewable energy technologies	CCM7.6	1.4	0.2%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.1%	E		
Professional services related to energy performance of buildings	CCM9.3	7.0	0.9%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.8%	E		
Collection and transport of non-hazardous waste in source segregated fractions	CCM5.5	12.2	1.6%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	1.5%			
Material recovery from non-hazardous waste	CCM5.9	1.8	0.2%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.3%			
Collection and transport of non-hazardous and hazardous waste	CE 2.3	25.9	3.4%	N/A	N/A	N/A	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	4.3%			
Sorting and material recovery of non-hazardous waste	CE 2.7	10.7	1.4%	N/A	N/A	N/A	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	1.5%			
Sale of second-hand goods	CE 5.4	16.0	2.1%	N/A	N/A	N/A	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	1.2%			
Collection and transport of hazardous waste	PPC2.1	22.4	2.9%	N/A	N/A	N/A	Y	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	2.7%			
Treatment of hazardous waste	PPC2.2	4.7	0.6%	N/A	N/A	N/A	Y	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.6%			
Remediation of contaminated sites and areas	PPC2.4	3.4	0.4%	N/A	N/A	N/A	Y	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.4%			
Turnover from environmentally sustainable activities (taxonomy-aligned) (A.1)		126.5	16.4%	5.6%	0.0%	0.0%	4.0%	6.8%	0.0%	Y	Y	Y	Y	Y	Y	Y	15.3%			
Of which Enabling		29.5	3.8%	3.8%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	2.8%	E		
Of which Transitional		0.0	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y	0.0%		T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Installation, maintenance and repair of energy efficiency equipment	CCM7.3	7.1	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.0%			
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM7.4	3.5	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%			
Material recovery from non-hazardous waste	CCM5.9	0.4	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%			
Collection and transport of non-hazardous and hazardous waste	CE 2.3	9.0	1.2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								1.3%			
Sorting and material recovery of non-hazardous waste	CE 2.7	8.2	1.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								1.0%			
Collection and transport of hazardous waste	PPC2.1	1.7	0.2%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.2%			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		29.9	3.9%	1.4%	0.0%	0.0%	0.2%	2.2%	0.0%								3.9%			
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		156.4	20.3%	7.1%	0.0%	0.0%	4.2%	9.0%	0.0%								19.2%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		613.9	79.7%																	
TOTAL (A+B)		770.3	100%																	

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A.2: EL - A taxonomy-eligible activity with regard to the objective, N/EL - A non-taxonomy-eligible activity with regard to the objective

Capital expenditure, continuing and discontinued operations

Financial year N	2025		Substantial Contribution Criteria							DNSH criteria (Does Not Significantly Harm)							Minimum Safeguards	Taxonomy-aligned (A.1) or taxonomy-eligible (A.2.) proportion of turnover, year N-1 (%)	Category enabling activity	Category transitional activity			
	Code	Capital Expenditure (MEUR)	Share of capital expenditure, year N (%)	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Y; N					Y; N	Y; N	Y; N
A. TAXONOMY-ELIGIBLE ACTIVITIES																							
A.1 Environmentally sustainable activities (Taxonomy-aligned)																							
Installation, maintenance and repair of energy efficiency equipment	CCM7.3	0.6	0.9%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.7 %	E		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM7.4	0.1	0.2%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.2 %	E		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM7.5	0.2	0.3%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.4 %	E		
Installation, maintenance and repair of renewable energy technologies	CCM7.6	0.1	0.1%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.1 %	E		
Professional services related to energy performance of buildings	CCM9.3	0.4	0.5%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.6 %	E		
Collection and transport of non-hazardous waste in source segregated fractions	CCM5.5	0.2	0.3%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	3.0 %			
Material recovery from non-hazardous waste	CCM5.9	0.7	1.0%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	1.4 %			
Collection and transport of non-hazardous and hazardous waste	CE 2.3	2.2	3.2%	N/A	N/A	N/A	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	6.3 %			
Sorting and material recovery of non-hazardous waste	CE 2.7	0.9	1.3%	N/A	N/A	N/A	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	2.2 %			
Sale of second-hand goods	CE 5.4	1.3	2.0%	N/A	N/A	N/A	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	1.7 %			
Collection and transport of hazardous waste	PPC2.1	2.0	2.9%	N/A	N/A	N/A	Y	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	3.7 %			
Treatment of hazardous waste	PPC2.2	0.2	0.3%	N/A	N/A	N/A	Y	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.7 %			
Capital expenditure of environmentally sustainable activities (taxonomy-aligned) (A.1)		9.0	13.2%	3.4%	0.0%	0.0%	3.3%	6.5%	0.0%	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	20.9%			
Of which Enabling		1.4	2.1%	2.1%	0.0%	0.0%	3.3%	6.5%	0.0%	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	1.8 %	E		
Of which Transitional		0.0	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.0%		T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																							
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL														
Installation, maintenance and repair of energy efficiency equipment	CCM7.3	0.6	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												0.8 %		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM7.4	0.1	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												0.1 %		
Material recovery from non-hazardous waste	CCM5.9	0.2	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												0.4 %		
Collection and transport of non-hazardous and hazardous waste	CE 2.3	0.8	1.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL												1.9 %		
Sorting and material recovery of non-hazardous waste	CE 2.7	0.7	1.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL												1.4 %		
Collection and transport of hazardous waste	PPC2.1	0.1	0.2%	N/EL	N/EL	N/EL	EL	N/EL	N/EL												0.3 %		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2.5	3.7%	1.4%	0.0%	0.0%	0.2%	2.1%	0.0%												5.0 %		
A. Capital expenditure of taxonomy-eligible activities (A.1+A.2)		11.5	16.9%	4.7%	0.0%	0.00%	3.5%	8.7%	0.0%												25.8 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																							
Capital expenditure for taxonomy-non-eligible activities		56.5	83.1%																				
TOTAL		68.0	100%																				

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A.2: EL - A taxonomy-eligible activity with regard to the objective, N/EL - A non-taxonomy-eligible activity with regard to the objective

Operating expenditure, continuing and discontinued operations

Financial year N	2025		Substantial Contribution Criteria							DNSH criteria (Does Not Significantly Harm)							Minimum Safeguards	Taxonomy-aligned (A.1) or taxonomy-eligible (A.2.) proportion of operating expenditure, year N-1	Category enabling activity	Category transitional activity				
	Code	Operating Expenditure (MEUR)	Share of operating expenditure, year N (%)	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Y; N					Y; N	Y; N	Y; N	Y; N
A. TAXONOMY-ELIGIBLE ACTIVITIES																								
A.1 Environmentally sustainable activities (Taxonomy-aligned)																								
Installation, maintenance and repair of energy efficiency equipment	CCM7.3	0.4	1.1%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.9%	E		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM7.4	0.1	0.2%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.2%	E		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM7.5	0.2	0.7%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.6%	E		
Installation, maintenance and repair of renewable energy technologies	CCM7.6	0.1	0.1%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.1%	E		
Professional services related to energy performance of buildings	CCM9.3	0.3	0.7%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.8%	E		
Collection and transport of non-hazardous waste in source segregated fractions	CCM5.5	0.8	2.3%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	2.1%			
Material recovery from non-hazardous waste	CCM5.9	0.0	0.1%	Y	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.1%			
Collection and transport of non-hazardous and hazardous waste	CE 2.3	1.9	5.3%	N/A	N/A	N/A	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	6.7%			
Sorting and material recovery of non-hazardous waste	CE 2.7	0.8	2.2%	N/A	N/A	N/A	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	2.3%			
Sale of second-hand goods	CE 5.4	1.2	3.3%	N/A	N/A	N/A	N/A	Y	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	1.8%			
Collection and transport of hazardous waste	PPC2.1	0.7	2.1%	N/A	N/A	N/A	Y	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	1.9%			
Treatment of hazardous waste	PPC2.2	0.2	0.4%	N/A	N/A	N/A	Y	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.4%			
Remediation of contaminated sites and areas	PPC2.4	0.0	0.1%	N/A	N/A	N/A	Y	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.1%			
Operating expenditure of environmentally sustainable activities (taxonomy-aligned) (A.1)		6.6	18.6%	5.2%	0.0%	0.0%	2.6%	10.8%	0.0%	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	18.1%			
Of which Enabling		1.0	2.8%	2.8%	0.0%	0.0%	3.3%	6.5%	0.0%	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	2.6%	E		
Of which Transitional		0.0	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.0%		T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																								
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL															
Installation, maintenance and repair of energy efficiency equipment	CCM7.3	0.4	1.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												1.1%			
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM7.4	0.1	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												0.2%			
Material recovery from non-hazardous waste	CCM5.9	0.0	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												0.0%			
Collection and transport of non-hazardous and hazardous waste	CE 2.3	0.7	1.8%	N/EL	N/EL	N/EL	N/EL	EL	N/EL												2.0%			
Sorting and material recovery of non-hazardous waste	CE 2.7	0.6	1.7%	N/EL	N/EL	N/EL	N/EL	EL	N/EL												1.5%			
Collection and transport of hazardous waste	PPC2.1	0.1	0.2%	N/EL	N/EL	N/EL	EL	N/EL	N/EL												0.1%			
Operating expenditure of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1.8	5.0%	1.3%	0.0%	0.0%	0.2%	3.5%	0.0%												5.1%			
A. Operating expenditure of taxonomy-eligible activities (A.1+A.2)		8.4	23.6%	6.5%	0.0%	0.00%	2.8%	14.3%	0.0%												23.1%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																								
Operating expenditure of taxonomy-non-eligible activities		27.1	76.4%																					
TOTAL		35.5	100%																					

Code: CCM = Climate Change Mitigation, WTR = Water and Marine Resources, PPC = Pollution Prevention and Control, CE = Circular Economy.
A.1: Y - Yes, a taxonomy-eligible and taxonomy-aligned activity with regard to the environmental objective in question, N - No, a taxonomy-eligible but not taxonomy-aligned activity with regard to the environmental objective in question, N/A - Not applicable, a non-taxonomy-eligible activity with regard to the environmental objective in question
A.2: EL - A taxonomy-eligible activity with regard to the objective, N/EL - A non-taxonomy-eligible activity with regard to the objective

E1 Climate change

E1-1 – Transition plan for climate change mitigation

Climate targets are part of Luotea's strategic objectives. The company's target is to achieve net zero for its own operations and the entire supply chain by 2045. Luotea is also committed to phasing out fossil fuels in the long term. Luotea's climate targets are described in more detail in section E1-4, p. 51.

The targets are in line with the Paris Agreement. Luotea is not excluded from the EU's Paris Agreement benchmarks.

In 2025, Luotea's own operations (scope 1 and 2) accounted for 8% of total emissions, of which approximately 98% were generated by transport (scope 1). Scope 2 emissions accounted for 2% of the emissions of Luotea's own operations. Scope 2 emissions include all greenhouse gas (GHG) emissions arising from the use of electricity, heating and cooling energy at Luotea's properties. The majority, approximately 92%, of Luotea's total emissions are generated in the value chain (scope 3).

To achieve the targets, Luotea has drawn up a separate climate transition plan that includes an assessment of the key measures concerning Luotea's own operations and supply chain until 2030. The key aspects of the transition plan are related to the company's measures to phase out fossil carbon in transport operations with respect to both fuel use and the fleet, so that by 2030, in Luotea's continuing operations, 36% of the transport fuels used in the company's own operations would be renewable, and 20% of Luotea's own fleet would consist of low-emission vehicles, such as vehicles powered by biogas or electricity.

The partial demerger has a considerable effect on the company's emission amounts and distribution of emissions with regard to scope 3 emissions, and the company will update its transition plan in 2026.

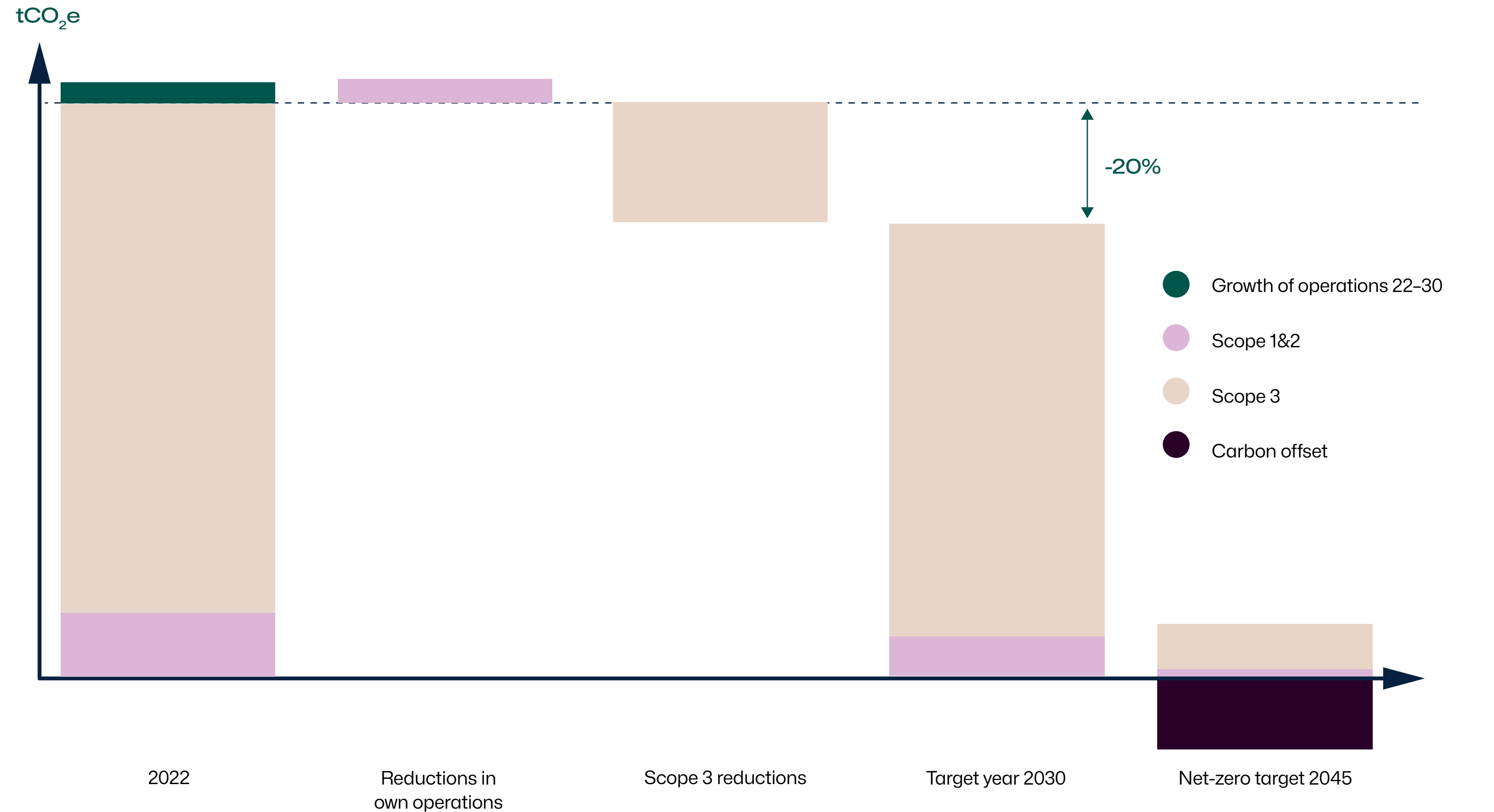
In addition to focusing on its own operations, Luotea seeks to promote its value chain emission reduction targets by intensifying its cooperation with value chain partners. In 2025, Luotea focused on collecting emission data from its suppliers in the area of transport subcontracting and machine contracting. In 2026, Luotea's continuing operations will assess ways to reduce emissions generated in the supply chain.

The lock-in of potential GHG emissions is not estimated to cause a significant transition risk or prevent the achievement of emission reduction targets in respect of the company's own operations, as the power source of the fleet in use can be adjusted during use, for example by replacing fossil energy with renewable energy. The availability of renewable energy is expected to remain good in the future.

Luotea's climate targets are part of the company's strategic business objectives. A more detailed transition plan that supports the targets and examines the effectiveness of the key measures targeted at the company's own operations in relation to the emission targets, and their potential financial effects, has been approved by the Board of Directors.

The plan takes into account the anticipated capital and operating expenditure to achieve the climate targets set for the company's own operations by the end of 2030. The long-term measures extending to 2045 are not yet at a sufficiently detailed level due to insufficient transparency. The adequacy of the measures and

Luotea's key means of decarbonisation and their impact on Luotea's short-term targets



Luotea has planned to reduce the emissions generated by its own operations by approximately 31% by 2030, using 2022 as the base year. Of the planned emission reductions in Luotea's own operations, 70% is made up of the increased use of renewable energy and 30% is made up of changes in the fleet's propulsion sources. Luotea estimates that, in 2030, 22% of the fleet will consist of low-emission vehicles, and the rate of renewable energy use for vehicles will be 25%. The drivers of the planned emission reductions in the value chain include increasing the recycling rate and emission reduction measures in subcontracted logistics. In addition, scope 3 emissions are expected to decrease organically as a result of other decarbonisation measures in the value chain. The company's long-term net-zero target is to reduce emissions by 90% from the 2022 level and offset the share of emissions that cannot be reduced in the company's own operations or value chain.

the related financing plan will be reviewed annually as part of Luotea's investment decisions.

The significant capital expenditure required to implement Luotea's planned measures is related to increasing the relative share of low-emission equipment in the fleet by 2030. The planned measures will increase Luotea's annual capital expenditure, which in turn will increase depreciation and amortisation in Luotea's income statement. As a counterbalance to increasing depreciation and amortisation, Luotea anticipates that low-emission equipment will reduce the annual operating expenditure of the fleet in the income statement. With respect to non-low-emission equipment, Luotea will significantly increase the use of renewable fuels in accordance with the transition plan. This measure is expected to increase annual fuel expenditure in Luotea's income statement by 2030. Luotea's total net sales and a disaggregation of investments, depreciation and amortisation are presented in the notes to the financial statements on note 1.1.

The alignment of the company's economic activities with the criteria established in Commission Delegated Regulation (EU) 2021/2139 is mainly focused on the renewal of the fleet, which is expected to reduce the company's general environmental impact. Although the renewal of the fleet is not directly related to the activities specified in the taxonomy to a significant degree, it supports the company's aim of operating more sustainably.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business models

Based on the double materiality assessment, Luotea's material impacts, risks and opportunities related to climate change were related to climate change mitigation and improving energy efficiency. Luotea's entity-specific disclosure obligations apply to the carbon handprint and carbon intensity (gCO₂/km), which is also one of the sustainability targets associated with Luotea's bond issued in 2022. In the partial demerger, the bond was transferred to the Circular Economy Business.

Climate change and biodiversity loss are global phenomena whose mitigation creates both opportunities and risks for Luotea's business activities. The company's positive impacts arise from energy efficiency services provided by its businesses that reduce customers' energy consumption. Luotea's discontinued operations support the transition to a low-carbon circular economy by promoting the recycling of materials and raw materials, and by reducing the volumes of waste directed to disposal and incineration. The negative impacts of Luotea's own operations arise from transport-related emissions and purchased products and services, for example. Most of Luotea's emissions are generated in the value chain.

The transition to a low-emission fleet and significantly increasing the use of renewable energy are key measures for achieving Luotea's emission reduction targets. Luotea's material transition risks are also related to these measures. The material transition risks include delays in the technological development of low-emission and electrically powered heavy-duty vehicles and the availability and price of renewable fuels in the long term.

The positive climate impact of the services is measured using the carbon handprint. It describes the emissions avoided through companies' conscious choices and solutions relative to previous operating practices. Luotea's carbon handprint is created through services produced for customers, such as energy efficiency solutions and material recycling.

The monitoring of the outcomes of climate change related to our business operations is integrated in Luotea's strategy process. The company has assessed the impacts of climate change both during the short strategy period of five years and in the long term, extending to 2035. The resilience analysis is based on a qualitative assessment of the uncertainties in the business environment, which takes into account changes in the market and the operating environment and their significant financial effects. The most recent scenario review was carried out in 2023.

The resilience analysis was focused on Luotea's own operations. With regard to transition risks, it considered changes in markets and regulation and, with regard to physical risks, it considered potential weather fluctuations in Finland and Sweden. The analysis takes into account Luotea's own climate targets and related measures, such as Luotea's emissions reduction measures in logistics, as well as fleet investments and measures promoting the recycling of materials.

The company's resilience analysis applies the IPCC scenarios of climate warming of 1.5°C, less than 2°C and 4°C by the end of the century (RCP 2.6 and RCP 6.0), which have been assessed in relation to the latest climate research data on changes in weather in Finland. The International Energy Agency's (IEA) background data and assumptions (APS, NZE2050 and STEPS) have also been utilised in the analysis.

The evaluated scenarios included a business environment in which legislation and measures support and guide companies towards targets aligned with the net zero objective. The other extreme was a business environment in which change slows down and the necessary measures are implemented slowly. The business effects of climate change were assessed in the different scenarios through aspects of change in the industry related to regulation, the business model and technological development.

The uncertainties in the resilience analysis are related to regulatory changes and market changes. These factors have been taken into account in the background of Luotea's climate transition plan when assessing the impacts of low-emission fleet investments. The flexibility of the business model in the operating environments outlined in the different climate scenarios is on a stable foundation. The reference scenario was a business environment where the status quo supports the 1.5°C climate path in the short term and the long term.

In connection with the company's strategy work in 2023, Luotea tightened its climate targets by setting a net-zero target to be achieved by 2045. The assessment indicated that Luotea's updated climate targets, the actions aimed at achieving the targets and the separate climate targets set for the supply chain are in line with the observations made in the scenario analysis.

E1-2 – Policies related to climate change mitigation

Luotea's climate targets are guided by the company's environmental policy, which describes not only Luotea's own operations but also the principles pertaining to the value chain. The environmental policy, which is published on Luotea's website, has been approved by the President and CEO and the Group Executive Board.

Luotea's environmental policy describes the company's material targets and principles with regard to climate change mitigation, the use of renewable energy and the promotion of energy efficiency. Luotea is committed to net zero targets by 2045 and also encourages its partners to set their own climate targets and reduce their dependence on fossil raw materials. In addition, emissions generated in Luotea's own operations and the value chain are reduced by promoting the use of renew-

able raw materials and improving energy efficiency. The environmental policy takes into account customer solutions by which Luotea promotes its customers' climate targets. The positive climate impact of the value chain arises when the company's services are used to replace virgin raw materials with recycled and renewable raw materials or when Luotea implements energy efficiency measures for customers. At the same time, Luotea's own carbon handprint increases.

The principles laid down in the policy are reviewed regularly, at two-year intervals. The responsibility for updating the policy and its content lies with the company's SVP, Strategy, Sustainability and Development, who prepares the key principles of the policy together with Luotea's specialists. Other stakeholders have not been engaged for the time being. Luotea's divisions and units are responsible for the implementation of the policy and the allocation of the necessary resources in their respective operations. Climate targets concerning the supply chain have been taken into account in Luotea's new procurement agreements.

E1-3 – Actions and resources in relation to climate change policies

Luotea's climate targets and environmental policy principles are put into action in the units through division-specific sub-targets, guidelines and circular economy and energy efficiency solutions implemented for customers. In addition, climate targets and their monitoring are one of the key themes of Luotea's communications, and the topic as a whole is also discussed regularly at the divisions' internal personnel briefings.

Measures to reduce emissions caused by Luotea's own operations

The key measures related to climate change mitigation and renewable energy deployment in Luotea's own operations are focused on the deployment of low-emission equipment and the use of renewable fuel in the fleet. The company also invests in training drivers on an economical driving style and the use of the equipment. The measures support Luotea's efforts to phase out fossil carbon both in the short term (by 2030) and the long term (by 2045).

Luotea made good progress towards its emission reduction targets in 2025. Emissions caused by Luotea's own operations have decreased by 53% (continuing operations: 65%) since 2018. The renewal of the fleet and a significant increase in the use of renewable fuels had a substantial impact on the scope 1 emissions caused by Luotea's own operations.

The following measures, among others, were taken in 2025 to promote the targets related to Luotea's own operations:

- In the Circular Economy Business, driving style monitoring equipment had been installed in 1,345 vehicles by the end of 2025.
- In Facility Services, driving style monitoring equipment has been installed in all vehicles and, in 2025, a management tool was introduced for the monitoring of deviations, such as braking, accelerating and speeding.
- Luotea's Circular Economy Business has 91 low-emission heavy-duty vehicles, and Facility Services has 72 light-duty vehicles, that run on either biogas or electricity.
- 27% of the diesel oil used by Luotea in transport operations was replaced with HVO (Hydrotreated Vegetable Oil) made from renewable raw materials.

- Luotea engages in route planning on an ongoing basis. It has enabled the company to improve the efficiency of its operations and reduce emissions, kilometres driven and working hours.
- Luotea has been a pioneer in the Nordic countries with regard to the deployment of electric heavy-duty vehicles, including an electric vacuum truck, which is part of discontinued operations.

Luotea's properties will switch to renewable electricity by 2030. Currently, the electricity used in Finland is produced with nuclear energy and certified with guarantees of origin. The energy efficiency of properties has been improved, for example, by optimising the controls of building systems and replacing LED lighting systems, building automation systems, ventilation machines and heating systems. All oil heating systems at properties owned by Luotea have been replaced with air-to-water heat pumps. In 2025, energy efficiency measures were taken at 13 properties. The measures have led to emission reductions of 121 tCO₂e, corresponding to approximately 22.4% of scope 2 emissions. The projected scope 2 emission reductions for 2030 amount to approximately 1,000 tCO₂e, using 2018 as the base year.

Good progress has also been made towards Luotea's validated SBTi emission reduction targets. Emission intensity (scope 1 & 2, tCO₂e per kilometre driven) decreased by 51% from the 2018 level, and the company is in line with the selected emission reduction path. The target is also one of the conditions of Luotea's sustainability-linked bond. The supply chain target was updated in 2023 to an absolute 20% emission reduction target, with 2022 as the base year.

Luotea's carbon handprint

Luotea's carbon handprint is created by, for example, long-term efforts related to energy efficiency and sustainability, as well as services that promote the circular economy of the value chain. Our wide-ranging energy efficiency services have enabled our customers to achieve significant reductions in energy consumption and emissions by implementing energy efficiency measures identified and recommended by our specialists.

The Smartti automation service developed by Luotea's Facility Services is used to control building automation systems, which improves the energy efficiency of properties. Luotea also offers a blast cleaning method for the cleaning of boilers in industrial power plants, which reduces emissions and improves efficiency.

In 2025, the carbon handprint of Luotea's operations was 378.8 MCO₂e, which was approximately 14% lower than in 2024. The decrease in the carbon handprint was particularly attributable to the slowdown in general economic activity and the resulting decrease in waste streams and declining demand for solid recovered fuels.

Climate efforts in the supply chain

Most of Luotea's total emissions consist of supply chain emissions, such as emissions arising from purchased goods and services, waste processing and transport subcontracting. Luotea has analysed the most significant sources of scope 3 emissions in the supply chain and prepared a short-term action plan, extending to 2030, based on the analysis. The measures contribute to climate change mitigation, promote of renewable energy deployment and reduce the value chain's dependence on fossil carbon.

Approximately 17% of Luotea's scope 3 emissions arise from the incineration of

waste, such as plastics contained in mixed waste and waste-to-energy material, and the disposal of hazardous waste. The company's goal is to enhance sorting at source in cooperation with customers by facilitating the recycling of raw materials in mixed waste and waste-to-energy material, which also reduces the climate impact of the waste. Luotea also develops solutions to improve the recycling of hazardous waste. It is also key to improve the quality of supply chain data so that emissions calculations are increasingly based on primary data received from suppliers.

A significant proportion of Luotea's scope 3 emissions are generated during transport subcontracting. In 2025, supplier-specific transport emissions reporting surveys were carried out in the Circular Economy Business. In 2025, emissions from transport subcontracting decreased by 0.1% when compared to the previous year's emissions, but they were still 2% higher than the emissions in the base year 2020.

The partial demerger has a significant effect on the distribution of scope 3 emissions, and Luotea will carry out a new analysis of its most significant scope 3 emission sources in 2026.

Anticipated financial effects

The emission reduction measures related to Luotea's own operations require financial capital and operating expenditure which Luotea's taxonomy reporting does not fully take into account, as some of the measures are not taxonomy-eligible due to the sector classification included in the Taxonomy Regulation. The most significant capital expenditures are allocated particularly to low-emission fleet investments in accordance with the transition plan, while the key operating expenditures include the costs incurred from the use of renewable fuel, for example. The significant capital and operating expenditures associated with Luotea's measures are described as part of the financial report on the transition plan in section E1-1, pp. 49–50. Disclosures required by the Taxonomy Regulation are reported as part of the taxonomy, pp. 41–48.

Luotea's measures are also partially dependent on external factors, such as market development, technological innovations and changes in legislation, which may either promote or hinder the achievement of climate targets. The company closely monitors the development of the business environment and adapts its strategy accordingly.

Future development areas

In addition to the existing measures, Luotea will focus particularly on developing the monitoring of the supply chain's climate targets and the practical implementation of emission reduction measures.

E1-4 – Targets related to climate change mitigation and adaptation

Luotea updated its climate targets in late 2023. The focus of the targets is on phasing out fossil raw materials. Luotea's target is to achieve net zero across the entire value chain (scope 1, 2 and 3) by reducing the absolute GHG emissions of the chain as a whole by at least 90% by 2045. The target also requires that the emissions that remain after the emission reductions are offset by carbon sinks, climate-positive projects or carbon sequestration. The benchmark years for the target are 2018 for Luotea's own operations and 2022 for the value chain. No separate stakeholder con-

sultations have been conducted in connection with the setting of targets.

With regard to Luotea's own operations, 2018 is the first year for which the scope and integrity of fuel and energy consumption data are at a sufficient level to ensure the reliability of the benchmark. Luotea has assessed that the year in question represents the normal level of operations. With regard to value chain emissions, 2022 is the first year for which the scope and integrity of the background data are at a sufficient level to ensure the reliability of the benchmark. Luotea has estimated that the COVID-19 pandemic's impacts on the level of economic activity were only very minor in that year, and they have no impact on the reliability of the benchmark.

In addition to the long-term targets, Luotea has set separate short-term targets to be achieved by 2030. The absolute emission reduction targets for the entire value chain by 2030 are as follows:

- Halving the emissions of Luotea's own operations by 2030, using 2018 as the baseline (2018: 47,400 tCO₂e). The target has been validated by the SBTi.
- 20% reduction in value chain emissions by 2030, using 2022 as the baseline (2022: 271,200 tCO₂e). The company has also set separate targets for transport subcontracting: 30% reduction in emissions from transport subcontracting by 2030, using 2020 as the baseline (2020: 20,501 tCO₂e). The target applies to discontinued operations.

The targets for the following year are always updated annually, and the 2045 net-zero target is broken down into an average annual target of -4.2%.

Luotea's Board of Directors has approved the company's climate targets, and the company plans to have its net-zero target validated by the SBTi (Science Based Targets initiative). Luotea's climate target for 2045 is aligned with the goal of limiting global warming to 1.5°C in accordance with the Paris Agreement and the European Union's climate targets. Our current SBTi-validated short-term climate targets are based on Luotea's previous climate targets, which corresponded to the goals of the Paris Agreement to limit global warming to well below 2°C. In 2026, Luotea's continuing operations will set new SBTi-validated short-term and long-term climate targets.

In addition to having established emission targets, Luotea is committed to the general action plan for the service sector under the Confederation of Finnish Industries' Energy Efficiency Agreement. The company's aim is to improve the energy efficiency of its properties by 7.5% by 2025, using 2020 as the baseline. This corresponds to total savings of 2,758 MWh. The target for the Energy Efficiency Agreement period 2017–2025 was -7.5%. This target was achieved and exceeded by the end of the agreement period. The total reported energy savings achieved through energy efficiency measures for the entire agreement period amounted to 3,038 MWh, which exceeded the target by +10%.

The key decarbonisation levers of the emission targets are described in more detail in section E1-1, p. 49.

Luotea's net-zero climate targets for 2045 take GHG removal or GHG emission mitigation projects into account as potential measures. In 2025, Luotea did not carry out such projects to offset its own emissions. The company does not apply internal carbon pricing schemes in measures related to its targets. The results of the previously presented scenario analysis and the expectations of external stakeholders, which have been surveyed in connection with Luotea's double materiality assessment process, for example, have been taken into account as background data for the targets.

Acquisitions, divestments or changes in calculation principles and methods may affect the recalculation of the emission values for the benchmark years selected for the climate targets. As a result of the corporate restructuring, the emissions figures for the years 2025 and 2024 have been calculated for continuing operations. No significant changes have been identified in Luotea's business environment that would have required recalculations of the benchmark data in 2025. In 2026, Luotea's continuing operations will recalculate the benchmark figures for the base year so that new climate targets can be set accordingly. The principles for calculating emissions are presented in section E1-6, p. 52.

E1-5 – Energy consumption and mix

The share of renewable energy of Luotea's total energy consumption increased in 2025. Renewable energy accounted for 30% of total energy consumption. In Luotea's operations, fuels account for 83% of total energy consumption, and the amount of renewable energy produced by the company itself came to 120 MWh. Systematic progress has been made towards Luotea's energy efficiency target. The consumption of purchased energy decreased by 7.3% from the comparison year 2024. The energy efficiency of Luotea's properties was improved by optimising building technology controls and upgrading lighting, for example. In 2025, we continued the renewal of heating systems and replaced some of the natural gas and oil-powered heating systems of properties with air-to-water heat pumps. The renewal of heating systems will continue in 2025. In 2025, the energy consumption of Luotea's properties in Finland came to 32 575 MWh, of which 77% was emission-free. The energy consumption of properties in Finland decreased by 5.5% when compared to 2024. The origin of the purchased electricity used by Luotea in Finland is certified with guarantees of origin. Luotea's own energy consumption is disaggregated in the table to the right.

Basis of calculation

The energy consumption calculation includes all energy purchased and produced by Luotea, measured in MWh. The end-use of energy includes the fuel purchased by Luotea during the reporting year, renewable electricity produced by Luotea itself and the amount of purchased electricity and heat. The information is obtained from Luotea's own systems and the energy suppliers' reporting systems. In the calculations, energy consumption of leased premises where electricity or heating is included in the rent, and where Luotea does not have a contract with the energy supplier, has been included in the Scope 3 emissions calculation.

Local factors are used to calculate the energy content of different fuels. The origin of Luotea's purchased electricity in Finland is certified with guarantees of origin. In Sweden, Luotea uses multiple electricity suppliers, and the origin of the purchased electricity depends on the agreement. Purchased electricity is classified as fossil when the electricity production method is a mixture of nuclear energy and renewable energy, or contains fossil production. 77% of the energy purchased by Luotea has been certified to be emission-free by means of an agreement or guarantees of origin acquired from the market afterwards.

The energy intensity is calculated on operations in industries that have significant climate impacts. Commission Delegated Regulation (EU) 2022/1288 defines high impact climate sectors as the NACE sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council.

The calculation of Luotea's energy intensity is based on the Group's total energy consumption and total net sales, as the reporting of energy consumption does not currently enable categorisation according to NACE classification. Luotea's continuing operations total net sales amounted to EUR 346.0 million (note 1.2 to the financial statements). The following table lists the two-digit NACE sectors in which Luotea has significant operations:

NACE Rev. 2 classification	Description
C16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
C22	Manufacture of rubber and plastic products
E37	Sewerage
E38	Waste collection, treatment and disposal activities, materials recovery
E39	Remediation activities and other waste management services
F43	Specialised construction activities
N71	Architectural and engineering activities; technical testing and analysis
O81	Services to buildings and landscape activities

E1-6 – Gross Scope 1, 2, 3 and Total GHG emissions

In 2025, Luotea's GHG emissions decreased from the comparison year 2024. In 2025, the emissions of Luotea's own operations amounted to 22,140 tCO₂e, of which 98% was generated by the fuel consumption of the fleet. Luotea reports scope 2 emissions using the market-based approach, as it better reflects the company's choices regarding purchased energy and the emissions arising from energy production.

The majority of Luotea's total emissions arise in the supply chain (scope 3), including the procurement of purchased products and services, fuel consumption by subcontractors and emissions generated by the final processing of materials. Scope 3 emissions accounted for 92% of Luotea's total emissions in 2025. Luotea did not carry out any GHG removal during the reporting period, and Luotea did not have any contractual emissions related to purchased energy.

Biogenic emissions arise from the use of bio-based fuel, such as renewable diesel. Luotea only reports the biogenic emissions of its own operations.

In 2025, the calculation for scope 3, category 2 was expanded to also include operations in Sweden. No significant changes have been made to Luotea's other scope 1, 2 or 3 calculation principles.

Following the partial demerger that took place in Luotea on 31 December 2025, Luotea reports the 2025 emissions allocated to Luotea's continuing operations on a disaggregated basis.

Own energy consumption, MWh	Continuing operations 2025	Continuing and discontinued operations 2025	Continuing and discontinued operations 2024	Continuing operations 2024
Fuel consumption from coal and coal products	0	0	0	0
Fuel consumption from crude oil and petroleum products	10,050	103,900	121,600	12,500
Fuel consumption from natural gas	90	90	30	30
Fuel consumption from other fossil sources	0	0	0	0
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	800	7,500	8,400	600
Total fossil energy consumption	11,000	111,500	130,000	13,000
Share of fossil sources in total energy consumption, %	77	57	62	81
Consumption from nuclear sources	1,100	25,100	26,600	800
Share of consumption from nuclear sources in total energy consumption, %	8	13	13	5
Fuel consumption for renewable sources including biomass	2,100	57,100	52,500	2,100
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	200	400	500	300
Consumption of self-generated non-fuel renewable energy	0	120	85	0
Total renewable energy consumption	2,200	57,500	53,100	2,400
Share of renewable sources in total energy consumption, %	16	30	25	15
Total energy consumption	14,300	194,100	209,700	16,200

Aggregate consumption data reporting is based on raw data.

Energy intensity (continuing and discontinued operations)	2025	2024
Total energy consumption from activities in high climate impact sectors, MWh	194,100	209,700
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors, MWh/MEUR	252	272

GHG calculation principles

GHG emissions are calculated in accordance with the GHG Protocol, and they are based on the reporting requirements of the GHG Protocol Corporate Standard and scope 3. Biogenic carbon dioxide emissions arise from the combustion of biofuels and organic materials. Scope 2 biogenic carbon dioxide emissions are based on location-based emission factors for district heating.

Financial control has been used as the consolidation method in Luotea's GHG calculations. The report covers the scope 1 emissions of all of Luotea's production plants and vehicles. Scope 2 emissions are reported using both the market-based and location-based approaches. Scope 3 emissions are reported for Luotea as a whole, and 17% of the calculation of scope 3 emissions is based on information obtained from suppliers.

GHG calculation includes all greenhouse gases covered by the GHG Protocol (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃). Emissions have been converted into carbon dioxide equivalents based on the Global Warming Potential (GWP) factors of different greenhouse gases, as specified in the IPCC Fifth Assessment Report.

GHG intensity based on kilometres driven: an entity-specific metric established on the basis of the double materiality assessment

Luotea issued a EUR 75 million bond linked to the company's sustainability targets in May 2022. The financial characteristics of the bond are partly linked to the development of the company's GHG intensity per kilometre driven (gCO₂e/km) through the development of the interest rate. The terms of the bond were amended in 2025 in connection with the partial demerger. The new terms are effective from 31 December 2025. Due to the demerger, the baseline values for the sustainability targets associated with the bonds were adjusted to correspond to the emission volumes of the discontinued operations to which the obligations and liabilities related to the bonds were transferred on 31 December 2025.

GHG intensity based on kilometres driven is a metric that indicates the amount of GHG emissions generated by the company in relation to the kilometres driven during its operations. The calculation is based on the principles of the GHG Protocol and takes into account the emissions of the company's own operations and the data on kilometres driven collected by the fleet's on-board computers. The metric does not take biogenic emissions into account.

In 2025, Luotea's GHG intensity per kilometre driven was 468 gCO₂e/km (2024: 556 gCO₂e/km). For Luotea's discontinued operations, the GHG intensity per kilometre driven was 637 gCO₂e/km (2024: 757 gCO₂e/km). Emission intensity has decreased due to the electrification of light vehicles and the increased use of renewable fuels in heavy vehicles. More detailed emissions data is presented in the tables on page 53.

GHG emissions	Base year	Continuing operations 2025	Continuing and discontinued operations 2025	Continuing and discontinued operations 2024	Continuing operations 2024	Retrospective		Milestones and target years	
						% N/N-1	2030	2045	Annual target, %
Scope 1 GHG emissions									
Gross scope 1 GHG emissions, tCO ₂ e	45,500	2,110	21,600	26,450	2,700	80%	-50%	-90%	4.2%
GHG emissions from regulated emission trading schemes, %	0	0	0	0	0				
Scope 2 GHG emissions									
Gross location-based scope 2 GHG emissions, tCO ₂ e	6,900	170	2,470	3,030	140	80%			
Gross market-based scope 2 GHG emissions, tCO ₂ e	1,900	90	540	760	60	75%	-50%	-100%	4.2%
Significant scope 3 GHG emissions									
Total Gross indirect (scope 3) GHG emissions, tCO ₂ e	271,200	53,520	250,100	262,200	60,100	95%	-20%	-90%	3.1%
1 Purchased goods and services	113,320	42,470	96,400	103,200	48,600	95%			
2 Capital goods	560	90	1,170	1,010	360	115%			
3 Fuel and energy-related activities (not included in scope 1 or scope 2)	9,490	790	9,440	10,840	940	85%			
4 Upstream transportation and distribution	20,501 ¹	6,020	20,950	20,970	5,250	100%	-30%		
6 Business travel	1,190	880	1,530	1,480	800	105%			
7 Employee commuting	6,900	3,280	5,150	6,310	4,120	80%			
12 End-of-life treatment of sold products	126,900	0	115,500	118,400	0	100%			
Total GHG emissions									
Total GHG emissions (location-based), tCO ₂ e		55,810	274,200	291,700	62,900	95%			
Total GHG emissions (market-based), tCO ₂ e		55,720	272,300	289,400	62,800	95%			

The base year for Luotea's scope 1 and scope 2 emission reduction targets is 2018. The base year for scope 3 emission reduction targets is 2022. The annual reduction target (%) has been calculated for the 2030 targets.

Aggregate emissions data reporting is based on raw data.¹

GHG intensity	Continuing operations 2025	Continuing and discontinued operations 2025	Continuing and discontinued operations 2024	Continuing operations 2024
GHG intensity based on net revenue, scope 1 and 2 (market-based), tCO ₂ e/MEUR	6	29	35	12
GHG intensity based on net revenue, scope 1, 2 and 3 (market-based), tCO ₂ e/MEUR	161	353	376	281
GHG intensity based on kilometres driven, scope 1 and 2 (market-based), tCO ₂ e/km	137	468	556	165

Biogenic CO ₂ emissions, tCO ₂	Continuing operations 2025	Continuing and discontinued operations 2025	Continuing and discontinued operations 2024	Continuing operations 2024
Biogenic scope 1 CO ₂ emissions	1,000	19,200	17,800	1,100
Biogenic scope 2 CO ₂ emissions	700	6,400	6,900	400

Carbon handprint: an entity-specific metric established on the basis of the double materiality assessment

The carbon handprint measures the positive climate impacts of Luotea's services. Emission reductions are created when fossil and virgin raw materials are replaced by renewable and recycled raw materials or when the energy efficiency of customers' operations is improved. The calculations take into account the entire value chain from waste collection to the use of secondary raw material. Increasing the carbon handprint is a key long-term target for Luotea and a material metric.

In 2025, emissions avoided as a result of Luotea's operations decreased by 14% when compared to 2024, and totalled EUR -378.8 MCO₂e. Intensity describes the carbon handprint generated by services relative to the Group's total net sales. In 2025, Luotea's carbon handprint intensity was -492 tCO₂e/MEUR. In 2025, the slow-down of general economic activity and decreased demand for solid recovered fuels had a negative impact on the carbon handprint in the Circular Economy Business.

Basis of calculation

The carbon handprint describes the computational avoided emissions attributable to Luotea's services. Luotea's carbon handprint calculation takes into account emissions avoided through waste recycling, energy production, blast cleaning and energy services. There is a high degree of uncertainty associated with the reported data on avoided emissions.

For recycled materials, the carbon handprint has been calculated on a material-specific basis and it is based on the degree to which the recycled material reduces emissions compared to the corresponding production using virgin raw materials. Data on the weight of materials is obtained from Luotea's own systems. The emissions data for recycled materials is based on scientific research on the emission factors of separately collected waste materials directed to recycling. The emission factors are of a general nature and the assumed carbon footprint of recycled materials involves significant uncertainty. The carbon handprint of products refined by Luotea from oil-based waste has been calculated by Luotea's specialists and is based on Luotea's own emission calculations and the emissions from alternative disposal.

In energy production, GHG emissions are reduced when fossil fuels are replaced with biofuels and solid recovered fuels. For fuels, the carbon handprint takes into account Luotea's solid recovered fuel deliveries and the resulting greenhouse gas emissions compared to producing the corresponding amount of energy using fossil fuels. The reference values used in the calculations are primarily based on coal. The emission factors are based on Statistics Finland's fuel classification 2023.

Blast cleaning carried out by Luotea's Industrial Services improves the energy efficiency of power boilers. GHG emissions are reduced when less fuel is used for producing energy. The calculation is based on a model created by VTT Technical Research Centre of Finland regarding the effects of cleaning on the energy efficiency and CO₂ emissions of power boilers.

In addition, the calculation of energy efficiency measures covers the computational savings generated by energy efficiency measures for Luotea's Energy Services' customers, as well as the energy savings generated for properties and production plants connected to the Smartti automation system. The emission factors for electricity and heating are based on the average emission factors published by Statistics Finland for the rolling period 2021-2023.

Calculated reductions in emissions have been calculated using the model created by VTT for the entire value chain, from the collection of waste to the use of the secondary raw material or fuel.

Carbon handprint, MCO ₂ e (continuing and discontinued operations)	2025	2024
Material recycling	-289.4	-331.6
Biofuel and recovered fuel deliveries	-85.5	-102.0
Energy efficiency measures	-3.8	-4.6
Total	-378.8	-438.2
Carbon handprint intensity, tCO ₂ e/MEUR	-492	-569

Summary of Scope 3 calculations

List of scope 3 categories included in the report

- Category 1: Purchased products and services
- Category 2: Capital goods (fleet)
- Category 3: Indirect emissions from purchased energy (other than Scope 1 and Scope 2)
- Category 4: Emissions from subcontracted transport
- Category 6: Business travel Category
- Category 7: Employee commuting Category
- Category 12: Final treatment of materials

List of Scope 3 activities excluded from the report and the reasons for their exclusion

- Category 5: Waste generated in operations – excluded
 - Luotea processes its own waste alongside the waste it processes on behalf of its customers. Their emissions are reported in Scope 3 Category 12. Based on a qualitative assessment, these emissions are less than 2% of the company's Scope 3 Category 12 emissions and are therefore not reported on a disaggregated basis.
- Category 8: Upstream leased assets – excluded
 - Based on a qualitative assessment, this category is not relevant. Luotea does not have leased assets that are not yet included in Scope 1 or 2 calculations or other Scope 3 activities.
- Category 9: Downstream transportation and distribution – excluded
 - Based on a qualitative assessment, this category is not relevant. Due to the current system limitations, it is not possible to make a precise distinction between upstream and downstream transportation based on the participation of the transport subcontractor, and therefore emissions related to downstream transport subcontracting are reported in their entirety in Scope 3 category 4.
- Category 10: Processing of sold products – excluded
 - Based on a qualitative assessment, this category is not relevant. Luotea primarily produces services. Emissions related to the processing of sold products are estimated to be minimal (less than 2%) compared to the other Scope 3 categories. Emissions from waste materials sold for recycling are included in the calculations for category 12.
- Category 11: Use of sold products – excluded
 - According to a quantitative assessment, the emissions during use of products and equipment sold by Luotea are less than 1% of the company's total Scope 3 emissions, so they have been excluded from the calculation. This estimate is based on the energy consumption of the equipment and the emission factors of electricity production in Finland.
- Category 13: Downstream leased assets – excluded
 - Based on a qualitative assessment, the category is not relevant, as Luotea does not have leased assets that are not yet included in Scope 1 or 2 calculations or other Scope 3 activities.
- Category 14: Franchises – excluded
 - Based on a quantitative assessment, the emissions of the Huomenta franchising chain owned by the company represent less than 1% of Luotea's total Scope 3 emissions, so they have been excluded from the calculation. The estimate is based on the computational euro-based CO₂ intensity of cleaning and the net sales figures produced by the chain.
- Category 15: Investments – excluded
 - Based on a qualitative assessment, this category is not relevant. Luotea has no emissions related to investments that are not yet included in Scope 1 or 2 calculations or other Scope 3 activities. Luotea does not provide financial services.

Scope	Description of the data types and sources used in calculating emissions	Description of the calculation principles, allocation methods and assumptions used in calculating emissions
<p>Scope 1, Direct emissions</p>	<p>Activity data (primary data):</p> <ul style="list-style-type: none"> Finland: Fuel data measured in kilograms or litres and registered in the Alekstra (SaaS) reporting system or the supplier's system Sweden: Fuel data measured in kilograms or litres and registered in the Ziklo Fleet Services (SaaS) reporting system 	<p>Emission factors (secondary data):</p> <ul style="list-style-type: none"> Finland: Statistics Finland Fuel Classification 2025¹ Sweden: Swedish Energy Agency - fuels 2024²
<p>Scope 2, Emissions from the production of purchased energy</p>	<p>Activity data (primary data):</p> <ul style="list-style-type: none"> Finland: Energy consumption data measured in kWh and entered in the Enerkey reporting system (SaaS) Sweden: Energy consumption data collected from the energy suppliers' invoices (kWh) 	<p>Emission factors (secondary data):</p> <p>Market-based, Finland:</p> <ul style="list-style-type: none"> Electricity: Luotea's purchases Guarantees of origin for electricity (Veni) District heating: Supplier-specific emission data from the Enerkey reporting system (SaaS) <p>Market-based, Sweden:</p> <ul style="list-style-type: none"> Electricity: Supplier-specific emission data based on energy supply agreements District heating: Supplier-specific emission data collected from the energy supplier <p>Location-based, Finland:</p> <ul style="list-style-type: none"> Electricity: Motiva³ District heating: Motiva³ <p>Location-based, Sweden:</p> <ul style="list-style-type: none"> Electricity: Swedish Energy Agency⁴ District heating: Swedenergy - Energiföretagen Sverige (industry organisation)⁵

Scope	Description of the data types and sources used in calculating emissions	Description of the calculation principles, allocation methods and assumptions used in calculating emissions
Upstream scope 3 emissions		
1: Purchased products and services	<p>Activity data (primary data): Quantities (weight or volume) and amounts (EUR) of purchases obtained from Luotea's procurement data.</p> <p>Emission factors (secondary data): ENVIMAT 2019 publication (euro-based emission factors adjusted for annual inflation)⁶</p>	<p>The calculation of purchased products and services includes all materials and services that are not included in Scope 1, 2 or other Scope 3 calculations. Emission calculations for products and services are based on purchase data and euro-based emission factors. The emission factors have been obtained from external publicly available sources (literature) and adjusted for annual inflation.</p> <p>Coverage: All activities in Finland and Sweden</p>
2: Capital goods	<p>Activity data (primary data): Quantities obtained from Luotea's procurement data (weight or volume) and the amount of purchases (EUR)</p> <p>Emission factors (secondary data): ENVIMAT 2019 publication (euro-based emission factors adjusted for annual inflation)⁶</p>	<p>The calculation of capital goods includes the procurement of production equipment and is based on purchase data and euro-based emission factors. The calculation includes all fleet-related purchases that are considered to be capital goods. The emission factors have been obtained from external publicly available sources (literature) and adjusted for annual inflation.</p> <p>Coverage: All activities in Finland and Sweden</p>
3: Activities related to fuel and energy (not included in Scope 1 or 2)	<p>Activity data (primary data): Fuel and energy consumption data as measured and entered in suppliers' reporting systems</p> <p>Emission factors (secondary data): DEFRA 2025: WTT and T&D emission factors for fuels, electricity and heat⁷</p>	<p>Indirect energy emissions (other than Scope 1 and Scope 2) include upstream emissions from energy production and distribution and WTT emissions for purchased fuels. The emission factors are based on DEFRA's location-based public data, and the basic data is the amount of fuel/energy purchased during the reporting year.</p> <p>Coverage: All activities in Finland and Sweden</p>
4: Upstream transportation and distribution	<p>Activity data (primary data): Fuel consumption data provided by the supplier or, if the data is not available, the monetary purchase amounts (in euros) from Luotea's procurement system.</p> <p>Emission factors (secondary data): Statistics Finland Fuel Classification ²⁰²⁵¹, DEFRA 2025: WTT emission factors for fuels⁷, Cost Index of Road Transport of Goods 2025⁸</p>	<p>The emission calculations of transport and machinery contractors are based on procurement data and estimated fuel consumption, as well as actual fuel consumption data provided by contractors. The data is combined with fuel classification data published by Statistics Finland and the WTT emission data for fuels published by DEFRA.</p> <p>Coverage: All divisions in Finland. There are no significant purchases related to transport contracting in Sweden</p>
6: Business travel	<p>Activity data (primary data): CWT travel agency, monetary purchase amounts obtained from Luotea's procurement systems (in euros), kilometre allowances entered in Luotea's HR system</p> <p>Emission factors (secondary data): DEFRA 2025: Passenger car emissions/km⁷</p>	<p>The information concerning business travel is based on total emission data for flights and train journeys received from the travel service provider (travel-based). Emissions generated by taxi journeys are estimated on the basis of taxi travel costs. All purchases of taxi journeys are compared to the average price per taxi kilometre, supplemented by the WTW emission factors for passenger car transport per kilometre driven published by DEFRA. Business travel by private car is based on kilometre allowances paid, combined with the WTW emission factors per kilometre driven provided by DEFRA.</p> <p>Coverage: All divisions in Finland and Facility Services Sweden</p>

Scope	Description of the data types and sources used in calculating emissions	Description of the calculation principles, allocation methods and assumptions used in calculating emissions
7: Employee commuting	<p>Activity data (primary data): Employee's home address, Traficom's national commuting survey⁹</p> <p>Emission factors (secondary data): DEFRA 2025: Passenger travel emission data and WTT emission factors for fuels⁷, Aalto University study: Public transport emissions/km¹⁰</p>	<p>Emissions from commuting are calculated on the basis of the postal code provided by the employee to the employer. The average commute and form of commuting were assessed on the basis of a national transport survey, which examined the share of different modes of transport and daily journeys in cities and communities of different sizes. The annual working days of part-time employees were estimated on the basis of average weekly working hours. The calculation method and the sources used involve a significant amount of uncertainties, so they can only be used as a very high-level estimate of the climate impacts of commuting by Luotea employees.</p> <p>Coverage: All activities in Finland and Sweden. For personnel in Sweden, emissions from commuting have been estimated on the basis of the number of personnel. For personnel in Finland, emissions from commuting have been estimated on the basis of computational emissions from commuting. The estimated share is 19% of the reported total emissions from commuting.</p>
Downstream Scope 3 emissions		
12: End-of-life treatment of sold products	<p>Activity data (primary data): Waste data from Luotea's ERP system</p> <p>Emission factors (secondary data): Emission factors reported by suppliers, Ecoinvent 3.11, Statistics Finland Fuel Classification 2025¹, SYKE¹¹</p>	<p>The end-use of products covers the material flows that Luotea forwards to energy incineration, earthworks, landfilling or disposal. The calculation is based on the tonnage of materials delivered. The emission factors have been obtained either from partners or from external sources when supplier-specific information is unavailable. Emissions from the collection and transport of waste are included in Luotea's own direct emissions, and the processing-related emissions of external recipients are not taken into account. The subsequent processing of materials is excluded from the calculation. Solid recovered fuels delivered to co-incineration plants and bio-waste are excluded from the calculation because they serve as raw materials for industry. Of materials forwarded to recycling, only hazardous waste is included, as their material recovery involves significant uncertainty. The calculation also involves uncertainties related to the boundaries of material masses.</p> <p>Coverage: All Circular Economy Business operations in Finland. Facility Services and the operations in Sweden do not have significant emissions related to waste treatment, and these have been taken into account in the calculation of Scope 3 Category 1.</p>

Sources:

- 1) Statistics Finland: Fuel Classification 2025, https://stat.fi/tup/khkinv/khkaasut_polttoaineluokitus.html
- 2) Swedish Energy Agency, <https://www.energimyndigheten.se/statistik/ovrig-energistatistik/statistik-om-biobranslen-och-drivmedel/>
- 3) Motiva, <https://www.motiva.fi/ratkaisut/energiansaanto-suomessa/co2-paastokertoimet>
- 4) Swedish Energy Agency, <https://www.energimyndigheten.se/klimat/hallbarhetskriterier/fragor-och-svar-om-hallbarhetskriterier/>
- 5) Swedenergy, <https://www.energiforetagen.se/statistik/fjarrvarmestatik/miljovardering-av-fjarrvarme/>
- 6) Finnish Environment Institute: The carbon footprint and natural resource usage of public procurement and household consumption, <http://hdl.handle.net/10138/300737>
- 7) DEFRA (2025), <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025>
- 8) Kuorma-autoliikenteen kustannusindeksi (2025), <https://stat.fi/tup/kustannusindeksi/kuorma-autoliikenteen-kustannusindeksi.html>
- 9) Traficom: Henkilöliikennetutkimus, <https://www.traficom.fi/fi/ajankohtaista/julkaisut/hlt/henkilöliikennetutkimusten-julkaisut>
- 10) Sree Manikanta Kumar Kanujula, Carbon Emission Estimator for Public Transportation in Finland. Aalto University, <https://urn.fi/URN:NBN:fi:aalto-202301291841>
- 11) Finnish Environment Institute (SYKE) Y-Hiilari, <https://www.syke.fi/fi/ymparistotieto/laskurit-ja-tyokalut#y-hiilari-%E2%80%93-hiilijalanj%C3%A4ljen-laskentaan-yrityksille>

E4 Biodiversity and ecosystem services

E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Luotea aims to mitigate climate change and biodiversity loss and promote the sustainable use of raw materials by means of the circular economy. Fostering biodiversity is also one of the focal points of Luotea's sustainability programme in 2025. In this respect, the company's positive impact arises through nature-related services aimed at the built environment in particular.

Biodiversity is promoted in Luotea's operations particularly from three perspectives. They are climate change mitigation, the use of recycled raw materials and fostering biodiversity in the built environment. Measures for climate change mitigation and promotion of the circular economy indirectly support Luotea's environmental work. The remediation of contaminated soil sites and various solutions in the maintenance of green areas business, such as meadow restoration and the removal of invasive species, increase biodiversity in the built environment and are business opportunities with growth potential for Luotea. The perspectives are in line with the EU's climate targets, circular economy package and biodiversity strategy.

Luotea has not separately assessed the resilience of its strategy and business models in relation to biodiversity and ecosystems. The material transition risks and physical risks related to biodiversity and ecosystems have been assessed indirectly as part of climate risks and as part of the related resilience review, which are described in more detail in the section ESRS E1 SMB-3, p. 50. No material risks have been identified in the company's current business model and strategy.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Luotea has not identified sites that, due to their location and operations, would have a negative impact on areas that are sensitive in terms of biodiversity. Luotea's offices whose operations involve potential environmental impacts are guided by environmental permit obligations and monitoring them. The environmental permits take into account the natural habitat types, habitats of species and protected areas in the locations in question.

Luotea's service offering includes the remediation of contaminated soil, meadow creation, and the removal of invasive species, as well as various stormwater solutions that positively impact the condition of ecosystems and their ability to provide ecosystem services. Cleaning contaminated soils can improve the conditions for the formation of clean freshwater. Similarly, stormwater treatment solutions tailored to construction sites and other similar location reduce the load on water bodies. Meadow creation can strengthen biodiversity, increase protection from extreme weather and combat erosion. Recycling promotes the sustainable use of natural resources and thus reduces the pressure on ecosystem services by combating climate change, for example. Luotea's consulting services support its service offering that promotes biodiversity and ecosystem services.

Luotea has identified several opportunities to grow the business within its current services and create added value for its customers with new services that support biodiversity and ecosystem services. Luotea believes that in the near future, the key business opportunities with regard to the development of regulation related to environmental protection will focus on in the environmental construction sector and on customers' restoration projects.

A description of material impacts and opportunities concerning biodiversity and ecosystems, can also be found in section ESRS 2 SBM-3, p. 20.

E4-2 – Policies related to biodiversity and ecosystems

Luotea's material impacts and opportunities are guided by the company's strategy and its own operating principles, such as environmental policy, as well as measures to promote biodiversity in customers' operations. Luotea's environmental management system is ISO 14001-certified.

Environmental policy and environmental management system

Luotea's environmental policy, which is publicly available on the company's website, includes a commitment to mitigate climate change, promote the sustainable use of raw materials and foster biodiversity by promoting the circular economy, preventing the pollution of soil and water, and supporting the sustainable use of forests. In addition, Luotea provides its customers with solutions for the remediation of contaminated soil sites and the promotion of biodiversity in the built environment. The principles laid down in the policy apply to both Luotea's own operations and projects carried out in the customer interface.

The policy has been approved by the President and CEO together with the Group Executive Board, and it applies to all of Luotea's operations. The principles laid down in the policy are reviewed regularly, at two-year intervals. The Senior Vice President in charge of sustainability is responsible for the content of the policy and updating it. Luotea's divisions and units are responsible for the implementation of the Policy and the allocation of the necessary resources in their respective operations. External stakeholders have not been separately consulted in the preparation of the environmental policy.

The environmental management system prevents pollution caused by the company's own operations, which is one of the factors that causes biodiversity loss. Luotea's circular economy business operations are strictly regulated and subject to environmental permits that specify requirements pertaining to water, soil contamination and nature. They also include related monitoring processes. The monitoring processes include follow-up of sites' impacts on biodiversity-sensitive areas in their vicinity, if possible impacts have been identified in the environmental permit. All of Luotea's treatment and storage areas and waste treatment plants are subject to environmental permits. The aim of Luotea's policies is to minimise the environmental impacts of the Group's own operations and to ensure that all plants requiring an environmental permit operate in accordance with the terms of the permit. All environmental permit decisions are publicly available.

The company's impacts on climate change are managed with a transition plan, which is detailed further in paragraph E1-1, p. 49. The Company does not have any operations that directly promote changes to land-use, freshwater and sea use, adverse impacts on the status of species or extent and status of ecosystems or ecosystem services. These impacts have not been taken into account in the Company's current environmental policy or environmental management system.

Operating principles

Luotea forecasts that regulation that maintains ecosystem services will increase, which will further drive demand for restoration projects carried out for customers. This is a material opportunity and positive impact for the company. Landscaping services and the remediation of contaminated soil sites are based on maintaining the health of soil, water and local ecosystems. In addition, these services can improve the comfort of local communities' living environments. At the same time, land and green areas in cities are used effectively, which can increase their economic, natural and social value. The company's contaminated soil restoration services have a positive impact on the state of local soil and water ecosystems and the ecosystem services of clean water production. The operating principle is to prevent the possible spread of invasive species as a result of mass changes carried out in connection with rehabilitation measures. The monitoring metrics used by Luotea are described in more detail in section ESRS E4-5, p. 60.

We follow the principles of sustainable environmental construction in both construction and maintenance of our green construction services. The green and nature services also have a quality certificate and qualification issued by the Construction Quality Association RALA ry.

As part of its circular economy business, Luotea produces pallet repair and reuse guidance services. The pallet business also distributes some new wooden packaging products and uses new wooden parts for repairing pallets. In 2025, Luotea has prepared for the application of Regulation (EU) 2023/1115 of the European Parliament and of the Council on deforestation in its operations. Luotea has prepared for the entry into force of the regulation and included the deforestation risk in the procurement risk assessment process.

Luotea's main industry is not directly focused on agriculture. Taking into account the nature of the operations and the geographical location of the sites, the impacts on seas are low. For this reason, Luotea does not have separate policies on these topics.

E4-3 – Actions and resources related to biodiversity and ecosystems

Customer projects to promote biodiversity in the built environment continued in 2025. They included meadow restoration and the removal of invasive species at a number of customer sites. The measures have increased the abundance of native plant species and insect and bird populations at the sites in question.

The total land area covered by meadow restoration projects in 2025 was 6.8 hectares. This represented a decrease of 59% from the previous year. Invasive species, such as lupine and rosa rugosa, were removed from areas totalling 26.2 hectares. Green construction services carried out a biodiversity survey complete with action proposals at 250 sites and implemented measures to increase biodiversity at more than 300 customer sites while reducing risks related to adaptation to climate change, for example, with stormwater solutions at more than 50 customer sites.

In 2025, the research project on the use of gritting sand in the eradication of invasive species and meadow restoration continued. The meadow established in the test area is doing well, and no lupin has yet to be observed in the area. The test area has been implemented in cooperation with the customer and the Finnish Environment Institute. The aim is to develop a permanent operating method for simultaneously recycling sand, suppressing invasive species and establishing a diverse new meadow.

Contaminated soil restoration projects in the environmental construction business model also progressed well in 2025. The company developed its industrial environmental construction services to promote the restoration of nature and the prevention of biodiversity loss. In 2025, Luotea's circular economy business processed a total of 179,906 tonnes of contaminated soil. In addition, Luotea's circular economy business is involved in a project aimed at developing a model for calculating the value of restoring contaminated soil. The project is part of an EBITDA consortium project led by the University of Tampere that studies the sustainability choices of companies and the value creation of environmental sustainability. The project will continue to be implemented in Luotea's operations discontinued in 2026, and the calculation model is expected to be completed by the end of 2026.

Thus far, Luotea has not used biodiversity offsets in its own operations or value chain, or directly incorporated local or indigenous knowledge into biodiversity and ecosystems-related actions. Although these are not yet part of Luotea's established operating practices, the company recognises the value of such knowledge, particularly in the development and implementation of nature-based solutions. Luotea strives to develop its operations to promote diversity and ecosystems.

In the coming years, Luotea will develop impact and risk assessments related to biodiversity. Luotea's material impacts are related to discontinued operations, and with the partial demerger, Luotea's continuing operations will assess the need for a more detailed action plan to support biodiversity and ecosystem services.

E4-4 – Targets related to biodiversity and ecosystems

The focus of Luotea's sustainability efforts has been the implementation of climate and circular economy targets, which also have an indirect impact on biodiversity. Luotea does not have a more detailed action plan or other goals for promoting biodiversity. The company monitors its positive impacts on ecosystem services using the metrics presented in section E4-5. The objectives related to the promotion of the circular economy presented in section E5-3 also have an indirect positive impact on ecosystem services.

E4-5 – Impact metrics related to biodiversity and ecosystems change

The progress of Luotea's measures taken at the customer interface is monitored through Luotea's monitoring metrics:

- Total area of customer sites subject to meadow restoration, in hectares
- Removal of invasive species from customer sites, in hectares
- The total amount of soil mass treated in contaminated soil site remediation projects during the reporting year in tonnes.

More detailed information on the progress of the actions related to the metrics is provided in section ESRS E4-3, p. 59.

Basis of calculation

The areas in hectares of customer sites subject to meadow restoration and the removal of invasive species are based on site sizes specified in the work instructions for work carried out at the customer sites in question during the reporting period. The information is obtained by using the area calculator of the National Land Survey of Finland's map service, and the necessary measures and areas are agreed on with the customer before starting the work. Information on the work carried out during the year is maintained, monitored and reported in an aggregated manner using Luotea's internal system.

The total amount of soil mass treated in contaminated soil site remediation projects during the reporting year in tonnes is based on scale weights measured at the treatment plants. Weight data is maintained, monitored and reported in an aggregated manner using Luotea's internal system.

E5 Resource use and circular economy

E5-1 – Policies related to resource use

Luotea's activities, material impacts and opportunities related to resource use and circular economy are managed by means of the public environmental policy approved by Luotea's President and CEO and the Group Executive Board.

The environmental policy applies to all of Luotea's business operations in all of its operating countries. In addition, discontinued operations maintain operating guidelines related to the use of resources and the circular economy, such as sorting guides. Luotea's material impacts and opportunities are targeted at the discontinued operations and have been managed and guided by the business strategy.

In addition to the operating principles and strategy, the impacts of Luotea's discontinued operations are managed through the obligations set out in environmental permits and related internal control and certification. All of Luotea's operations are certified and meet the requirements of the ISO 14001 standard, the management of which is the responsibility of the Group's Vice President in charge of risk management.

Environmental policy

Luotea's targets and key objectives related to resource use and circular economy are guided by the Group's environmental policy, which describes the principles observed in Luotea's own operations and the value chain.

Luotea's environmental policy does not include policies concerning the process of monitoring targets. The company will update its environmental policy and the monitoring process for the related objectives during 2026.

Luotea's environmental policy does not address the transition away from the use of primary resources, but it takes into account the increased use of secondary resources in the value chain. In its environmental policy, the company commits to promoting the sustainable use of natural resources by preventing waste, managing the recovery of materials to be recycled and reused and by replacing fossil fuels with bio-based and recycled raw materials.

Luotea's circular economy-related targets and environmental policy principles are put into action at the unit level through division-specific sub-targets, guidelines and circular economy services and solutions offered to customers. The implementation is the responsibility of the business units with the support of the EHSQ and sustainability functions.

Recycling and waste management services, circular economy-related consulting and environmental construction are part of the company's circular economy business, which include separate commercial business unit and division-specific targets in addition to Group-level targets. The monitoring of the implementation of Luotea's policies concerning the circular economy in service production is based on Luotea's ISO 9001 and ISO 14001-certified management systems. Luotea's Senior Vice President in charge of sustainability is responsible of the implementation of the environmental policy in the Group's operations. Luotea's divisions and units are responsible for the implementation of the policy and the allocation of the necessary resources in their respective operations.

Stakeholders have not been separately consulted in connection with the preparation of the environmental policy. The next review of the principles of environmental policy will be carried out in 2026.

E5-2 – Actions and resources related to resource use and circular economy

Value creation and growth through circular economy solutions remained at the heart of Luotea's strategy in 2025. Circular Economy Business promotes the sustainable use of natural resources by preventing waste, managing the recovery of materials to be recycled and reused and by replacing fossil fuels with bio-based and recycled raw materials. The company has also aimed to promote the preconditions of the circular economy in its operating environment. The company monitors the implementation of the circular economy principles in its services and its strategic goal is to increase the recycling rate. The target is presented in more detail in section E5-3, p. 62.

Circular Economy Business has the opportunity to influence the operating conditions of the circular economy indirectly among its customers and the end-users of secondary raw materials. Circular Economy Business takes care of the collection of waste from customer sites and directs the material flows it collects for treatment in accordance with the order of priority in waste management. Circular Economy Business provides the pre-treatment of materials received from customers as a service, and the company has several recycling plants of its own where recycled raw materials are produced for industrial use from the materials collected from customers. Waste fractions for which there are no dedicated processing, are forwarded to partners that have an environmental permit and the expertise required for processing the waste fraction in question. Luotea's actions to promote the operating conditions of the circular economy are aligned with the EU's climate goals, circular economy package and biodiversity strategy.

Material inflows and outflows directly related to Luotea's own operations are relatively minimal. Examples of such inflows include products and equipment purchased by Luotea, while the outflows directly related to Luotea's own operations include the company's own waste flows.

Luotea's measures to achieve the targets and objectives within its circular economy customer accounts are related to the prevention and reuse of waste, preparation for reuse, recycling, other recovery and disposal in accordance with the EU's waste hierarchy.

The company's processing and recycling plants are located in Finland, where the environmental legislation is comprehensive and the operations are subject to site-specific environmental permits. The environmental permit process includes consultation of stakeholders. Any environmental incidents caused by the operations are addressed together with the Finnish environmental authorities, and the authorities approve the remedies for potential environmental incidents. The Circular Economy Business monitors its disposal sites after the closure of each site, and the company has recognised the necessary provisions in its financial accounts for potential future remedies regarding the terminated operations.

In 2025, Luotea implemented the following measures to achieve the targets and objectives of the aforementioned policies related to resource use and circular economy:

Preventing the generation of waste

Luotea supported and consulted its corporate customers on preventing the generation of waste. The company's comprehensive customer reporting tools provided customers with visibility into the waste flows generated in their operations, enabling the customer to take measures to reduce the generation of waste. During the review period, support in preventing the generation of waste and improving the efficiency of separate collection was provided to a total of 340 customer sites.

Preparation for reuse

Luotea's terminated operations included repair business activities that involved repairing damaged pallets and returning them to use. In 2025, the pallet repair business expanded when the competition authority approved the acquisition of Stena Recycling's pallet repair business.

Recycling

With its expert services, Luotea supported and developed its customers' sorting at source and other circular economy-related upstream activities in the value chain in order to direct customers' waste and side streams to recycling. Luotea forwards separately collected waste fractions from customers to be utilised with the highest possible degree of processing.

Luotea's terminated operations included its own waste pre-treatment plants that process different waste fractions, such as fibres, wood waste, glass and metals, and treatment plants that produce secondary raw materials, such as plastic granules.

Contaminated soil masses at customer sites are cleaned in the environmental construction business. The soil masses are processed at the customer site or transported to treatment centres for processing. After cleaning, the soil masses are returned to the site, used in earthworks at another site or disposed of.

Luotea's own sites have comprehensive sorting opportunities for waste fractions generated in the company's own operations, and the fractions are recycled in accordance with the order of priority in waste management. The amount of material flows related to Luotea's own operations is very small compared to the customer material flows handled by the company.

In 2025, Luotea organised several training activities, customer events and webinars related to the correct sorting of different waste fractions and circular economy development. The company engaged in active dialogue with corporate customers and partners on the technological choices and opportunities related to the recycling of waste.

In 2025, the company had several ongoing research and development projects aimed at increasing the degree of refinement of materials and increasing reuse and recycling. In addition to investments in the pallet business, Luotea had ongoing projects developing wood recovery solutions and the company has studied the use of recycled wood in biochar production. Separate collection of packaging plastics has developed positively during 2025, and the company has developed its mechanical recycling process and studied the possibilities of chemical recycling. The company's circular economy business has also expanded its service offering in water treatment solutions for the removal of harmful substances from various types of contaminated water. There is also a research project underway for identifying solutions for the treatment and recycling of waste containing PFASs.

Other recovery

Luotea produces recycled fuel from customers' non-recyclable waste materials to replace fossil fuels in district heat production, for example.

Disposal

The company has its own disposal sites for soil masses and fractions that cannot be safely reused or recycled. Luotea's discontinued operations are planning two new final disposal sites, one of which was completed in 2025 and the other is expected to be completed in 2026-2027.

E5-3 – Targets related to resource use and circular economy

In its environmental policy, Luotea has set a target of increasing the recycling rate of the materials processed by the company to 70% by 2030. The recycling target is the sum of the recycling rates of materials collected and processed by Luotea, calculated based on weight. The recycling rate only applies to the discontinued operations. The target is absolute. The target covers municipal waste collected from Luotea's corporate customers, hazardous waste, industrial waste and construction waste in Finland. It also includes materials that cannot be recycled, such as hazardous waste containing PFAS compounds. The target applies to Luotea's own operations.

The recycling target is related to resource outflows. The development of the recycling rate ultimately depends on the recycling and material choices made by customers of the Circular Economy Business and the industries they operate in. The goal of the Circular Economy Business is to provide customers with the opportunity to process different waste fractions in accordance with the highest possible level of the waste hierarchy. The final decision on the processing of each waste fraction is always made by the customer. The industries of Luotea's customers also differ in the waste fractions generated by the business activities. For example, the commerce sector achieves a higher recycling rate than the construction industry due to the different nature of the business and the associated material flows. There are still several waste fractions that cannot be recycled safely, and some hazardous waste is processed at an incineration plant that is authorised to process hazardous waste or put into final disposal.

The recycling target supports Luotea's policy of promoting the circular economy and recycling by increasing the proportion of secondary raw materials used in the value chain. The recycling target is related to the "recycling" section of the order of priority laid down in the waste hierarchy.

The target is aligned with the goals of the EU's circular economy package. The target is not science-based. A large proportion of the customers of the Circular Economy Business have also set a recycling rate target for their waste.

The target has been approved by the company's President and CEO and the Group Executive Board, and it covers the entire Group. The target (54.2%) was set in 2018 and is voluntary in nature, i.e. not required by law. No stakeholders have been consulted in setting the target.

In 2025, Luotea's recycling rate was 49.8% (55.2%). The recycling rate was decreased particularly by contaminated soil representing a higher relative share of all material flows managed by Luotea. The recycling rate was boosted by the growth of separately collected packaging plastic and wood waste directed to material recovery. The weak economic outlook reduced the amount of waste processed by Luotea.

The calculation of the recycling rate in accordance with the sustainability standard is a poor descriptor of the work in material recycling carried out by a recycling and waste industry operator such as Luotea's discontinued operations. There is a significant annual variation in the number of tonnes of contaminated soil processed by the environmental construction project business based on the number and profile of work sites. The tonnage of contaminated soil is significantly higher than other material recycling streams, such as plastic, wood or fibre material, making their impact on the overall recycling rate significant.

During 2025 Luotea has reviewed the metrics used to monitor the progress of the circular economy and developed suitable metrics for the use of circular economy business operations.

E5-4 – Resource inflows

The material inflows related directly to Luotea's own operations are relatively minimal. Examples of such inflows include products purchased by Luotea and used for service production.

Packaging and packaging waste are not material to Luotea's own operations.

Luotea's terminated operations included the processing and refining of various types of waste and raw materials. The Circular Economy Business processes and refines waste and raw materials received from corporate customers at its premises. Examples of such waste and raw materials include plastic, wood, glass, cardboard and paper, as well as hazardous waste, such as oil and treated wastewater.

The total weight of the products, technical materials and biological materials used during the reporting period is presented in section E5-5, p. 62.

Luotea is a service company that does not, as a rule, manufacture products itself. The procurement of biological materials required for service production is low, and the procurement of renewable fuels is described in section E1-3, p. 50.

As Luotea is a recycling and waste management operator, some of the customers' waste streams could also be defined as resource inflows. To avoid double counting, Luotea addresses all flows in section E5-5, p. 62.

E5-5 – Resource outflows

The Circular Economy Business collects and processes significant amounts of various waste materials and soil masses from its customers. Waste materials and soil masses are processed, recycled or forwarded as they are for further use by the same customer or a different customer.

The significant material flows forwarded to reuse and recycling consisted mainly of municipal waste collected from corporate customers, such as plastic, paper, cardboard and biowaste, hazardous waste sorted at source, industrial waste and construction waste in Finland. The company also processes sludge, soil masses and ash. In addition, the company produces solid recovered fuel and forwards waste to incineration and disposal. The waste streams processed by Luotea are affected by the industries in which the company's customers operate and the development of their business.

The Circular Economy Business is a significant producer of recycled raw materials. Part of the operations, the plastics refinery in Merikarvia produces plastic granules from customers' plastic waste, which can be used to manufacture new plastic products. The company recycles hazardous waste, such as glycol and waste oil, for reuse. The company does not manufacture products at a significant scale.

The total amounts of waste generated by Luotea's own operations are included in the figures in the table on page 63.

Calculation principles

The reporting of data on waste and materials includes waste and materials collected from Luotea's customers and the waste generated at Luotea's own sites. The data is obtained from Luotea's own ERP systems. The amounts indicated in tonnes in the reporting are based on either the actual weighed weight or assumed weights based on container-specific average weight measurements. Waste quantities are stated inclusive of moisture.

In determining the waste treatment method, information received from the recipients of the materials on the waste treatment method or waste fraction-specific assumptions on the waste treatment method are used to the extent that supplier-specific information is not available. It is estimated that there are no significant differences between the assumed and actual treatment methods at the level of Group reporting.

Waste and material flows managed by Luotea 2025

1,000 kg	Non-hazardous waste	Hazardous waste	Total ¹
Waste and material flows	902,000	164,000	1,066,000
Materials redirected from disposal	742,700	52,200	795,000
Preparation for reuse	44,600	0	44,600
Recycling	447,000	40,000	487,000
Other recovery	251,100	12,300	263,400
Materials directed to disposal	159,200	111,900	271,000
Incineration	1,690	16,700	18,400
Landfill disposal	155,500	91,400	247,000
Other disposal	2,000	3,700	5,700
Non-recycled waste	410,300	124,100	534,500
Non-recycled waste, %	45	76	50

As Luotea is a recycling and waste management operator, some of the customers' waste streams could also be defined as resource inflows. To avoid double counting, Luotea addresses all flows under E5-5 Resource outflows. For 2025, material flows have been calculated to include waste collected from customers in connection with the provision of services within the Swedish operations that are part of the circular economy business. The amounts are small and do not affect the total waste volumes.

¹ The data in this column is based on non-rounded data.

Waste and material flows managed by Luotea 2024

1,000 kg	Non-hazardous waste	Hazardous waste	Total ¹
Waste and material flows	900,000	163,000	1,063,000
Materials redirected from disposal	809,000	49,900	859,000
Preparation for reuse	25,300	0	25,300
Recycling	519,000	42,200	561,000
Other recovery	265,000	7,700	272,000
Materials directed to disposal	90,300	113,000	204,000
Incineration	190	16,400	16,600
Landfill disposal	88,800	94,700	184,000
Other disposal	1,300	2,400	3,700
Non-recycled waste	355,000	121,000	476,000
Non-recycled waste, %	39	74	45

S1 Own workforce

SBM-3 – Impacts, risks and opportunities from the perspective of the strategy and business model

In their double materiality assessment, Luotea has identified and assessed the impacts, risks and opportunities related to its own workforce with reference to the sub-topics and sub-sub-topics of the European Sustainability Reporting Standards. The identified material impacts, risks and opportunities included employment security, working time, adequate wages, social dialogue, freedom of association, the existence of works councils and the information, consultation and participation rights of workers, collective bargaining, work-life balance, health and safety, gender equality and equal pay for work of equal value, training and skills development, measures against violence and harassment in the workplace, and diversity. Luotea's material impacts and opportunities in relation to its own workforce are presented in the table in ESRS section 2 in section ESRS 2 SBM-3, p. 27.

Luotea operates in the service sector and is a significant employer. With this in mind, the well-being of the personnel is a key success factor for the company's business. One of Luotea's strategic priorities is to attract the industry's best professionals to the Group companies, as people are a vital asset for a company in the service sector. Deterioration of the personnel's well-being has a negative impact, as Luotea's services and the customer experience delivered by the company to its customers are created through interaction with motivated and competent personnel. For a company that operates in the service sector, the availability of personnel is a key factor that can either enable or limit the growth of the business. In the competition for suitable workers, a sustainable personnel policy and sustainable operating practices are very important. Luotea engages in continuous and diverse and varied dialogue with its personnel at several organisational levels.

The company's goal is to ensure that Luotea's personnel have the right competence, that the amount, quality and retention of personnel are at a level required for profitable operations, that the work community is diverse and equal, that the personnel's work ability and ability to function are maintained throughout their working life and that the members of the personnel are encouraged and motivated to perform at a high level so that the company's goals can be achieved.

In this sustainability report, Luotea's own workforce covers both employees and non-employee workers. An employee refers to a person who is in an employment relationship with a Luotea company in Finland or Sweden. Non-employee workers refer to persons who work in Luotea companies as leased employees or self-employed people. The definition of "own workforce" does not include subcontractors.

Luotea strives to provide its personnel with an excellent employee experience, a safe and healthy work community, high-quality management and opportunities to increase their competence and develop in their work. Taking the company's policies, activities and geographical location into account, the potential negative impacts on the personnel are not widespread or systemic. The identified potential negative impacts relate to health and safety, as well as to measures aimed at preventing workplace violence and harassment. Luotea's personnel responsibility

perspectives are in line with national laws, agreements and other obligations. At Luotea, we respect human rights as defined by the Universal Declaration of Human Rights, workers' rights as defined by the International Labour Organization (ILO), international agreements and the UN Guiding Principles on Business and Human Rights. We are also committed to supporting the UN Global Compact initiative and its principles pertaining to human rights and labour.

Luotea aims to offer permanent employment relationships where possible. The company has a total of 5,007 employees in Finland and Sweden. The largest groups of employees are cleaners and property maintenance and technical services employees. The company also has 504 salaried employees in various roles in sales, customer service, financial management, communications and personnel management, as well as other expert roles. Luotea uses leased labour in some of its business models, and this is described in more detail in section S1-7, p. 70.

Luotea has assessed potential negative impacts on its various personnel groups. Luotea has recognised that young summer workers could be at greater risk in terms of occupational safety than other personnel groups if the induction training of young seasonal workers is not carried out as required by the company's occupational safety guidelines. Luotea's cleaning services also include workers whose Finnish or English language proficiency is not at the same level as that of other personnel groups, and who could be exposed to occupational safety risks if their induction and training are not carried out with sufficient care.

Luotea operates in Finland and Sweden, where the legal requirements related to working conditions, such as reasonable working hours, occupational safety, annual holiday, parental leave and part-time work, are at a high level. All employees in both operating countries have the right to belong to, or not belong to, a trade union. The company does not operate in countries where the risk of forced labour or child labour would traditionally be high. However, Luotea actively monitors incidents in different industries and updates its risk assessments.

In Finland and Sweden, legislation, collective agreements and the supervisory activities of the authorities establish minimum requirements for occupational safety and health. Possible negative impacts related to working conditions could, if realised, impair employees' physical and mental work ability and make their financial position more difficult. Luotea could also suffer legal and/or financial consequences. Should they materialise, these effects could have harm the employer's reputation, which in turn, would reduce labour availability and increase personnel turnover. The effects are managed by means of standardised processes and contract templates, as well as regular supervisor training. Employment contracts are always concluded in writing.

Luotea is also a member of employer organisations in the industries it operates in. Through its membership in industry organisations, Luotea also demonstrates its commitment to the applicable collective agreements and ensures that the company has access to the latest interpretations on the application of collective agreements.

Luotea monitors compliance with collective agreements, environmental

legislation, labour law, occupational safety legislation and regulations pertaining to financial management. Luotea also complies with the applicable legislation governing contractors' obligations and liability, and requires the same of its suppliers. Luotea's Code of Conduct emphasises fair and equal treatment and respect for the human dignity, privacy and rights of each individual. Supervisor training, support for supervisors and measures such as the monitoring of working hours ensure that supervisors act in accordance with the applicable rules and guidelines and know how to support the personnel in urgent situations.

As a company operating in the service sector, Luotea is dependent on human resources with regard to its own workforce. A description of the material impacts and opportunities related to Luotea's own workforce is presented in the table in paragraph ESRS2 SBM-3 on page 26 and has been identified in accordance with the double materiality assessment process presented on page 20.

S1-1 – Policies related to own workforce

Luotea's actions, impacts and risk management related to the company's own workforce are guided by Luotea's Code of Conduct, the company's public Code of Conduct, HR Policy, Human Rights Policy, Occupational Safety Policy and various guidelines. The principles and policies apply to all business operations in all operating countries.

Code of Conduct

Luotea's Code of Conduct sets expectations for sustainable and ethical conduct by Luotea's personnel. The Code of Conduct calls for compliance with laws, rules and regulations, integrity and transparency, respect for human rights and colleagues, and safety at work, among other things. The Code of Conduct is approved by the company's Board of Directors and updated at two-year intervals. The Code applies to all of Luotea. The company has a separate Supplier Code of Conduct for the supply chain. The Senior Vice President, HR and Legal, is in charge of the Code of Conduct, and the Group Executive Board monitors compliance with the Code of Conduct. The Code of Conduct is available for personnel on Luotea's website, intranet and the notice boards of the company's operating locations. The Code of Conduct has been the subject of dialogue with employee representatives.

HR policy

Objectives related to Luotea's own workforce are guided by the Group's HR Policy. The HR Policy has been approved by the President and CEO and the Group Executive Board. In the HR Policy, the company commits to compliance with national legislation, collective labour agreements, internationally recognised human rights and the core principles of the International Labour Organization (ILO). The Policy lays down Luotea's commitment to equality and to combating the use of child labour and all forms of discrimination. The HR Policy is updated regularly at two-year intervals. The Senior Vice President, HR and Legal, is in charge of the

implementation of the HR Policy together with the HR organisation. The Policy is put into action as part of the Group's personnel management processes. The HR Policy has been discussed with the company's shop stewards before its entry into force.

Human Rights Policy

Luotea's Human Rights Policy aims to influence the company's potential direct or indirect human rights impacts concerning its personnel, supply chain and customers. In the Human Rights Policy, Luotea commits to respecting human rights as defined by the Universal Declaration of Human Rights, workers' rights as defined by the International Labour Organization (ILO), the OECD Guidelines and the UN Guiding Principles on Business and Human Rights. The Policy describes the company's commitment to supporting the UN Global Compact initiative and its principles concerning human rights and labour rights, and complying with national laws, agreements and other obligations.

Luotea does not, under any circumstances, tolerate trafficking in human beings, forced labour, the use of child labour in violation of children's rights, or modern slavery in its own operations or in the activities of its supply chain. The Human Rights Policy also establishes zero tolerance for all forms of inappropriate behaviour, harassment and discrimination in our own operations and in our supply chain. At Luotea, no one is discriminated against on the basis of gender, gender identity, gender expression, pregnancy, childbirth, age, ethnicity, nationality, language, religion, ideology, opinion, political activities, labour union activity, family relations, health, disability, sexual orientation or any other reason pertaining to an individual. Race, ethnic origin, skin colour and national or social origin are also prohibited grounds for discrimination.

Luotea's Human Rights Policy has been approved by the company's Board of Directors and President and CEO. The company's management team is committed to respecting and promoting human rights. The Human Rights Policy has been discussed with the company's shop stewards. The Group's Senior Vice President, HR and Legal is responsible for the Human Rights Policy. The Human Rights Policy is implemented as part of the company's HR processes. The policy covers all Luotea Group companies and divisions in all operating countries, and it applies to the entire personnel. The Human Rights Policy is updated at two-year intervals. The next update will take place in 2026. Luotea does not have a separate compensation mechanism for human rights violations. Instead, the company complies with Finnish and Swedish legislation in terms of any possible compensations.

Occupational Safety Policy

Luotea's Occupational Safety Policy covers both the company's own operations and the company's supplier network. It describes the key occupational safety goals, responsibilities and organisation, as well as our commitment to complying with legislation and regulatory requirements concerning our operations. The Senior Vice President, HR and Legal, is responsible for the Occupational Safety Policy and implements the policy together with the occupational safety organisation. The goal of Luotea's occupational safety operations is to guarantee a safe workplace for all employees. The company is committed to the idea of zero accidents and believes that all accidents and damage can be prevented. In the event of any action or conduct in violation of the applicable legislation, orders issued by the authorities

or instructions, the company takes immediate action in accordance with mutually agreed rules. Luotea's Occupational Safety Policy has been approved by the President and CEO and the Group Executive Board, and it is updated at two-year intervals. The next update will take place in 2026. The Occupational Safety Policy has been discussed together with the Group's shop stewards.

Guidelines and plans

Luotea's policies are supplemented by division-specific and country-specific guidelines and plans, which apply only to employees as a rule. In Finland, Luotea has drawn up guidelines on the prevention of inappropriate behaviour, harassment and discrimination that apply to the entire personnel in Finland, as well as an occupational health and safety action plan and an occupational health care action plan. Luotea also prepares division-specific equality and non-discrimination plans in Finland, as well as wage surveys in accordance with the Equality Act. The company has a process for conducting target-setting and development discussions. Luotea also has an EHSQ manual, which contains the company's operating instructions related to occupational health and safety, among other things. The purpose of the manual is to make find information easier and to ensure that all information is up to date. The content of the manual is reviewed at least once per year or whenever the operating models of a specific area are updated.

In Sweden, the Industrial Services business has its own anti-discrimination guidelines, substance abuse policy, operating guidelines and occupational safety guidelines. In Sweden, Facility Services has its own substance abuse policy, non-discrimination and equality policy, working environment and safety manual and a process for the prevention of discrimination and harassment.

S1-2 Engaging with own workers and their representatives

Luotea's own workforce constitutes one of the company's most important stakeholders. Luotea engages in diverse and close engagement with the company's own workers and their representatives. The primary methods of engaging with the company's own workers include, for example, the company's intranet and internal newsletters, personnel briefings, strategy days and other events, supervisor communications, target-setting and development discussions, the activities of the European Works Council and, in Finland, the activities of Luotea Finland's Group Cooperation Forum and industry-specific dialogue in accordance with the Act on Co-operation within Undertakings.

Planning the process of engaging with the company's own workers and their representatives is the responsibility of the Senior Vice President, HR and Legal. In addition to the Senior Vice President, HR and Legal, engagement with workers' representatives in Finland is the responsibility of the Senior Vice Presidents in charge of each division, the employee relations team, which works under the Senior Vice President, HR and Legal, and consists of employment lawyers, along with selected roles with HR responsibilities. The occupational safety manager, together with their team is also responsible for

matters related to occupational safety. In Sweden, engagement with workers and their representatives is the responsibility of the Business Director of the Swedish Facility Services and the HR Manager together with their team.

In Finland, engagement with workers' representatives on actual and potential material impacts on the company's own workforce takes place in quarterly dialogue pursuant to the Act on Co-operation within Undertakings, in change negotiations pursuant to the Act on Co-operation within Undertakings, in meetings of the Finnish Group Co-operation Forum, organised at least once per year, or in the quarterly meetings of occupational safety and health committees.

Depending on the topic and the forum, the meetings are held either for the entire Group or for one legal company or unit. For personnel groups that do not have a representative, direct engagement with the employees belonging to the personnel group in question is used instead.

In addition, each of Luotea's legal companies has its own occupational safety and health committee. The occupational safety and health committees discuss themes related to occupational safety and health in particular. In 2025, each committee convened in accordance with the legally required meeting schedule.

The European Works Council meeting is held twice per year and includes employee representatives from both operating countries to discuss varying topics.

Luotea engages in dialogue with internal and external stakeholders on the promotion of human rights. Employee representatives in Finland and Sweden have been consulted in drawing up Luotea's Human Rights Policy.

Fiilinki and Pulsen personnel surveys

Luotea conducts an annual Fiilinki/Pulsen personnel satisfaction survey that allows all employees to provide feedback on themes related to their work and management. The personnel satisfaction survey can be completed in Finnish, Swedish, English, Estonian and Russian. The survey is anonymous.

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

Luotea aims for an organisational culture in which everyone can speak up if they suspect or observe any violations of the law or Luotea's policies and instructions.

The personnel are encouraged to report any grievances they observe and potential violations related to Luotea's activities. Grievances and incidents can be reported to one's direct supervisor or by using a whistleblowing channel that runs on the technical platform of an external service provider. In addition, all reported incidents of harassment are recorded in a separate electronic harassment reporting system in Finland and Sweden.

Suspected misconduct can be reported anonymously via the whistleblowing channel. Instructions concerning the whistleblowing channel and guidelines for the prevention of harassment, discrimination and inappropriate behaviour are available to all of Luotea's personnel on the company's intranet. The instructions regarding the whistleblowing channel are also available on the company's public website. Updates to the instructions concerning the whistleblowing channel are discussed in dialogue with employee representatives, and the representatives have the opportunity to ask questions and comment on any planned changes.

Employee representatives and employees also have the opportunity to raise concerns to the management in regular dialogue meetings and other formal and

informal discussions with management. Luotea's annual personnel satisfaction survey also provides the opportunity to anonymously raise concerns and respond to open-ended questions.

All violations and suspicions of inappropriate conduct that Luotea becomes aware of are appropriately investigated.

Reports of suspected misconduct received via Luotea's whistleblowing channel are handled confidentially by the Legal Affairs department, by a separately designated individual holding a master's degree in law. Reports of suspected misconduct are reviewed by the Compliance Team and with the President and CEO, and reported to the Audit Committee of the Board of Directors. Luotea decides on possible further measures, takes corrective measures and provides instruction, if necessary, and monitors their effectiveness by the persons responsible for the matter.

Persons belonging to Luotea's own workforce and their representatives who may be subject to potential negative impacts can use the channels at the level of the company in which they are employed or have been hired to work. The whistleblowing channel can also be used to report suspected misconduct concerning operations carried out by another Luotea Group company.

Luotea prohibits retaliation against all persons who submit whistleblower reports in good faith and takes disciplinary action against anyone found to have been guilty of retaliation. This is separately mentioned in the instructions concerning the whistleblowing channel and in the company's Human Rights Policy and Anti-corruption and Anti-bribery Policy.

One of the questions in Luotea's employee survey carried out in 2025 concerned reporting suspected misconduct, helping the company to determine the extent to which employees are aware of the channels and mechanisms through which concerns can be raised. A total of 72 per cent of the entire Luotea Group's personnel were aware of the company's channels and mechanisms for reporting suspected misconduct.

Third-party mechanisms, such as those maintained by the state, NGOs, industry associations and other co-operation initiatives to raise concerns, are available to all members of the company's own workforce and their representatives. Luotea does not prevent the use of such mechanisms unless the matter concerns a trade secret, for example, in which case the requirement for non-disclosure could restrict the use of such mechanisms. Luotea regularly monitors any complaints made regarding the company through the OECD National Contact Point and reports of suspected misconduct received in the OECD database.

Luotea Group has a grievance mechanism for processing employee-related matters in Finland and Sweden as required by Regulation (EU) 2022/1288.

S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Key focus areas related to Luotea's own workforce include increasing employee satisfaction, strengthening the work ability of the personnel, developing diversity and improving occupational safety. The most significant negative impacts related to own workforce in Luotea's business environment concern occupational safety. The company also strives to maintain a non-discriminatory, harassment-free

and equal workplace.

Luotea's strategic objective is to increase the Employee Net Promoter Score (eNPS) to 50 by 2026 and to 70 by 2030. The short-term target was revised in 2024, as the eNPS for that year was 21, and the target for 2025 was defined as 25. The eNPS varies by business unit, and new targets will be set for continuing operations in 2026.

The company's impacts and opportunities related to its own workforce are described in section ESRS S1 SBM-3, p. 64.

Luotea is a diverse work community that accepts and respects differences. At Luotea, we believe that our extensive diversity work strengthens the employee experience of everyone at Luotea. The company develops its culture and operating practices so that everyone finds it easy to join Luotea and enjoy being part of the work community.

Luotea prevents discrimination and inappropriate behaviour and builds an equal work community by various means, including processes, wages that are in line with the applicable collective agreements, job classification based on how demanding each role is, and by providing guidance and training to the personnel, and supervisors in particular.

Atypical employment relationships, such as part-time and fixed-term employment relationships, may pose particular human rights risks from the perspective of adequate wages and working hours, for example. The use of such employment relationships at Luotea is always based on legislation, the nature of the business and customer needs, particularly in Facility Services Finland and Facility Services Sweden.

In 2025, Luotea carried out a system development project to further specify the data collection process concerning the personnel of its operations in Sweden. As a result of the project, some of the data assessed during the last reporting period is now available directly from the system. Luotea will continue to develop the comprehensiveness of its personnel data in Sweden.

Development of job satisfaction and strengthening the work ability of the personnel

Employees with a high level of work ability and well-being are Luotea's most important asset and one of its key success factors. Well-being encompasses physical, mental and social well-being. The work performed by Luotea's employees is primarily physically strenuous, but mental resources are also significant. The company helps its personnel find their own way of looking after their well-being. As an employer, Luotea also constantly looks for ways to develop work and the working environment to better support work ability.

Luotea's target for work ability management is to reduce sickness-related absences to 4.5% by 2026. To achieve the target set for sickness-related absences, Luotea will continue the purposeful implementation of the action plan for promoting health.

Among Luotea's operating countries, occupational health care is a statutory right in Finland. The company provides its personnel with preventive and statutory occupational health care and medical care through its occupational health provider. In Finland, the company also complements its occupational health care services with its own sickness fund. In 2025, occupational health services covered all of the personnel in Finland. Leased employees are covered by statutory occupational health care through their respective employers. In Sweden,

the personnel are covered by the national health care system.

In 2025, the company co-operated with the occupational health provider to promote musculoskeletal health and prevent prolonged symptoms, expedite the start of rehabilitation and influence working methods and working conditions. Measures related to ergonomics and work arrangements have been implemented according to local and job-specific needs.

During the review period, mental well-being was supported through low-threshold services that employees can take advantage of during times of stress or change, relationship crises or challenges related to supervisory work. For more complicated challenges related to mental well-being and mental health, employees have been provided with support and short-form therapy by an occupational health psychologist.

Luotea aims to reduce sickness-related absences by using the company's early care model and various measures to support employees' return to work. During the review period, sickness-related absences decreased in Finland, but increased slightly in Sweden. Our sickness-related absence rate was 5.0% (4.9%) in Finland and 5.0% (5.4%) in Sweden.

In accordance with our early care model, potential challenges related to work ability are addressed through co-operation between the employee, the supervisor and occupational health services at the earliest possible stage. The implementation of early care discussions was monitored in 2025 by using the early care implementation percentage as an indicator. In 2025, the number of supervisors who had a backlog of early care discussions decreased from the previous year.

Luotea continued to organise regular work ability briefings during the period under review. They involve supervisors having unit-specific meetings to discuss practical measures related to early care, interaction and supporting health and well-being with other supervisors and the personnel. Luotea also regularly organised training related to the early care model, with the aim of improving supervisors' ability to enhance interaction, address problems and seek solutions to difficult situations and potential challenges related to work ability.

The company provided support for returning to work after extended sickness-related absences using various support measures. These typically include supporting the employee's return to their previous job or a similar position by temporarily adapting the work duties, as well as using partial sickness allowance or workplace rehabilitation. If the current job is no longer suitable for the employee, they can receive assistance in finding a more suitable position that corresponds to their work ability and skills through vocational rehabilitation or the Suitable Work operating model.

At Luotea, target-setting and development discussions are a key tool for developing job satisfaction. The aim of the discussions is to ensure that everyone at Luotea has targets that promote the achievement of our shared objectives. The discussions are also intended to ensure that job descriptions are clear and that employees have the required competencies and conditions for successful performance. These measures support job satisfaction.

As a rule, a development discussion is held with all employees at least once a year. The discussion is voluntary for employees on fixed-term employment relationships of less than one year, and for part-time employees whose weekly working hours do not exceed 20 hours. The purpose of the discussions is to evaluate the past period, set targets for the upcoming period and discuss the employee's well-being,

workload, competence and career wishes. In 2025, 95% (98%) of salaried employees in Luotea's companies in Finland had a target-setting and development discussion with their supervisor.

The quality of supervisory work has a significant impact on the development of job satisfaction. Good leadership requires effective dialogue between supervisors and employees, as well as between coworkers.

In 2025, we provided support for success in supervisory work through various training activities, for example. The company organised regular training for new supervisors to familiarise them with Luotea's supervisory practices and help them manage employee performance. Supervisors were also offered brief training activities on topics such as employment relationships, managing teams and holding successful target-setting and development discussions. In Luotea's divisions, the development of leadership and supervisory work was closely linked to enabling the achievement of strategic goals.

Diversity

Luotea has made a long-term commitment to promoting the employment of people with reduced work ability. The company is constantly looking for new ways to reach a broader audience of applicants in population groups that have previously not been recognised in society as skilled workers. To achieve good results, it is important to seek progress by focusing on carefully selected groups of people with reduced work ability. This makes it possible for Luotea to plan the best possible support for people with reduced work ability employed by the company and ensure in advance that supervisors have sufficient capability to support such employees at work.

To promote the employment of people with reduced work ability, Luotea has co-operation projects under way with partners including municipalities in the Helsinki metropolitan area and other organisations. To ensure the successful implementation of the projects, Luotea's Facility Services organisation includes a dedicated project manager focused on the availability of labour and promoting the employment of people with reduced work ability.

Occupational safety

Occupational safety at Luotea work is carried out systematically in all units and teams. Proactive risk assessment is key to mitigating occupational safety risks. The majority of the personnel work at customer sites, which is why site-specific risk assessments are carried out in cooperation with the customers. The results of the risk assessments are reviewed with the employees working at each site as part of induction training or occupational safety briefings.

The key measures during the review period included regular safety briefings for employees in production roles, safety walks to observe potential risk areas in the working environment, as well as safety observations and various risk surveys for all personnel. Every Luotea employee has access to a system for making occupational safety observations on a mobile phone. The observations are forwarded to the supervisor for further processing. The reporting of proactive safety measures is based on information obtained from Luotea Group's systems.

In 2025, we increased our employees' awareness of occupational safety and risks, starting from induction training and also through online occupational safety training and clear guidelines, as well as by providing regular briefings on instructions, procedures and operating models. Care is also taken to ensure that subcontractors operating at our installations are instructed in occupational

Proactive safety measures

	Continuing operations 2025	Continuing and discontinued operations 2025	Continuing and discontinued operations 2024	Continuing operations 2024
Safety observations	49,595	63,933	73,449	59,482
Safety Walks	9,153	15,958	20,770	14,158
Occupational safety sessions	11,184	16,512	19,488	14,398
Risk assessments	911	1,326	1,172	855
Total	70,843	97,729	114,879	88,893

Target	Target 2030	Continuing and discontinued operations 2025	Continuing and discontinued operations 2024
eNPS	>70	outcome 24 target 25	outcome 21 target 25
Sickness-related absences (%)	4	outcome 5.0 target 4.6	outcome 5.0 target 4.7
TRIF	15	outcome 18 target 19	outcome 19 target 21

Personnel in figures	Continuing and discontinued operations 2025 ²	Continuing and discontinued operations 2024
Men	2,723	4,724
Women	2,280	2,712
Other ¹	2	3
Not specified	2	2
Total number of employees	5,007	7,441
Finland	3,805	6,313
Sweden	1,172	1,128
Average number of employees expressed as a full-time equivalent	5,858	5,980

¹ Gender, self-reported by the employees. ² Situation on the last day of the year when the division took place

Employee turnover	Continuing operations 2025	Continuing and discontinued operations 2025	Continuing and discontinued operations 2024	Continuing operations 2024
Number of employees who have left the undertaking during the reporting period	1,265	1,474	1,806	1,506
Employee turnover, %	17	15	22	26

safety. In addition, Luotea's employees participate in occupational safety training organised by our customers to ensure that we always adhere to the occupational safety instructions of each operating location.

If an accident occurs in spite of our preventive measures, it is investigated. Accident investigations are conducted using a method that helps us better identify the root causes of accidents and target corrective actions appropriately. In addition to accident investigations, accident panels carry out a further review of accidents to ensure that the corrective actions are sufficient.

Resource allocation for the management of material risks and opportunities arising from the personnel

Luotea has allocated a wide range of resources for the management of material risks arising from the personnel. Luotea has an adequate and comprehensive HR management organisation and occupational health and safety organisation in all of its operating countries. The organisation includes the work ability team, employee relations team, payroll administration, business-specific HR Business Partners, HR service team, competence development team and HR system team. Each division also has its own occupational safety manager.

The necessary amount of financial and human resources is allocated annually to dialogue with the personnel and personnel representatives, but the exact amounts have not been defined in advance. Approximately EUR 40,000 in financial resources is budgeted for European Works Council (EWC) activities each year, along with an adequate amount of human resources for the matters addressed.

In Finland, Luotea has also provided medical care as part of occupational health care services and a comprehensive sickness fund.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The targets related to Luotea's own workforce have been approved by the company's President and CEO and the Group Executive Board. Time-linked and performance-oriented targets concerning Luotea's employees, such as eNPS, TRIF and the sickness-related absence rate, are the subject of regular dialogue with personnel representatives through dialogue meetings held in Luotea's Finnish companies. The personnel representatives have the opportunity to share their thoughts regarding development measures that promote achievement of the targets. The targets related to Luotea's own workforce are absolute and apply to the entire Group. The base year for the targets is 2020. In the base year, the eNPS was 82, the sickness-related absence rate was 4.7%, and TRIF was 24.

Luotea engaged in dialogue with personnel representatives in 2025 regarding the results of the personnel satisfaction survey and the development of eNPS.

Progress towards the targets related to Luotea's own workforce is monitored on a quarterly basis, and the results are presented to the entire personnel in personnel briefings.

The results of the personnel satisfaction survey are discussed in team-specific workshops. The workshop participants together agree on concrete measures for the

Employees by gender, reported by head count per 31.12.

2025 (continuing and discontinued operations)	Women	Men	Other ¹	Not specified	Total
Number of employees	2,280	2,723	2	2	5,007
Number of permanent employees	2,003	2,341	1	1	4,346
Number of temporary employees	277	382	1	1	661
Number of non-guaranteed hours employees	241	457	1	1	700
Number of full-time employees	1,294	1,728	0	1	3,023
Number of part-time employees	676	538	1	0	1,215

¹Gender, self-reported by the employees

Employees by country, reported by head count per 31.12.

2025 (continuing and discontinued operations)	Finland	Sweden	Total
Number of employees	3,835	1,172	5,007
Number of permanent employees	3,449	897	4,346
Number of temporary employees	386	275	661
Number of non-guaranteed hours employees	529	240	769
Number of full-time employees	2,301	722	3,023
Number of part-time employees	1,005	210	1,215

Employees by gender, reported by head count

2024 (continuing and discontinued operations)	Women	Men	Other ¹	Not specified	Total
Number of employees	2,712	4,724	3	2	7,441
Number of permanent employees	2,499	4,237	0	2	6,828
Number of temporary employees	213	397	3	0	613
Number of non-guaranteed hours employees	273	497	3	0	773
Number of full-time employees	1,692	3,646	0	2	5,340
Number of part-time employees	747	581	0	0	1,328

¹Gender, self-reported by the employees

Employees by country, reported by head count

2024 (continuing and discontinued operations)	Finland	Sweden	Total
Number of employees	6,313	1,128	7,441
Number of permanent employees	5,822	1,006	6,828
Number of temporary employees	491	122	613
Number of non-guaranteed hours employees	678	95	773
Number of full-time employees	4,521	819	5,340
Number of part-time employees	1,114	214	1,328

team to increase employee satisfaction and develop supervisory work in day-to-day operations.

S1-6 – Characteristics of the undertaking’s employees

In Luotea’s reporting, an employee refers to a person who is in an employment relationship with a Luotea company in Finland or Sweden. The term “personnel” is used to refer to employees. The term “own workforce” covers employees and non-employees. Non-employee workers refer to persons who work in Luotea companies as leased employees or self-employed people. The definition of “own workforce” does not include subcontractors.

Luotea uses temporary workforce only as necessary. Fixed-term employment contracts are typically used for seasonal roles, such as summer jobs, and to balance out seasonal fluctuations in Industrial Services. Long-term temporary employees are mainly used in project-type roles or as substitutes in connection with family leave. Temporary employees are provided social benefits and other employment benefits that correspond to those of permanent employees and are offered on the same terms.

Luotea aims to offer full-time employment where possible. The number of employees on part-time and “zero hours” contracts varies by division. Part-time work is common among the youngest and oldest wage-earners. As a rule, part-time duties include cleaning work in Facility Services, process cleaning work in Industrial Services, and customer service and lorry driver roles in Environmental Services.

The number of employees on “zero hours” contracts is very low. In the Environmental Services division, part-time employees work under a “zero hours” contract and, as a rule, at their own request. Luotea has surveyed the reasons for part-time positions in a selective manner. Typically, part-time positions in Environmental Services and Facility Services are sought by students and people looking for additional work. In the Industrial Services division, part-time positions are sought by project workers.

Calculation principles

The reporting is based on information obtained from the HR systems of the Luotea Group and its subsidiaries.

The number of employees is reported as the head count, unless otherwise stated. The reporting does not include employees on long-term absences. Luotea employs approximately 612 (750) seasonal summer workers, thesis workers and trainees per year, not all of whom are in an employment relationship at the end of the reporting period, when the number of employees is calculated.

The calculation of the average number of personnel (FTE) is based on actual working days. Working days are based on all days worked regardless of the duration of the working day. In other words, if an employee works one hour in a day, this counts as one actual working day in the calculations. The calculation does not take overtime into account, which means that a person cannot count for more than 1 FTE in the report.

Non-guaranteed hours employees

Non-guaranteed hours employees refers to persons who are called in when

necessary. Personnel called in when necessary are often called in to work at short notice. It is typical of this type of work that the parties have not made an advance commitment to offering work repeatedly, or coming to work. The employment contracts of personnel called in when necessary may be temporary or valid until further notice.

In Finland, employees called in when necessary refers to employees who are on a “zero hours” contract and have no fixed weekly working time obligation. The reporting on non-guaranteed hours employees does not include employment contracts that specify a variable amount of weekly working hours (e.g. 10–20 hours/week), as the HR system used by Luotea’s companies in Finland does not recognise these types of range-based contracts/variable working hours. However, persons on these types of contracts are reported as part-time employees.

In Sweden, employees called in when necessary refer to employees who are on a temporary employment contract with a zero-percent employment relationship. This means that they do not have guaranteed working hours and are called in according to their employer’s needs. The employer submits work requests at the agreed hourly wage.

Exit turnover of the personnel

Reporting on the exit turnover of the personnel includes employment relationships terminated on the employee’s initiative. This refers to the termination of a trial period on the employee’s initiative, resignation, retirement, death, or the cancellation of an

Average number of non-employees, expressed as a full-time equivalent (continuing and discontinued operations)	2025	2024
Average number of non-employees, reported as full-time equivalents	20.1	63.2
Salaried employees	3.9	7.2
Employees	16.2	56.0

employment relationship. Fixed-term employment relationships are not included in the reporting of exit turnover. This means that summer workers, for example, are not included. The reported exit turnover also includes employment relationships terminated on the employer’s initiative, such as dismissals on personal and collective grounds, terminations of trial periods on the employer’s initiative, cancellations of employment contracts and severance agreements. Exit turnover of Luotea’s personnel has been calculated as follows: The total number of employment relationships terminated on the employee’s initiative and on the employer’s initiative during the reporting period divided by the total number of employment relationships in force on the last day of the reporting period.

Collective bargaining coverage and social dialogue 2025

Coverage rate	Collective bargaining coverage		Social dialogue
	Employees – EEA	Employees – Non-EEA	Workplace representation – EEA only
0–19%			
20–39%			
40–59%			Sweden
60–79%			
80–100%	Finland, Sweden		Finland

Collective bargaining coverage and social dialogue 2024

Coverage rate	Collective bargaining coverage		Social dialogue
	Employees – EEA	Employees – Non-EEA	Workplace representation – EEA only
0–19%			
20–39%			
40–59%			Sweden
60–79%			
80–100%	Finland, Sweden		Finland

S1-7 – Characteristics of non-employee workers in the undertaking’s own workforce

Luotea uses non-employee workers in its operations. Non-employee workers are people provided by undertakings primarily engaged in employment activities, and in Luotea’s reporting they are referred to as leased employees. Leased employees can be used in all divisions, but they are primarily used in cleaning services and in annual maintenance work in the process cleaning business of the Industrial Services division. The use of leased employees is most common in production roles to substitute for sickness-related absences or address personnel shortages, and to respond to the changing human resource needs in the process cleaning business. Leased employees receive training for their tasks in the same manner as employees, and they are covered by Luotea’s occupational safety systems. In Sweden, leased employees are used primarily in expert roles to a small extent.

Calculation principles

Luotea reports the head count of non-employees included in its own workforce (leased employees and self-employed people) as full-time equivalents (FTE) at the end of the reporting period as the average for the reporting period.

In Finland, the FTE calculation of leased employees is based on purchases of leased employee services and the average hourly earnings determined for each Luotea Group company and personnel group. The calculation of average hourly earnings is based on estimates of each personnel group’s average hourly earnings provided by the HR functions of Luotea’s group companies. The estimates are based on the hourly wages specified in the applicable collective agreements. The average hourly earnings figures are multiplied by the leased employee multiplier, which is based on the multipliers of the largest leased employee service providers for each Luotea Group company and personnel group. The FTE for leased employees has been calculated by dividing the calculated working hours by 7.5 and by the number of working days in the year.

In Sweden, the FTE calculation of leased employees is based on purchases of leased employee services and the working hours used as the basis of invoicing. The FTE for leased employees has been calculated by dividing the invoiced working hours by eight and by the number of working days in the year.

S1-8 – Collective bargaining coverage and social dialogue

All employees and salaried employees (100%) at Luotea’s companies in Finland are covered by collective agreements. At Luotea’s companies in Finland, collective agreements do not apply to senior salaried employees or persons in executive positions. The terms of employment of the above-mentioned personnel groups are determined in accordance with the applicable legislation. However, in the employment relationships of senior salaried employees in 2025, Luotea applied the practices applicable to salaried employees in the Luotea company in question with regard to holiday pay, sick pay, annual holiday, family leave and salary increases. In Facility and Industrial Services in Sweden, all employees (100%) except senior management are covered by a collective agreement. The terms of employment for senior management are specified in their employment contracts.

Luotea has established a European Works Council (EWC) for informing and

consulting personnel representatives with regard to transnational matters. Luotea has in place a separate agreement regarding EWC according to which EWS activities at Luotea are organised. The agreement has been in force since 2018. Finland and Sweden are represented in the EWC.

Calculation principles

The reporting is based on information obtained from the HR systems of the Luotea Group and its subsidiaries.

Collective bargaining coverage

The calculation of collective agreement coverage does not include senior salaried employees and executives, as Luotea does not have an applicable collective agreement for those personnel groups.

Social dialogue

The personnel are entitled to elect a representative at the workplace. The task of a personnel representative is to ensure that employees’ voices are heard in workplace decision-making and that their rights are protected.

Examples of such representatives include shop stewards, employee representatives, occupational safety delegates, EWC representatives and national group cooperation representatives. The number of persons covered by personnel representation is reported by country according to the proportion of Luotea employees who have actually elected a personnel representative for their personnel group.

S1-9 – Diversity

At Luotea, we believe that purposefully building a diverse workplace community is one way of ensuring sustainable business growth. Luotea’s overall objective is to increase diversity in all of its personnel groups.

Among Luotea’s employees, men account for 54% and women for 46%. The Company offers employment opportunities to people of different ages and at various stages of their careers.

Calculation principles

The reporting is based on information obtained from the HR systems of the Luotea Group and its subsidiaries. In the reporting, senior management comprises the members of Luotea’s Group Executive Board.

S1-10 – Adequate wages

Luotea pays all employees employed under an employment contract in accordance with the applicable collective bargaining agreements in Finland and Sweden.

Wage surveys were conducted in accordance with the Equality Act in Luotea’s Finnish divisions (Facility Services Finland, Environmental Services, Industrial Services and Group Services) in 2024. The wage surveys did not reveal any unjustified differences in pay between the genders. We assess the realisation of pay equality between the genders as part of our two-year diversity plans.

At Luotea wages are influenced by factors such as the content and demands of the job, the employee’s competence, performance and experience, and the

Distribution of employees by age group, number of persons (continuing and discontinued operations)	2025	2024
Under 30 years old	841	1,366
30–50 years old	2,464	3,726
Over 50 years old	1,702	2,349

Gender distribution senior management	2025		2024	
	Number	Share, %	Number	Share, %
Men	7	87.5	7	87.5
Women	1	12.5	1	12.5

Training and skills development (continuing and discontinued operations)	2025	2024
Employees that participated in regular target setting and performance review discussions, %	83	78
Men	82	75
Women	84	81
Other	0	0
Not specified	100	100
Employees	79	72
Salaried employees	95	98
Average number of training hours of employees	3.1	5.5
Men	3.6	6.5
Women	2.2	3.7
Other	0.0	0.0
Not specified	0.0	6.0
Employees	2.5	5.1
Salaried employees	5.7	6.8

provisions of any applicable collective agreement. At Luotea, non-discrimination in remuneration is promoted by ensuring that remuneration is based on the demands of the role, which are assessed by means of objective criteria. The categories used for the demands of each role and wages are based on factors such as the collective agreements applied at Luotea.

Luotea operates in a number of different industries, which is why average pay is not an appropriate indicator for the level of structure of wages. During the review period, Luotea continued preparing for the amendments to the EU's Pay Transparency Directive, which will be implemented in Finnish legislation no later than 7 June 2026.

S1-11 – Social protection

All of Luotea's employees in Finland and Sweden are covered by social protection, as referred to in the sustainability reporting standard, against loss of income due to major life events.

S1-13 – Training and skills development

Employees play a key role in the successful execution of the company's strategy. There are many jobs at Luotea that do not require training or previous experience. Through high-quality induction training, we help the employees perform their new duties and ensure a successful employee experience right from the start of the employment relationship. The digitalised Polku induction training model used in cleaning services, for example, is used in the induction training of hundreds of cleaning employees each year.

The main focus of competence development is on day-to-day learning on the job, but training and coaching also play a role. The Luotea Academy provides a range of training opportunities on various broad themes, particularly for supervisors and specialists. Examples of the themes of training carried out during 2025 include project management, employment relationships, supervisory work, financial management, data protection, occupational well-being and time management, Luotea's business, sustainability and IT.

The concise Luotea Academy training courses have lowered the threshold for our personnel to increase their competence. Luotea also offers division-specific training to help employees develop their professional skills and maintain their professional qualifications as well as to support the achievement of strategic goals.

Luotea engages in co-operation with various educational institutions. In 2025, our personnel were offered apprenticeship training for completing basic, vocational and specialist vocational qualifications in cleaning and facility services as well as basic qualifications in logistics.

In 2025, Luotea's employees spent an average of 3.1 hours participating in various training activities. The figure is based on training entries and the number of personnel. This figure does not cover all of our training activities and all of the hours of training completed by Luotea employees. During their working hours, our specialists and supervisors, in particular, also participate in various seminars and training programmes provided by various organisations, partners and companies. The company also offers internships and thesis writing opportunities in areas including cleaning, property maintenance, sales and customer service.

With regard to terminated functions, Luotea has ensured that all drivers complete the necessary professional qualifications for drivers and that their qualifications

Occupational Health and Safety	Continuing operations 2025	Continuing and discontinued operations 2025	Continuing and discontinued operations 2024	Continuing operations 2024
Total recordable incident frequency (TRIF)	16	18	19	18
Employees	16	18	19	18
Finland	17	18	20	18
Sweden	14	20	17	15
Other workers	0	0	0	0
Finland	0	0	0	0
Sweden	0	0	0	0
Number of accidents	126	220	243	141
Employees	126	220	243	141
Finland	103	184	213	117
Sweden	23	36	30	24
Other workers	0	0	0	0
Finland	0	0	0	0
Sweden	0	0	0	0
Fatal accidents	0	0	0	0
Cases of occupational illnesses	2	2	0	0
Fatal cases of occupational illness	0	0	0	0
Working hours, million hours	7.9	12.2	12.6	8.3
Employees	7.8	12.1	12.5	8.2
Finland	6.2	10.3	10.8	6.6
Sweden	1.6	1.8	1.8	1.6
Other workers	0.0	0.1	0.1	0.1
Finland	0.0	0.1	0.1	0.0
Sweden	0.0	0.0	0.0	0.0
Occupational Health and Safety management system coverage all employees %	100	100	100	100
Finland	100	100	100	100
Sweden	100	100	100	100

Entity-specific metric:	Continuing operations 2025	Continuing and discontinued operations 2025	Continuing and discontinued operations 2024	Continuing operations 2024
Sickness-related absence rate				
Sickness-related absence %	4.8	5.0	5.0	4.8
Finland	4.9	5.0	4.9	4.7
Sweden	4.8	5.0	5.4	5.5

are continuously updated. In addition, mandatory training related to professional qualifications, which in Finland include a hygiene passport, wet room cleaning, first aid (EA1 and EA2) and hot work card qualifications, for example, is offered to all employees who need it. In Finland, the completion of training activities is monitored via the HR system.

Calculation principles

The reporting is based on information obtained from the HR systems of the Luotea Group and its subsidiaries.

Employees who participated in regular performance and career development reviews

The proportion of the personnel covered by target-setting and development discussions is based on the number of target-setting and development discussions held during the reporting period for personnel who were active employees at the end of the reporting period and who are within the scope of target-setting and development discussions, and is expressed as a percentage of all personnel. Persons who are considered to be within the scope of target-setting and development discussions at the end of the period must meet the following criteria:

- A person who, at the end of the reporting period, is not on an extended uninterrupted absence (over 30 days)
- A person for whom the working hours specified in the employment contract amount to at least 20 hours per week
- A person whose employment relationship has lasted at least 90 days (salaried employees) or 60 days (employees)
- A person whose temporary employment relationship has lasted at least 360 days

Average number of training hours per employee

The calculation of the average training hours takes into account all training hour entries registered in the HR systems during the reporting period. The number of training hours is reported by gender based on the head count.

S1-14 – Health and safety metrics

Luotea's occupational safety target is zero accidents. The company's strategic metric for occupational safety is the total recordable incident frequency (TRIF). Luotea's TRIF target for 2030 is 15. For the year 2026, the company has set a TRIF target of 19. In 2025, the number of occupational accidents recorded for Luotea Group employees was 220. Safety is on the agenda of meetings from the Executive Board down, and it is also linked to personal bonuses of most service production supervisors. The development of occupational safety is reported on a monthly basis to the Group Executive Board, the Board of Directors and the divisions, down to the unit level.

Luotea's occupational safety activities are certified and audited by a third party. Luotea's occupational safety activities are guided by an ISO 45001 certified management system and occupational safety policy. The certification covers 100% of Luotea's business operations and personnel.

The company engages in effective co-operation with the personnel, and each Luotea company has its own occupational safety committee. In 2025, each committee convened in accordance with the legally required meeting schedule.

The right to family leave and use of family leave	Continuing operations 2025	Continuing and discontinued operations 2025	Continuing and discontinued operations 2024	Continuing operations 2024
Share of employees entitled to family leave, %	100	100	100	100
Share of employees that used family leave, %	13	14	15	14
Women	45	36	39	50
Men	55	64	61	50
Other ¹	0	0	0	0

¹ Gender, self-reported by the employees

Ratio between the remuneration of the highest paid individual and the median remuneration for employees	Continuing operations 2025	Continuing and discontinued operations 2025	Continuing and discontinued operations 2024	Continuing operations 2024
Ratio between the annual remuneration of the highest paid individual and the median annual remuneration for employees (excluding the highest paid individual)	15	25	29	22

Ratio between the remuneration of female and male employees, % (continuing and discontinued operations)	2025		2024	
	Finland	Sweden	Finland	Sweden
Total	15	14	15	13
Employees	22	17	21	16
Salaried employees	20	9	19	16

The difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees. The figures include both discontinued and continuing operations.

Incidents and human rights violations reported via the whistleblowing channel	Continuing operations 2025	Continuing and discontinued operations 2025	Continuing and discontinued operations 2024	Continuing operations 2024
Reports of discrimination or harassment during the reporting period	14	18	7	5
Confirmed incidents of discrimination and harassment	0	0	0	0
Other discrimination related reports	0	0	0	0
Total amount of fines, penalties and damages paid based on identified incidents, €	0	0	0	0

There were two cases of diagnosed occupational disease in 2025. In 2025, the company had no fatalities due to work-related injuries or work-related ill health. Luotea will develop the calculation of days lost due to work-related injuries and work-related accidents in 2026.

Calculation principles

The reporting is based on information obtained from the EHSQ systems of Luotea Group and its subsidiaries. The number of occupational accidents, the number of fatal accidents and the total recordable incident frequency (TRIF) cover both employees and non-employees. The accident frequency has been calculated per million working hours. The reporting of cases of occupational diseases only covers Luotea's employees, as the relevant information is not available for non-employees. The company applies the transitional provision in this respect.

Entity-specific metric: Sickness-related absence rate

The sickness-related absence rate measures the working hours lost due to illness or accidents in relation to the planned working hours for the reporting period. Luotea's target was to have a sickness-related absence rate of no more than 4.6% in 2025. The longer-term target is a sickness-related absence rate of no more than 4% by 2030. In 2025, the sickness-related absence rate was 5%.

Calculation principles

The reporting is based on information obtained from the HR systems of the Luotea Group and its subsidiaries. The calculation takes into account absences of persons working at Luotea due to an illness or accident. Absences related to a child's illness or care are excluded from the calculation. The calculation takes into account absences with a medical certificate issued by a health care professional and sickness-related absences reported by employees themselves.

Entity-specific metric: Employee Net Promoter Score (eNPS)

The Employee Net Promoter Score (eNPS) is an indicator of the employees' satisfaction with their employer. The Employee Net Promoter Score is measured by means of an annual digital survey that is sent to all Luotea employees. The survey is available in Finnish, Swedish and English. The personnel survey measures personnel motivation, the day-to-day work of the teams, teamwork, supervisory work and leadership, as well as the personnel's willingness to recommend Luotea.

Calculation principles

The reporting is based on information obtained from the internal systems of Luotea Group and its subsidiaries.

S1-15 – Work-life balance metrics

In Luotea's operating countries, Finland and Sweden, all of the personnel (100%) have a statutory right to parental leave. In 2025, 14% of employees were on family leave. Of the people on family leave, 36% were women and 64% were men.

Calculation principles

The reporting is based on information obtained from the HR systems of the Luotea Group and its subsidiaries. The calculation of the number of employees entitled to take family leave is based on employees in an active employment relationship. Family leave includes maternity leave, paternity leave, parental leave and informal care leave available under national legislation or collective agreements.

The calculation for Luotea Finland includes all types of family leave pursuant to Chapter 4 of the Employment Contracts Act, except absences for compelling family reasons, absences for taking care of a family member or someone close to the employee, and informal care leave, as stipulated by sections 7, 7a and 7b of the Employment Contracts Act. This is because Luotea Finland's companies do not have separate codes for itemising such absences. Instead, they are entered under the same code as other unpaid absences in the companies' reporting. Consequently, the calculation includes pregnancy leave, parental leave, childcare leave, and temporary absence due to a child's illness.

For Facility Services Sweden and SVB, the term "family leave" includes full-time or part-time parental leave (föräldrarledigt), paternity leave (pappaledigt), paternity leave for an adoptive father (pappaledigt 10 dgr vid barns adoption), temporary childcare leave (tillfällig föräldrapenning dvs VAB, vård av sjukt barn), informal care leave (vård av närstående) and pregnancy allowance (graviditetspenning).

Persons who have indicated a gender other than male or female in the HR system, or who have not specified any gender information, are not included in the calculation of the percentage.

S1-16 – Compensation metrics (pay gap and total compensation)

Luotea reports the percentage-based gender pay gap of its employees by personnel group. The personnel groups used are "employees" and "salaried employees", with the latter category including all of Luotea's salaried employees, senior salaried employees and executives. The percentage-based pay gap is also reported on a country-specific basis for Finland and Sweden. The next wage survey of Luotea Finland's divisions will be conducted in 2026, as part of our diversity plans. In the salary survey carried out in 2024, the pay of female employees on hourly wages was 95%, and the pay of female employees on monthly salaries 98%, of the pay of male employees in corresponding positions.

Calculation principles

The reporting on the pay gap and total earnings is based on information obtained from the HR systems of the Luotea Group and its subsidiaries. The reporting on the salary comparison between male and female employees on hourly wages is based on payroll data for positions for which pay comparisons in accordance with the Equality Act can be reliably conducted without compromising the protection of privacy.

Ratio between the remuneration of female and male employees

Luotea reports the percentage-based gender pay gap of its employees by personnel group. The pay is based on hourly wages, average hourly income and, for employees on monthly salaries, the total salary.

The personnel groups used are "employees" and "salaried employees" (including all of Luotea's salaried employees, senior salaried employees and executives). Persons who have indicated a gender other than male or female in the HR system, or who have not specified any gender information, are not included in the figures. In other words, the comparison is based on the pay of men and women. The percentage-based pay gap is also reported on a country-specific basis for Finland and Sweden.

Luotea's Swedish operations report information on pay in the local currency. The necessary currency conversions are carried out after the end of the reporting period using the average exchange rate for the reporting period.

Annual total remuneration ratio

The highest paid individual in the calculations for the reporting period was the President and CEO of Luotea Group. The calculation takes into account the taxable pay of all employees.

Luotea's Swedish operations report information on pay in the local currency. Currency conversions are carried out after the end of the reporting period using the average exchange rate for the reporting period.

S1-17 – Incidents, complaints and severe human rights impacts

Luotea does not tolerate any kind of discrimination, harassment, bullying, racism or inappropriate treatment or the use of child labour, any form of forced labour or any other practices in violation with basic human rights in its own operations or in its supply chain.

No confirmed incidents of discrimination or harassment, and no serious human rights incidents, were reported to Luotea in 2025. Consequently, in 2025, Luotea did not pay any fines, penalties or compensation for damages in relation to complaints and incidents of misconduct. In the reported information, a "reported incident of discrimination or harassment" refers to a suspected incident of harassment or discrimination on the basis of gender, pregnancy, childbirth, gender identity, gender expression, age, ethnicity, nationality, language, religion, ideology, opinion, political activities, union activities, family relations, health, disability, sexual orientation or any other reason pertaining to an individual, or any other form of inappropriate behaviour or harassment brought to the attention of the company. No other discrimination-related reports were received during the reporting period.

Calculation principles

Luotea's Finnish companies have their own electronic harassment reporting system, and Luotea Facility Services Sweden has its own system. The Swedish Industrial Services company SVB does not have an electronic harassment reporting system. The number of reported incidents is monitored and maintained at the Group level using the company's internal system.

S2 Workers in the value chain

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The material impacts, risks and opportunities concerning value chain workers have been identified in accordance with the double materiality assessment presented in the general disclosures, section ESRS 2 IRO-1, p. 22. Luotea's material impacts are related to the occupational safety and well-being of employees in the supply chain and the potential occurrence of harassment, bullying and discrimination in industries with employees from several countries and different cultures.

The assessment was focused on Luotea's direct suppliers on whom information was already available. The downstream value chain impacts were considered to be minor. The review was influenced by Luotea's human rights risk assessment, which covered the impacts of the supply chain.

Description of the supply chain

The structure of the supply chain and the origin of suppliers may affect the impacts on employees in the supply chain. Luotea mainly purchases from locally operating companies in Finland and Sweden. These countries comply with the rule of law and are also known for their high level of social trust and comprehensive labour market regulations. Despite this, labour exploitation, trafficking in human beings, and the shadow economy are issues that occur widely across various industries.

In 2025, approximately 97% of the purchases of Luotea Finland's subsidiaries were made from companies operating in Finland, and about 2.8% were made from companies operating in other EU countries. Purchases from outside the EU represented approximately 0.2%. Of the purchases of Luotea's Swedish subsidiaries, 99% were made from companies operating in Sweden and 0.5% from other EU countries. Hardly any purchases were made from non-EU suppliers.

One fifth of the procurements in Luotea's supply are related to direct service procurements, and 15% are generated by material procurements, such as various substances and supplies.

Actual or potential impacts on supply chain workers

Luotea's actions may have indirect impacts on the employees of direct suppliers in the supply chain.

Luotea's operations depend on, among other things, subcontracting, such as transportation subcontracting, which is used to supplement Luotea's in-house logistics. Typically, subcontracted employees work at Luotea's or customers' premises, particularly in logistics, environmental construction projects and process cleaning and property maintenance in production-related tasks which may involve an actual elevated occupational safety risk, for example. There may occur discrimination and exploitation of employees in service sectors that employ a large number of foreign employees. In Luotea, these include, subcontracting of cleaning and property maintenance and leased work. In addition, potential impacts may be related to the inadequate work conditions, such as unclear records of working time.

Luotea has assessed that the most vulnerable groups in terms of material impacts are young people and foreign employees.

Efforts are made to minimise the potential impacts through procurement agreements that take into account Luotea's Supplier Code of Conduct. In addition, Luotea regularly reviews occupational safety observations made at its own premises or customers' premises together with suppliers and their employees, and takes corrective measures as necessary.

Luotea recognises that potential impacts can also occur deeper in the value chain, especially in countries with inadequate practices or legislation concerning working life. Violations related to working conditions and human rights are more likely in these countries than in non-risk countries. Examples of such supply chains include the production of Luotea's workwear and the procurement of raw materials for the company's fleet and ICT equipment.

Description of Luotea's supply chain workers

The workers in Luotea's supply chain in Finland and Sweden can be categorised as follows:

- Production subcontracting employees, particularly in transport tasks (Circular Economy Business), seasonal snow and green work in property maintenance (Facility Maintenance), cleaning (Cleaning Services) and industrial process cleaning (Circular Economy Business).
- Specialists in ICT services and primary health care.
- Specialists and production workers at the plants of material recycling partners (Circular Economy Business).

Particularly vulnerable groups of workers may work in different parts of the supply chain. In subcontracting, one example of such groups is workers with a foreign background, whose inadequate language proficiency may make it more difficult to understand and implement the appropriate occupational safety practices and exposes to human rights violations. They may also have inadequate knowledge of national work practices. Young employees who lack previous work experience can also be more vulnerable to various types of violations. The employees of subcontractors working at Luotea's sites receive induction training for their duties according to the same principles as Luotea's own personnel.

Potential negative impacts may also emerge in Luotea's value chain. However, considering the geographical location of operations in Finland and Sweden, the impacts on employees are not estimated to be extensive or systemic, but rather incidental. These impacts may occur as isolated incidents, such as inadequate use of personal protective equipment or work-related injuries caused by repeated physical strain.

Luotea's operations can also have positive impacts on value chain workers. Extending Luotea's occupational safety practices to subcontracting and monitoring them develops occupational safety capabilities throughout the chain and promotes the use of best practices in the supply chain. In addition, Luotea's Supplier Code

of Conduct lays down basic requirements for good conduct and practices. The supplier self-assessment model created to support these requirements, for its part, increases the supply chain's awareness of Luotea's expectations and practices with regard workers' rights and human rights, occupational safety and working conditions, for example.

All forms of child labour and forced labour are strictly prohibited and constitute violation of the Supplier Code of Conduct. Luotea has not identified any significant risks related to the use of child labour or forced labour in its own operations or supply chain in Finland and Sweden. Finland and Sweden have strong legislation, supervision by the public authorities and compliance with the rule of law that reduce the risks in the business environment.

S2-1 – Policies related to value chain workers

Luotea is committed to respecting workers' rights and human rights throughout the value chain. The company's human rights principles and requirements are described in the company's human rights policy and they cover the entire value chain. The human rights policy is described in more detail in section ESRS S1-1, p. 64. In addition, Luotea's Supplier Code of Conduct, which is incorporated into Luotea's procurement agreements, takes into account the sustainability-related expectations for Luotea's suppliers. Luotea's human rights policy and the Supplier Code of Conduct both include a commitment to respecting human rights and complying with the UN Guiding Principles, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. Luotea is also committed to the principles of the Global Compact. Luotea requires that the suppliers' personnel, suppliers and subcontractors also comply with these principles and guidelines.

The Supplier Code of Conduct lays down obligations for Luotea's suppliers with regard to compliance with law, business conduct, respecting human rights, including the prohibition of child labour, forced labour and trafficking in human beings, safeguarding health and safety, and reducing environmental and climate impacts. The Supplier Code of Conduct also describes Luotea's whistleblowing channel, through which actors in the value chain can anonymously report misconduct. The Supplier Code of Conduct is incorporated into the appendices to Luotea's procurement agreements and it is publicly available on the company's website. The Supplier Code of Conduct has been approved by the President and CEO together with the Group Executive Team.

The Group's Chief Procurement Officer is responsible for developing the Supplier Code of Conduct, and its content is reviewed and updated as necessary so that Luotea can actively react to changes in the business environment. The participants in the regular review of the Supplier Code of Conduct also include Luotea's key internal stakeholders, such as Legal Affairs and the sustainability organisation. Thus far, other stakeholders have been consulted in the process of drawing up the policy. Luotea's divisions and units are responsible for the implementation of the policy and the allocation of the necessary resources in their respective operations.

Luotea's human rights principles are described in more detail in section ESRS 2 GOV-4, p. 16. The principles include risk identification and assessment, procedures for raising concerns, and policies for the implementation of appropriate remedies. The policies are in alignment with the OECD Guidelines for Multinational Enterprises.

S2-2 – Processes for engaging with value chain workers about impacts

Luotea does not have other processes in place for engaging with value chain workers. In 2026, efforts will be made to identify in more detail which value chain workers will be most affected. Promoting communication with value chain workers is another focus area.

S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

Processes used by Luotea

Luotea's Supplier Code of Conduct lays down clear requirements for respecting the rights of value chain workers, including working conditions, safety and respect for human rights. Suppliers commit to the Supplier Code of Conduct in connection with procurement agreements. Suppliers renew their commitment to the Code of Conduct at least every three years.

Compliance with the Supplier Code of Conduct is monitored in accordance with an annual plan through supplier self-assessments and audits. In Luotea's self-assessment model, the supplier assesses its performance in terms of corporate ethics, occupational safety, the environment, quality and supply chain sustainability practices, taking into account policies, principles and measures to promote these areas.

The survey also covers zero-tolerance issues pertaining to the use of child labour and forced labour, and the supplier's commitment to Luotea's Supplier Code Of Conduct. Any deviations concerning the zero tolerance questions always require further action in cooperation with the supplier in question.

If significant deviations are revealed in the self-assessment, Luotea initiates a dialogue with the supplier to jointly agree on an action plan and timetables for remediation. The action plan also takes into account potential impacts on delivery times so that critical deviations are corrected as a matter of priority. The progress of the measures and their effectiveness can be assessed by means of new self-assessments or audits, for example. In 2025, there were no significant deviations that would have led to a dialogue with suppliers.

Cooperation with the supplier is typically not terminated in such instances, as doing so would not promote the position of workers in the supply chain. However, if the partner fails to demonstrate their desire and commitment to address the identified shortcomings, the cooperation may be terminated.

The whistleblowing channel and processing reports

Luotea has a whistleblowing channel through which Luotea's employees, customers, suppliers and other stakeholders can report suspected misconduct concerning Luotea's operations in relation to violations of legislation or the Supplier Code of Conduct. The whistleblowing channel enables people to report suspected misconduct related to Luotea's operations confidentially. The whistleblowing channel is public and anonymous.

Value chain workers can report any misconduct or shortcomings they observe by using Luotea's whistleblowing channel. The processing of whistleblower reports is supported by an impartial third party, which ensures independence and confidentiality. Instructions on how to submit a whistleblower report and a description of the operating model are presented in a transparent manner on the website of the company and the whistleblowing channel. Suppliers and their workers are informed about the use and purpose of the whistleblowing channel as part of Luotea's Supplier Code of Conduct and on the company's procurement website.

Luotea prohibits retaliation against all persons who submit whistleblower reports in good faith and takes disciplinary action against operators found to have been guilty of retaliation. Whistleblowers are also protected by Finnish and Swedish legislation. The company's commitment to whistleblower protection is communicated in the Supplier Code of Conduct, the external website and the home page of the whistleblowing channel.

Each report is processed by an investigation team appointed on a case-by-case basis. The team's composition takes into account the expertise required by the subject, while avoiding potential conflicts of interest. The whistleblower receives confirmation of the receipt of the whistleblower report within seven days of the report being received. In addition, the whistleblower will be informed, no later than three months after the report has been received, of the actions that have been taken in response to the report. The channel has been designed to be as easy-to-use as possible to make reporting convenient and effortless.

Luotea investigates all reports and determines the necessary remedies. In 2025, a total of 24 reports were received through Luotea's whistleblowing channels. Of these, one was related to the supply chain.

Luotea monitors the issues raised through the whistleblowing channel and evaluates the effectiveness of the channel accordingly. Reports received via the whistleblowing channel are documented and categorised by topic, which allows the company to identify the most common problems and recurring themes in the value chain. It is also possible to send feedback to Luotea regarding the usability of the channel and the support provided. The company also monitors how actively the channel is used in order to assess whether the channel reaches its target group. Otherwise, Luotea has not assessed whether the value chain workers are aware of the processes in use (whistleblowing channel). Persons who use the whistleblowing channel are protected from retaliation. This is explained in more detail at the end of section G1-1, p. 77, and it applies to everyone including value chain workers.

S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Actions to promote the working practices of suppliers' employees

Luotea's material impacts are related to the occupational safety and realisation of working conditions of employees in the supply chain and discrimination against them. Luotea's expectations for suppliers are presented in the Supplier Code of Conduct, which includes requirements for respecting the rights of workers, working practices and safe working conditions.

Compliance with the Supplier Code of Conduct is assessed by means of supplier self-assessment surveys, in which suppliers are asked to describe their targets, policies and actions in relation to their own operations. In addition, Luotea conducts risk-based audits to ensure that workers' rights are respected and the working conditions are safe.

Luotea's self-assessment survey was widely deployed in 2024. At the beginning of 2025, a supplier risk assessment process was introduced. The used risk scoring takes into account factors such as the supplier's compliance. Starting in 2025, significant deviations have been addressed by the procurement management team. There were no significant deviations in 2025. During the year, Luotea developed the supplier risk assessment process to ensure that it would also cover downstream value chain suppliers, which are waste processing partners. The self-assessment process is described in more detail in section ESRS S2-3, p. 75.

In 2025, the audit model for Luotea's suppliers was developed by adding a risk assessment basis to the audit process. Luotea plans the necessary measures to prevent discrimination and improve working conditions for suppliers based on supplier-specific audits.

In 2024, Luotea introduced a supplier management system through which it can systematically monitor compliance in the value chain, including compliance with the Supplier Code of Conduct and self-assessments. In 2025, the company also further specified its internal monitoring processes and supplier obligations.

At the end of the year, 75% of suppliers had made a commitment to Luotea's Supplier Code of Conduct or corresponding principles, and 71% of suppliers had completed Luotea's self-assessment survey. No deviations related to the zero tolerance issues were detected in the survey results.

Luotea will continue to integrate sustainability criteria into its procurement processes in the coming years. The Supplier Code of Conduct were updated in 2025. During 2026, Luotea will assess measures aimed at increasing supplier awareness and promoting the engagement of workers in the supply chain.

No serious human rights violations or significant problems, such as child labour or forced labour, have been observed in Luotea's current value chain. If such reports were to be received, the company would take immediate action by initiating an investigation and implementing remedies in cooperation with the supplier in question.

Actions to promote the occupational safety of subcontractors' employees

Luotea minimises occupational safety risks related to workers in the subcontracting chain by maintaining and developing occupational safety practices, such as proactive safety efforts and risk management processes.

Luotea requires its subcontractors to ensure a safe and healthy workplace for their personnel by complying with the legislation governing their operations and Luotea's Supplier Code of Conduct. Subcontractors can participate in safety efforts by making safety observations and start-of-work checklists. Depending on their role, subcontractors may also have the opportunity to participate in Luotea's safety briefings aimed at the prevention of accidents.

Accidents occurring in the work of subcontractors in Luotea's operations, including leased employees, are recorded in the Clean Sheet reporting channel (subcontractors in Luotea's operations in Finland and in Industrial Services Sweden). Such accidents are processed in accordance with the same operating model as accidents involving Luotea's own personnel. Luotea plans the necessary accident prevention measures based on safety observations and accident reports. Proactive measures taken by subcontractors are included in Luotea's reporting.

Luotea aims to increase the occupational safety competence of supply chain workers and improve their occupational safety going forward. Whenever safety observations are reported via the Clean Sheet reporting channel, the person who submits the report receives a response. In addition, all accidents are investigated and efforts are made to identify their root causes. Luotea's goal is to develop long-term cooperation with suppliers and provide their personnel with a stable and safe working environment.

S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Luotea has set Group-wide targets related to managing impacts on workers in the supply chain and improving the transparency of the supply chain:

- 80% coverage of the Supplier Code of Conduct for selected procurement in 2025. The selected operators exclude, for example, authorities, financial and insurance companies and suppliers with low purchases (less than €20,000/year). The objective of the target is to ensure that all suppliers are committed in material respects, to Luotea's Supplier Code of Conduct, including respect for workers' rights and safe working conditions.
- In 2025, 70% of suppliers selected based on procurement spend are included in the self-assessment process. The selected operators have been excluded, for example, from authorities, financial and insurance companies and suppliers with low purchases (less than EUR 20,000/year).

The targets are used to monitor potential negative impacts in the supply chain and to promote sustainable practices throughout the chain. Monitoring the scope of the Code of Conduct and the implementation of self-assessments began in 2024, which was also the first time the goals were set.

The targets are absolute and are set annually. At the end of 2024, 59% of suppliers had committed to the Luotea Code of Conduct, with the target being 85%, and 55% of suppliers had completed the Luotea self-assessment survey, with the target being 60%.

In 2025, the monitoring was further specified by defining in more detail which procurements it applies to.

Luotea's 2025 goals have been developed by the company's procurement in cooperation with the sustainability organisation. They have been approved by the President and CEO, the Group Executive Board and the Board of Directors. Due to the nature of the targets, the company has not engaged in direct dialogue with value chain workers or their representatives. However, the targets are based on an analysis of the company's supplier network and generally accepted sustainability practices.

Luotea aims to improve the transparency of the supply chain through self-assessment processes and monitoring so that potential negative and positive impacts can be identified and taken into account in the development of procurement-related targets in the future. The results of the monitoring are used to identify the strengths and development areas associated with the existing supply chain practices and to assess the effectiveness of the targets.

Calculation principles

Luotea monitors the fulfilment of the targets concerning suppliers on the basis of selected total purchases. The reporting is based on information obtained from the supplier management service of an external service provider used by the Group.

G1 Business conduct

G1-1 – Business conduct policies and corporate culture

The compliance of Luotea's business conduct and the company's corporate culture are guided by the applicable legislation and the company's policies and principles. The policies and principles concerning governance and corporate culture comprise the corporate governance principles that the company adheres to in all of its activities and in all countries of operation.

Luotea is also committed to supporting the UN Global Compact initiative and its principles pertaining to human rights, labour, the environment and anti-corruption.

Luotea's Board of Directors approves the company's Code of Conduct, human rights policy, disclosure policy, tax policy and the code concerning the governance of a listed company. The President and CEO and the Group Executive Board approve other Group-wide policies, such as the policy for the prevention of corruption and bribery, and the data protection policy.

The Senior Vice President, HR and Legal, who is a member of the Group Executive Board, is in charge of the implementation of the policies that create and develop Luotea's corporate culture. The Legal Affairs unit puts the policies into action with the support of the line organisation.

At Luotea, corporate culture is created, developed and promoted through various measures. Online and in-person training are used to ensure that the employees are aware of the policies and principles they are required to follow. The training activities cover examples of situations which the personnel may encounter in their work. Records are kept of course completions so that the HR and Legal Affairs functions can ensure that employees have completed the training modules that are relevant to their role. The company has separate training for its personnel on topics such as the Code of Conduct, data protection – including data security – and the prevention of corruption and bribery, including guidelines on accepting gifts and hospitality in the context of procurement activities.

Internal communications and personnel briefings are used to develop and promote Luotea's corporate culture. Themes related to ethical business conduct are regularly discussed on Luotea's intranet and in internal newsletters and personnel briefings, and the company's senior management communicates its commitment to the principles and leads by example to demonstrate the importance of the principles in the company.

Corporate culture and commitment to the Code of Conduct are assessed annually as part of the employee satisfaction survey, which provides all employees with an opportunity to give anonymous feedback on supervisory work, the company's commitment to sustainability, day-to-day operations and various changing themes. The response rate to the personnel survey has remained at a good level, the result for 2025 was 78% (77%).

The results of the personnel survey are discussed by the company's Board of Directors and the Group Executive Board and at the team level. The results of the survey are analysed, and team-level and Group-level actions are taken on the basis of the results.

Policies, principles and guidelines that are of particular relevance to corporate culture

Code of Conduct for employees

Luotea's Code of Conduct for Personnel sets expectations for sustainable and ethical conduct by Luotea's personnel. The Code of Conduct calls for compliance with laws, rules and regulations, integrity and transparency, respect for human rights and colleagues, and safety at work, among other things. The Code of Conduct is approved by the company's Board of Directors and updated every two years. The company's General Counsel is in charge of the implementation of the Code of Conduct, and the Group Executive Board monitors compliance with the Code of Conduct. The Code of Conduct for Personnel is a public document that is available on Luotea's website, intranet and the notice boards of the company's operating locations. The Code of Conduct has been the subject of dialogue with employee representatives.

Luotea's target is for 100% of its employees and salaried employees in Finland and Sweden to have completed online training on the Code of Conduct for employees, which familiarises them with the content of the Code of Conduct and provides practical examples. The achievement of the target is monitored on the annual level at the end of each year. The target is absolute and approved by the Board of Directors. The personnel have not been consulted in setting the target.

Online training on the Code of Conduct is a mandatory part of every new employee's induction. There are separate online courses available for employees and salaried employees. In 2025, Luotea updated the training for employees, and it will also be completed by all current employees. In Finland, the course can also be completed on a mobile device, which makes it easier to participate, especially for those whose work is mobile. A more extensive online training for salaried employees has been in use since 2023.

Supplier Code of Conduct

Luotea has a separate Supplier Code of Conduct that describes the expectations on supply chain representatives. The company requires its suppliers to familiarise themselves with the Supplier Code of Conduct, adhere to it and continuously develop their operations according to it. The topics covered by the Supplier Code of Conduct include corruption, bribery, data security, legal compliance, human and labour rights, health and safety, supplier self-assessments and whistleblowing.

Suppliers are responsible for ensuring that their personnel, suppliers and subcontractors adhere to the Supplier Code of Conduct. The Supplier must inform Luotea about the use of subcontractors. Luotea may request suppliers to conduct a self-assessment at the beginning or during the co-operation. The Supplier Code of Conduct is approved by the President and CEO and the Group Executive Board. The Supplier Code of Conduct was updated in 2025. The Chief Purchasing Officer is in charge of the implementation of the Supplier Code of Conduct, and the procurement team monitors compliance with it. The Supplier Code of Conduct

is publicly available on Luotea's website. They are also part of procurement agreements.

Luotea aim is that 80% of the suppliers selected for procurement, calculated based on purchases, are committed to the Supplier Code of Conduct, and that 70% of these suppliers, calculated based on purchases, have carried out a self-assessment in 2025. Authorities, financial and insurance companies and suppliers with a low amount of purchases (less than EUR 20,000/year) are excluded from the selected operators. The targets are absolute and are set annually. Starting in 2025, the Supplier Code of Conduct has been incorporated into all new agreements, and acceptance of the Supplier Code of Conduct will be sought separately for suppliers who already have an existing agreement in place. Reliable data on the baseline for this target is not available, as the reporting practices of the business lines have varied. Luotea has not carried out an assessment on prepared a report on agreement coverage. The target has been approved by the Board of Directors. Luotea has not engaged in direct dialogue with suppliers about the target.

Anti-corruption and anti-bribery policy

Luotea's anti-corruption and anti-bribery policy lays down the Group's ground rules for preventing corruption and bribery. The company complies with the applicable legislation in all of its operations. Luotea is committed to anti-corruption and anti-bribery operating principles in accordance with the UN Convention. Luotea prohibits all forms of bribery and corruption. In the policy, Luotea takes a position on issues such as lawful and ethical business conduct, fair competition, acceptable hospitality, the avoidance of conflicts of interest and the identification and prevention of corruption and bribery.

Luotea's anti-corruption and anti-bribery policy is approved by the President and CEO and the Group Executive Board. Luotea's anti-corruption and anti-bribery policy, as well as its implementation, is the responsibility of the General Counsel, and it is monitored by the Group Executive Board. Luotea updates the policy at two-year intervals. The policy covers all of the Group's companies and divisions. It applies to Luotea's own workforce in all operating countries and other parties participating in the business activities, such as consultants. The policy has been the subject of dialogue with employees and employee representatives and it has been discussed in a European Works Council meeting.

The company has assessed that, among its internal functions, procurement, sales and business management are the most vulnerable to corruption and bribery. The completion of online training on the prevention of corruption and bribery is monitored particularly closely for employees in the aforementioned roles. If an employee fails to complete the course within the due date, a separate discussion on the prevention of corruption and bribery will be held with the person. The anti-corruption and anti-bribery policy is public and available on Luotea's website and intranet. Actions to prevent and detect corruption and bribery are described in more detail in section G1-3, p. 79.

Luotea's target is for all employees to act in accordance with the policy. The company will also ensure that 100% of the salaried employees and executives identified as particularly relevant to anti-corruption and anti-bribery activities complete the online training on the content of the policy by 2026. The target is absolute and applies to all of Luotea's own operations in Finland and Sweden.

Luotea has had an anti-corruption and anti-bribery policy in force since 2024. The Policy is updated every two years. The company also prepared online training on the content of the policy. The aim of the training is to prevent corruption and bribery. In 2025, 93% of the individuals assessed by the company to be most vulnerable to corruption and bribery had completed the online training. The online training must be renewed every 2-3 years, and new persons who have been identified as key to operations will complete the training at the beginning of the employment relationship.

In 2025, Luotea will ensure that potential corruption and bribery is detected by reminding all of the personnel and value chain workers about the anonymous whistleblowing channel.

Data protection and data security policies

The data protection policy defines Luotea's internally approved data protection principles to be followed when processing the personal data of customers, partners and other stakeholders, as well as employees and job applicants. With the data protection policy and the function-specific data protection instructions derived from the policy, Luotea aims to ensure the lawful processing of personal data and an appropriate level of data protection. The data protection policy is supplemented by a separate data security policy, which is guided by external and internal requirements, such as requirements established by legislation and the public authorities, contractual requirements and the general situation and development of data security and related threats. The implementation of the data security policy is supported by supplementary data security guidelines, specifications, plans and training activities. The data protection policy and data security policy apply to the entire company.

The data protection policy has been approved by the Board of Directors, and the data security policy has been approved by the President and CEO and the Group Executive Board. The policies are reviewed and updated at two-year intervals if necessary. The Senior Vice President, HR and Legal is in charge of the implementation of the data protection policy and monitoring compliance with data protection legislation and data protection instructions at Luotea. The Chief Information Officer is in charge of the implementation and monitoring of the data security policy.

Luotea has engaged in direct dialogue with its personnel about the data protection policy in connection with the update of the policy in 2025. The data protection policy is public and available on Luotea's website and intranet. The data security policy is intended only for internal use within the company, and it is available to employees on the intranet.

Luotea provides its employees with instructions and training on data protection and data security. All employees are required to be familiar with the data protection and data security obligations related to their duties and to comply with said obligations. In 2025, 92% of salaried employees had completed online training on the content of the data security policy, which also includes the key subject areas of the data protection policy.

Policy concerning gifts and hospitality in procurement

Luotea has a separate policy on receiving gifts and hospitality from suppliers, or giving gifts and hospitality. The policy supplements Luotea's Code of Conduct for Personnel and the anti-corruption and anti-bribery policy. The policy defines a reasonable gift or hospitality that a Luotea employee may accept and in which situations no hospitality of any kind may be accepted. The policy applies to Luotea's management and all employees engaged in procurement activities. The policy has been approved by the President and CEO and the Group Executive Board. The Director of Procurement is responsible implementing the policy. Luotea has not defined any targets for the policy.

Guidelines on authorisation on the basis of position

The guidelines on authorisation on the basis of position define the decision-making bodies and decision-making procedure at Luotea. The guidelines define who can, or must, decide on matters and up to what euro amount. They also specify when decision-making must be escalated and when consultation with Legal Affairs or other expert organisations is required prior to decision-making. Decisions must be made in accordance with the defined policies and guidelines. The Senior Vice President, HR and Legal is responsible for the guidelines on authorisation on the basis of position with the support of Legal Affairs. The guidelines on authorisation on the basis of position apply to all of the personnel and are approved by the President and CEO and the Group Executive Board. The guidelines were updated in 2025.

Calculation principles

The completion rate of online courses is expressed as a percentage of the target group. The coverage of training describes the percentage of active employees at the end of the reporting period, or members of the Board of Directors, to whom the training in question has been assigned who have successfully completed it. Information on the completion and assignment of training is obtained directly from Luotea's own systems.

Reporting prohibited conduct

If an employee observes or suspects prohibited conduct at Luotea, such as corruption, bribery or conflicts of interest, they must report them to their supervisor, the HR function or Legal Affairs. Reports can also be submitted via Luotea's whistleblowing channel. Reports via the whistleblowing channel can be submitted anonymously. Links and instructions for the whistleblowing channel are available on the company's intranet and website, the Code of Conduct for employees, the Supplier Code of Conduct and on notice boards. Luotea encourages its own workforce and supply chain representatives to speak up if they suspect a violation of the Code of Conduct for employees, the Supplier Code of Conduct or the anti-corruption and anti-bribery policy, if they become aware of misconduct, particularly in cases where they are offered a bribe or asked to give a bribe, or if they suspect that a particular incident involves bribery.

The whistleblowing channel also occasionally receives reports that do not belong there, which are directed to the correct channel. "All reports related to unethical conduct" includes all reports received via the whistleblowing channels regarding unethical conduct, regardless of the content of the report. Reports and contacts directed to other channels have been subtracted from the number of reports that led to investigations.

Training coverage, %	2025	2024
Code of Conduct for employees	68	64
Salaried employees	96	84
Employees	61	59
Data security	70	68
Salaried employees	92	85
Employees	65	64
Prevention of corruption and bribery	93	83
Persons in key positions	94	81
Administrative, management and supervisory bodies	89	91

Violations of good corporate governance or ethical corporate culture	2025	2024
All reports related to unethical conduct	24	23
Reports leading to an investigation	8	15
Critical incident reports reported to the Board of Directors	0	0
Anti-competitive behaviour	1	0
Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	0	0

Coverage of the anti-corruption and anti-bribery training	Persons in key positions	Administration, management and supervisory bodies
Training coverage, persons		
Number of employees	141	44
Persons trained	133	39
Training method and training duration, hours		
Computer-aided training	0.5	0.5
Recurrence		
Refresher training	every 2-3 years	every 2-3 years
Topics covered		
Gifts and bribery	X	X
Conflicts of interests	X	X
Hospitality and entertainment	X	X
Corruption	X	X
Sponsorship	X	X
Cooperation with the public authorities		
Procedures in case of suspicion/detection	X	X

Luotea investigates all suspected incidents of misconduct. Any person reporting, in good faith, their suspicions within the scope of whistleblower legislation and participating in the investigation of any suspected misconduct will not suffer any negative consequences as a result, such as being subsequently discriminated against or being at risk of being put in a disadvantageous position. Luotea takes disciplinary action against anyone who is found to have taken any prohibited retaliatory measures.

Reports submitted via the whistleblowing channel are investigated by Luotea's Compliance Officer, Legal Affairs or other individuals who report to the General Counsel and who have a master's degree in law or other applicable education. Luotea's compliance team processes all reports leading to an investigation, and the team reports all violations and critical incident reports to the Audit Committee of the Board of Directors.

G1-3 – Prevention and detection of corruption and bribery

Luotea has a separate anti-bribery and anti-corruption policy that is approved by the President and CEO and the Group Executive Board. The General Counsel is in charge of the implementation of the policy together with Legal Affairs. The business level supports Legal Affairs in the implementation.

The company has identified roles that involve a higher exposure to corruption than other roles. These roles include procurement, sales and business management roles, including the Group Executive Board. All individuals in these roles (100%) receive training on the content of Luotea's anti-bribery and anti-corruption policy, as well as case studies. Their completion of the training activities is monitored. In 2025, 93% of the individuals working in the above-mentioned roles had completed anti-corruption and anti-bribery training. A more detailed description of the policies is provided in section G1-1, p. 77.

The company has separate online training on the prevention of corruption and bribery. The training specifies practices that are prohibited in the company, provides example cases of such practices and explains what action to take when corruption or bribery is observed or suspected in the organisation. The training takes about 30 minutes to complete.

Suspected incidents of corruption and bribery can be reported to one's supervisor, HR or Legal Affairs, or via the whistleblowing channel. Reports submitted via the whistleblowing channel can be submitted anonymously.

The reports are processed by Luotea's Compliance Officer, Legal Affairs or other individuals who report to the General Counsel and who have a master's degree in law or other applicable education. The persons processing the reports do not process reports concerning their own organisation and are thus separate from the chain of command involved.

The reports are processed by Luotea's Compliance team and reported to the Audit Committee of the Board of Directors once per year.

G1-4 – Incidents of corruption or bribery

Luotea was not informed of any violations related to corruption or bribery during the review period, and the company was not subject to any fines or sanctions related to corruption or bribery. Representatives of Luotea's management have not been convicted of bribery or corruption. One report regarding anti-competitive activities

was received during 2025. The report relates to alleged bribery and is still being investigated.

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Key figures

Key figures on shares

	2025	2024	2023 ⁴
Earnings per share (EPS), EUR, continuing operations	0.03	-0.82	0.77
Earnings per share (EPS), diluted, EUR, continuing operations	0.03	-0.82	0.76
Earnings per share (EPS), EUR	4.23	-0.05	0.77
Earnings per share (EPS), diluted, EUR	4.23	-0.05	0.76
Equity per share, EUR	1.08	5.48	6.06
Dividend per share, EUR ¹	0.07	0.50	0.49
Payout ratio, %, continuing operations ¹	216.2	n/a	64.0
Payout ratio, % ¹	1.7	n/a	64.0
Effective dividend yield, %, continuing operations ^{1 3}	2.7	6.4	5.0
Effective dividend yield, % ¹	0.7	6.4	5.0
P/E ratio, % ³	86	-173.3	12.8
Net cash flow from operating activities after investments per share, EUR	1.16	1.07	1.33
Share price adjusted for issues:			
lowest, EUR	7.7	7.71	9.00
highest, EUR	10.7	10.36	11.84
average, EUR	10.58	8.81	10.11
closing, EUR	10.62	7.87	9.80
Market capitalisation 31 December, MEUR	405.8	300.5	373.9
Number of shares adjusted for issue, 1,000 pcs			
average during the year	38,180	38,164	38,127
at year end	38,212	38,189	38,154
average during the year, diluted	38,246	38,268	38,232
Adjusted number of shares traded during the year, 1,000 pcs	6,600	8,605	5,649
As a percentage of the average	17.4	22.5	14.8
Volume of shares traded, MEUR	62.9	75.8	57.1

¹ 2025 proposal by the Board of Directors

² Unless otherwise stated, the figures include both continuing and discontinued operations. The balance sheet figures as at 31 December 2025 do not include discontinued operations.

³ 2025 figure is based on 2 January 2026 share price

⁴ The figures for 2023 include both continuing and discontinued operations, even if the line item refers to continuing operations

Key figures on financial performance

	2025	2024	2023 ⁴
Net sales, MEUR, continuing operations	346.0	349.5	802.1
Operating profit, MEUR, continuing operations	3.0	-31.8	37.3
% of net sales	0.9	-9.0	4.6
Adjusted operating profit, MEUR, continuing operations	5.5	-0.3	37.9
% of net sales	1.6	0.1	4.7
EBITDA, MEUR, continuing operations	14.8	3.6	95.8
% of net sales	4.3	1	11.9
Result before taxes, MEUR, continuing operations	2.3	-32.6	34.6
% of net sales	0.7	-9.3	4.3
Result for the period, MEUR, continuing operations	1.2	-31.5	29.2
% of net sales	0.3	-9.0	3.6
Cash flow from operating activities, MEUR	75.6	81.4	93.6
Balance sheet total, MEUR	142.0	607.9	648.8
Return on equity, % (ROE) ¹	1.0	-0.8	12.9
Capital employed, MEUR	60.9	396.1	425.0
Return on capital employed, % (ROCE)	77.8	3.3	10.1
Equity ratio, %	29.1	35.4	36.7
Gearing, %	10.1	73.2	69.5
Net interest-bearing liabilities, MEUR	4.1	153.0	160.9
Gross capital expenditure, MEUR, continuing operations	1.3	1.4	60.3
% of net sales	0.4	0.4	7.5
Average number of employees in full-time equivalents	5,864	5,980	6,743
Total number of full-time and part-time employees at year end	5,007	7,441	8,159

¹ The calculation for 2025 is based on the profit for the financial year from continuing operations.

² Unless otherwise stated, the figures include both continuing and discontinued operations.

The balance sheet figures as at 31 December 2025 do not include discontinued operations.

⁴ The figures for 2023 include both continuing and discontinued operations, even if the line item refers to continuing operations

Reconciliation of alternative performance measures

In addition to IFRS key figures, the company publishes certain other commonly used performance indicators, most of which are derived from the income statement and the balance sheet. The calculation formulas for these indicators are presented in the section Calculation principles of key figures. In the company's view, these indicators complement the picture provided by the income statement and the balance sheet regarding the performance, financial position and comparability of operations.

Reconciliation of the adjusted operating profit to the operating profit

1 January - 31 December MEUR	2025	2024
Operating profit, continuing operations	3.0	-31.8
Items affecting comparability:		
- costs arising from business restructurings	0.2	4.0
- costs arising from acquisitions		
- impairment of goodwill	0	23.3
- other items	2.3	4.1
Adjusted operating profit, continuing operations	5.5	-0.3

Other items in 2025 mainly consist of expenses related to the ongoing efficiency programme as well as changes in provisions related to loss-making contracts and legal disputes in Sweden.

Reconciliation of gross capital expenditure

1 January - 31 December MEUR	2025	2024
Increases to intangible assets	0.3	0.4
Increases to tangible assets	1.0	0.9
Gross capital expenditure, continuing operations	1.3	1.4

Return on capital employed (ROCE), %, by segment

1 January - 31 December	2025	2024
Facility Services Finland		
Capital employed (MEUR), average of the beginning and the end of the period	14.6	19.4
Operating profit	11.1	9.4
+ financial income	0.6	0.6
Return on capital employed, MEUR	11.7	10.0
Return on capital employed (ROCE), %	80.2	51.4
Facility Services Sweden		
Capital employed (MEUR), average of the beginning and the end of the period	30.5	44.9
Operating profit ¹	-5.3	-35.1
+ financial income	0.1	0.1
Return on capital employed, MEUR	-5.2	-34.9
Return on capital employed (ROCE), %	-17.2	-77.9

¹ Includes the EUR 23.3 million impairment of goodwill recognised in December 2024.

Calculation of key figures

Key figures on shares

Earnings per share (EPS)	=	$\frac{\text{Result attributable to equity holders of the parent company}}{\text{Adjusted average basic number of shares}}$
Earnings per share (EPS), diluted	=	$\frac{\text{Result attributable to equity holders of the parent company}}{\text{Adjusted average diluted number of shares}}$
Equity per share	=	$\frac{\text{Equity attributable to equity holders of the parent company}}{\text{Adjusted basic number of shares at the balance sheet date}}$
Dividend per share ¹	=	$\frac{\text{Dividend for the financial period}}{\text{Adjusted basic number of shares at the balance sheet date}}$
Payout ratio, % ¹	=	$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$
Effective dividend yield, % ¹	=	$\frac{\text{Dividend per share}}{\text{Closing price of the financial period}} \times 100$
P/E ratio, %	=	$\frac{\text{Closing price of the financial period}}{\text{Earnings per share}}$
Net cash flow from operating activities after investments per share	=	$\frac{\text{Net cash from operating and investing activities as in the cash flow statement}}{\text{Adjusted average basic number of shares}}$
Market capitalization	=	Basic number of shares at the balance sheet date excluding treasury shares x closing price of the financial period

¹The calculations are also applied with capital repayment.

Key figures on financial performance

Adjusted operating profit	=	Operating profit +/- items affecting comparability
Items affecting comparability ²	=	Substantial costs arising from business restructurings or acquisitions, gains and losses from divestments and costs arising from the discontinuation of businesses as well as other material items outside ordinary course of business
EBITDA	=	Operating profit + depreciation, amortisation and impairment
Return on equity, % (ROE)	=	$\frac{\text{Result for the period}}{\text{Equity (average of the end and of the beginning of the period)}} \times 100$
Capital employed	=	Equity + Interest-bearing financial liabilities
Return on capital employed, % (ROCE)	=	$\frac{\text{Operating profit + financial income + share of results in associated companies and joint ventures}}{\text{Equity + Interest-bearing financial liabilities (average of the end and of the beginning of the period)}} \times 100$
Equity ratio, %	=	$\frac{\text{Equity}}{\text{Total equity and liabilities - advances received}} \times 100$
Gearing, %	=	$\frac{\text{Net interest-bearing liabilities}}{\text{Equity}} \times 100$
Net interest-bearing liabilities	=	Net interest-bearing liabilities - cash and cash equivalents
Gross capital expenditure	=	Investments in intangible and tangible assets excluding right-of-use assets and other adjustments including leased heavy vehicles and assets acquired through acquisitions

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Consolidated income statement

1 January - 31 December MEUR	2025	2024	Note
Continuing operations			
Net sales	346.0	349.5	1.2
Other operating income	0.8	2.0	1.3
Materials and services	-99.3	-105.8	1.4
Employee benefit expenses	-201.6	-201.6	1.5
Other operating expenses	-31.1	-40.5	1.6
Depreciation, amortisation and impairment	-11.8	-12.1	1.9
Impairment of goodwill	-	-23.3	1.9, 3.2
Operating profit	3.0	-31.8	
Financial income	0.5	0.7	1.10
Financial expenses	-1.1	-1.5	1.10
Exchange rate differences (net)	-0.1	-0.0	
Financial income and expenses	-0.7	-0.8	1.10
Result before taxes	2.3	-32.6	
Income taxes	-1.1	1.1	1.11
Result for the period, continuing operations	1.2	-31.5	
Result for the period, discontinued operations	160.4	29.7	6
Result for the period	161.7	-1.7	
Attributable to:			
Equity holders of the parent company	161.7	-1.7	
Continuing operations	1.2	-31.5	
Discontinued operations	160.4	29.7	
Earnings per share attributable to the equity holders of the parent company:			
Earnings per share, EUR	4.23	-0.05	4.4
Diluted earnings per share, EUR	4.23	-0.05	4.4
Earnings per share, EUR, continuing operations	0.03	-0.82	4.4
Diluted earnings per share, EUR, continuing operations	0.03	-0.82	4.4
Earnings per share, EUR, discontinued operations	4.20	0.78	4.4
Diluted earnings per share, EUR, discontinued operations	4.20	0.78	4.4

Consolidated statement of comprehensive income

1 January - 31 December MEUR	2025	2024	Note
Result for the period	161.7	-1.7	
Other comprehensive income, net of tax			
Items not to be recognised through profit or loss			
Items arising from re-measurement of defined benefit plans, continuing operations	0.0	-0.0	2.6
Items not to be recognised through profit or loss, total	0.0	-0.0	
Items potentially to be recognised through profit or loss			
Currency translation differences, continuing operations	1.2	-1.8	
Currency translation differences, discontinued operations	0.7	-0.3	
Items potentially to be recognised through profit or loss, total	1.9	-2.1	
Other comprehensive income, total	1.9	-2.1	
Total comprehensive income, after tax	163.6	-3.8	
Attributable to:			
Equity holders of the parent company	163.6	-3.8	
Continued operations	2.4	-33.2	
Discontinued operations	161.2	29.4	

More information on taxes in consolidated statement of comprehensive income is presented in note 1.11 Income taxes.

Consolidated statement of financial position

31 December MEUR	2025	2024	Note
ASSETS			
Non-current assets			
Intangible assets			3.1
Goodwill	38.8	157.0	
Other intangible assets	4.8	42.2	
	43.6	199.2	
Tangible assets	6.3	164.3	3.3
Right-of-use assets	14.6	69.1	3.4
	20.9	233.4	
Other non-current assets			
Shares in associated companies and joint ventures	-	18.9	3.5
Other shares and holdings	0.1	0.2	3.5
Deferred tax assets	2.1	2.0	1.9
Other receivables	0.4	1.0	3.5
	2.6	22.0	
Total non-current assets	67.1	454.7	
Current assets			
Inventories	-	9.2	2.2
Trade receivables	36.7	86.5	2.1, 4.1
Contract assets	8.8	16.1	1.2, 2.1, 4.1
Income tax receivables	0.6	0.3	2.1
Other receivables	13.1	7.1	2.1, 4.1
Cash and cash equivalents	15.7	33.9	4.1
Total current assets	74.9	153.2	
TOTAL ASSETS	142.0	607.9	

31 December MEUR	2025	2024	Note
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the parent company			4.3
Share capital	1.0	19.4	
Other reserves	-11.6	-13.5	
Invested unrestricted equity reserve	0.1	0.6	
Retained earnings	51.6	202.7	
Total equity	41.1	209.2	
Liabilities			
Non-current liabilities			
Deferred tax liabilities	4.5	26.6	1.9
Retirement benefit obligations	0.9	1.1	2.6
Provisions	-	9.0	2.5
Borrowings	5.0	115.1	4.1
Lease liabilities	8.8	53.2	3.4, 4.1
Other liabilities	-	13.4	2.4
	19.2	218.4	
Current liabilities			
Borrowings	-	0.5	4.1
Lease liabilities	6.0	18.1	3.4, 4.1
Trade and other payables	73.7	158.8	2.3, 4.1
Income tax liabilities	0.2	0.3	2.3
Provisions	1.8	2.5	2.5
	81.6	180.3	
Total liabilities	100.9	398.7	
TOTAL EQUITY AND LIABILITIES	142.0	607.9	

Consolidated statement of cash flows¹

1 January - 31 December MEUR	2025	2024	Note
Cash flows from operating activities			
Result for the period	161.7	-1.7	
Adjustments			
Income taxes	7.7	6.1	1.11
Depreciation, amortisation and impairment	53.3	79.2	1.9
Financial income and expenses	7.8	8.6	1.10
Gains and losses on sale of tangible and intangible assets	-0.6	-1.3	
Share of result of associated companies and joint ventures	-1.9	-3.2	3.5
Provision	-3.8	3.6	2.5
Non-cash adjustments related to the partial demerger	-133.8	-	
Other adjustments	0.9	1.2	
Net cash generated from operating activities before change in working capital	91.4	92.5	
Change in working capital			
Change in trade and other receivables	-12.7	14.6	
Change in inventories	-0.2	-1.4	
Change in trade and other payables	8.2	-9.9	
Change in working capital	-4.7	3.2	
Interest and other financial expenses paid	-10.6	-9.2	
Interest and other financial income received	0.6	0.8	
Income taxes paid	-1.1	-5.9	
Net cash from operating activities	75.6	81.4	

1 January - 31 December MEUR	2025	2024	Note
Cash flows from investing activities			
Acquisitions of subsidiaries and businesses, net of cash acquired	-11.1	-1.5	5.3
Purchases of property, plant and equipment and intangible assets	-23.4	-42.7	
Proceeds from sale of property, plant and equipment and intangible assets	1.5	1.9	
Dividends received from joint venture	1.6	1.8	
Dividends received from other non-current investments	0.0	0.0	
Net cash from investing activities	-31.4	-40.5	
Net cash from operating and investing activities	44.2	40.8	
Cash flows from financing activities			
Proceeds from short-term borrowings	30.0	60.0	4.1
Repayments of short-term borrowings	-30.0	-60.0	4.1
Proceeds from long-term borrowings	55.0	-	4.1
Repayments of long-term borrowings	-40.9	-0.6	4.1
Repayments of lease liabilities	-20.2	-20.4	
Dividends paid	-19.1	-18.7	
Net cash from financing activities	-25.2	-39.7	
Net change in cash and cash equivalents	19.0	1.1	
Cash and cash equivalents at the beginning of the period	33.9	32.9	
Impact of the partial demerger on net assets ²	-37.4	-	
Effect of changes in foreign exchange rates	0.1	-0.1	
Cash and cash equivalents at the end of the period	15.7	33.9	4.1

¹ Includes cash flows from both continuing and discontinued operations.

² The impact of the partial demerger on cash and cash equivalents includes the cash transferred to Lassila & Tikanoja in the subsidiaries.

Consolidated statement of changes in equity

MEUR	Share capital	Currency translation differences	Invested unrestricted equity reserve	Retained earnings	Total equity	Note
Equity on 1 January 2024	19.4	-11.5	0.6	222.8	231.3	
Total comprehensive income						
Result for the period continuing operations				-31.5	-31.5	
Result for the period discontinued operations				29.7	29.7	
Other comprehensive income items continuing operations		-1.8		-0.0	-1.8	
Other comprehensive income items discontinued operations		-0.3			-0.3	
Total comprehensive income	-	-2.1	-	-1.7	-3.8	
Transactions with shareholders						
Share-based benefits				0.3	0.3	1.5
Dividends paid				-18.7	-18.7	
Returned dividends				0.0	0.0	
Transactions with shareholders, total	-	-	-	-18.4	-18.4	
Equity on 31 December 2024	19.4	-13.5	0.6	202.7	209.2	
Equity on 1 January 2025	19.4	-13.5	0.6	202.7	209.2	
Total comprehensive income						
Result for the period continuing operations				1.2	1.2	
Result for the period discontinued operations				160.4	160.4	
Other comprehensive income items continuing operations		1.2		0.0	1.2	
Other comprehensive income items discontinued operations		0.7			0.7	
Total comprehensive income	-	1.9	-	161.7	163.6	
Transactions with shareholders						
Reduction of share capital	-18.4		18.4		-	
Share-based benefits				0.7	0.7	1.5
Dividends paid				-19.1	-19.1	
Returned dividends				0.0	0.0	
Assets transferred in the partial demerger at fair value				-313.3	-313.3	
Other effects of the partial demerger.			-18.9	18.9	-	
Transactions with shareholders, total	-18.4	-	-0.5	-312.7	-331.7	
Equity on 31 December 2025	1.0	-11.6	0.1	51.6	41.1	

Based on the resolution of the Extraordinary General Meeting, Luotea Plc reduced its share capital to EUR 1,000,000 and subsequently recognised a distribution liability at fair value for the business to be transferred to Lassila & Tikanoja. At the demerger date, the liability was recognised in profit or loss, offsetting the income statement impact of the net assets leaving the Group. In connection with the demerger, the reserve for invested unrestricted equity was partly dissolved, and entries relating to former option programmes were reclassified to retained earnings. In accordance with the demerger plan, the company's share capital was further reduced by EUR 18,399 thousand and transferred to the reserve for invested unrestricted equity. The partial demerger was accounted for as a transaction with owners under IFRIC 17. The demerger gain, calculated as the difference between the fair value of the circular economy business and the carrying amount of the net assets distributed, is presented in the profit or loss of discontinued operations.

Notes to the consolidated financial statements

General information

Luotea Group is a service company specialized in facilities, providing comprehensive solutions for the entire lifecycle of buildings by combining energy efficiency and smart technology. The Group operates in Finland and Sweden.

The parent company of the Group is Luotea Plc, business ID 1680140-0. Luotea Plc is a Finnish public limited company domiciled in Helsinki, Finland. The company's registered address is Kutomotie 2, 00380 Helsinki, Finland.

The shares of Luotea Plc are listed on Nasdaq Helsinki Ltd. The trading symbol is LUOTEA.

A copy of the consolidated financial statements is available at www.luotea.com or from the head office of the Group's parent company at Kutomotie 2, 00380 Helsinki, Finland.

The Board of Directors of Luotea Plc approved this financial statement for publication on 7 April 2026.

Partial demerger and discontinued operations

The circular economy business of Lassila & Tikanoja Plc was demerged on 31 December 2025 through a partial demerger into an independent company, which was named the new Lassila & Tikanoja Plc. Luotea Plc continues to operate the facility services business. In these consolidated financial statements, Luotea Plc presents the circular economy business as Discontinued Operations in accordance with IFRS 5. The IFRS 5 presentation does not reflect the profitability of the continuing or discontinued operations as separate companies prior to the partial demerger.

The application of IFRS 5 required management judgment particularly in assessing which income and expenses shared by the entire Group should be allocated to the discontinued operations. The result of the discontinued operations is presented on a separate line in the consolidated statement of profit or loss, apart from the income and expenses of the continuing operations. The comparative periods have been restated accordingly. Upon the completion of the partial demerger on 31 December 2025, the assets and liabilities related to the discontinued operations were transferred to Lassila & Tikanoja. The Company's balance sheet at the reporting date does not include assets or liabilities of the discontinued operations.

At the date of execution of the partial demerger, the transaction was accounted for as a distribution to owners in accordance with IFRIC 17. The demerger gain was calculated as the difference between the fair value of the circular economy business and the carrying amount of the net assets distributed from the Group's balance sheet. The demerger gain is presented in the profit for the period of the discontinued operations. The fair value of the circular economy business (EUR 313.3 mil-

lion) was determined by multiplying the closing share price of Lassila & Tikanoja on its first trading day on 2 January 2026 (EUR 8.2) by the number of shares issued as demerger consideration (38,211,724). The carrying amount of the net assets distributed was EUR 179.4 million, resulting in a demerger gain of EUR 134.0 million in the final quarter of the financial year. The costs arising from the partial demerger (EUR 5.7 million) are presented as part of the result of the discontinued operations. In accordance with the demerger plan, Luotea charged a portion of the demerger-related costs to Lassila & Tikanoja. The recharge was recognised on the demerger date and reduced the amount of demerger-related expenses in the result of the discontinued operations by EUR 4.2 million. The cumulative translation differences accumulated in equity related to the circular economy business (EUR -0.2 million) were recognised as an expense in the result of the discontinued operations at the date of the partial demerger.

The information on discontinued operations is presented in Note 6 Discontinued Operations. The statement of profit or loss includes in discontinued operations the revenue and expenses that arose directly from the circular economy business and that ceased in the continuing operations after the partial demerger. The statement of profit or loss also includes the demerger gain and the costs arising from the partial demerger.

Basis of preparation

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as adopted by the EU. In the Finnish Accounting Act and regulations enacted by virtue of it, International Financial Reporting Standards refer to standards and related interpretations approved for adoption within the EU according to the procedure described in regulation (EC) 1606/2002. The notes to the consolidated financial statements also comply with the Finnish accounting and community legislation supplementing the IFRS regulations.

The financial statement information is presented in millions of euros unless otherwise stated. Following the completion of the partial demerger on 31 December 2025, the assets and liabilities related to the discontinued operations were transferred to Lassila & Tikanoja. The Company's balance sheet at the reporting date does not include the assets and liabilities of the discontinued operations.

Financial information on the discontinued operations is presented in Note 6. The note includes the statement of profit or loss, balance sheet and statement of cash flows for the discontinued operations. The balance sheet presents the assets and liabilities of the circular economy business immediately before the partial demerger on 31 December 2025.

Application of new or amended IFRS standards

New and amended standards adopted in 2025

The Group has adopted the new and amended standards and interpretations issued by the IASB that are effective from 1 January 2025. These standards have had no impact on the financial year and are not expected to have a material impact on future financial periods or on expected business transactions.

New or amended IFRS standards and interpretations to be applied in future financial periods

The Group applies new standards and interpretations from the effective date. If the effective date is other than the first day of a financial year, the Group applies the standard or interpretation from the beginning of the following financial year.

On 9 April 2024, the International Accounting Standards Board (the IASB) issued IFRS 18 "Presentation and Disclosure in Financial Statements". The standard replaces IAS 1 "Presentation of Financial Statements" and it also introduces amendments to several other IFRS standards, such as IAS 7 "Statement of Cash Flows" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The standard includes:

- new required totals, subtotals and new categories in the statement of profit or loss
- new disclosure requirements of management-defined performance measures (MPMs) and
- guidance on aggregation and disaggregation.

The Company is currently analysing the requirements of the new standard and the changes it requires to systems and chart of accounts. IFRS 18 will primarily affect the presentation and classification in the Company's financial statements. The standard clarifies the structure of the statement of profit or loss, provides more detailed principles for the presentation of line items, and increases disclosure requirements related to financial performance measures (in particular alternative performance measures used by management) and their reconciliations. The amendments will improve the comparability and transparency of reporting, but they do not materially affect the Company's profit or financial position. The standard is to be applied for financial periods beginning on or after 1 January 2027. Early application is also permitted. The Group will adopt the standard for the financial year beginning on 1 January 2027. No other new standard or amendment to a standard that will be adopted later is expected to have a material impact on the Group's financial reporting.

Critical judgements by Management

In preparing the IFRS financial statements, Group management is required to make estimates and assumptions about the future, the outcomes of which may differ from those estimates and assumptions. Management must also exercise judgment when making decisions on the selection and application of accounting policies.

Considerations based on judgment apply particularly in situations where the applicable IFRS standards provide alternative methods of recognition, measurement or presentation.

Preparing the financial statements requires management to use estimates and assumptions that affect the amounts of assets and liabilities reported at the balance sheet date and the amounts of income and expenses recognised during the financial year. The estimates and assumptions are based on management's best knowledge at the reporting date and reflect previous experience as well as the assumptions about the future that are considered most likely at the reporting date. The most significant area in which management has exercised such judgment relates to the measurement of assets and liabilities recognised in connection with business combinations.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that involve a significant risk of causing a material adjustment to the carrying amounts of the Group's assets and liabilities within the next financial year are presented in the following notes:

- 1.2 Revenue from contracts with customers
- 1.11 Income taxes
- 2.5 Provisions
- 3.2 Goodwill impairment testing
- 3.4 Right-of-use assets and lease liabilities
- 5.3 Business acquisitions

1 Financial result

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1.1 Segment Reporting

Accounting policy

Segment information is reported to the highest operational decision-maker in a manner consistent with internal reporting, and the highest operational decision-maker is the President and CEO of Luotea Plc.

Segment assets are those operating items that a segment employs in its business activities and that can be allocated to the segment on a reasonable basis. Items shared by the entire Group, such as Group management expenses and costs arising from operating as a listed company, together with the corresponding assets and liabilities, are included in the Group Administration and Other category. This category also includes lease liabilities and eliminations.

The Group's operating segments

The Group has two reportable segments within continuing operations, which correspond to the Group's business units:

- Facility Services Finland and
- Facility Services Sweden

In addition to these business segments, Group Administration and other general administrative items are reported separately.

The Facility Services Finland segment provides cleaning and other support services for properties, as well as property maintenance and technical services, including energy management services.

The Facility Services Sweden business area provides cleaning and support services for properties, as well as technical property services.

The circular economy business, which was transferred to the new Lassila & Tikanoja on 31 December 2025 through a partial demerger, is classified as discontinued operations and is therefore not presented as part of segment reporting in 2025.

The information on discontinued operations is presented in Note 6 Discontinued Operations.

2025 MEUR	Facility Services Finland	Facility Services Sweden	Group administration and other	Group
External net sales	224	121.9	-	346.0
Inter-division net sales	0.4	0.0	-0.4	-
Total net sales	224.4	121.9	-0.4	346
Other operating income	-	-	-	0.8
Materials and services	42.6	56.7	-	99.3
Employee benefit expenses	138.9	58.3	4.3	201.6
Other operating expenses	27.3	7.3	-3.5	31.1
EBITDA	16.2	-0.3	-1.2	
Adjusted EBITDA ¹	17.6	1.1	-1.4	
Adjusted EBITA ¹	12.6	-2.7	-2.9	
Depreciation, amortisation and impairments	5.2	5.1	1.6	11.8
Operating profit	11.1	-5.3	-2.7	3.0
Adjusted operating profit ¹	12.4	-3.9	-2.9	
Operating profit-%	4.9	-4.4	-	0.9
Adjusted operating profit-% ¹	5.5	-3.2	-	
Financial income and expenses	-	-	-	-0.7
Profit before tax	-	-	-	2.3
Income taxes	-	-	-	-1.1
Profit for the period	-	-	-	1.2
Capital employed	12.1	31.0	17.8	60.9
Return on capital employed (ROCE)	80.2	-17.2		77.8
Gross capital expenditure ¹	0.9	0.1	0.3	1.3

2024 MEUR	Facility Services Finland	Facility Services Sweden	Group administration and other	Group
External net sales	237.6	111.9	-	349.5
Inter-division net sales	0.4	0.0	-0.4	-
Total net sales	238	111.9	-0.4	349.5
Other operating income	-	-	-	2.0
Materials and services	52.5	53.3	-	105.8
Employee benefit expenses	142.5	54.3	4.8	201.6
Other operating expenses	27.5	12.5	0.4	40.5
EBITDA	16.2	-7.0	-5.6	
Adjusted EBITDA ¹	16.4	-2.8	-1.8	
Adjusted EBITA ¹	9.9	-6.3	-2.4	
Depreciation, amortisation and impairmentst ²	6.8	28.1	0.5	35.4
Operating profit	9.4	-35.1	-6.1	-31.8
Adjusted operating profit ¹	9.6	-7.5	-2.4	
Operating profit-%	3.9	-31.3	-	-9.0
Adjusted operating profit-% ¹	4.0	-6.7	-	
Financial income and expenses	-	-	-	-0.8
Profit before tax	-	-	-	-32.6
Income taxes	-	-	-	1.1
Profit for the period	-	-	-	-31.5
Capital employed	17.0	29.9	349.2 ³	396.1 ³
Return on capital employed (ROCE)	51.4	-77.9		3.3
Gross capital expenditure ¹	1.1	0.1	0.1	1.4

¹ Unaudited

² Includes an impairment of EUR 23.3 million on goodwill allocated to Facility Services Sweden.

³ Includes continuing and discontinued operations.

Geographical segments

Accounting policy

The Group operates in Finland and Sweden. Revenue by geographical areas is presented based on the customer's country of location, and assets are presented based on the country in which the assets are located.

MEUR	2025	2024
Net sales		
Finland	223.9	237.6
Sweden	122.0	111.9
Other countries	0.1	0.1
Total	346.0	349.5
Assets ¹		
Finland	88.4	561.3
Sweden	53.6	46.6
Total	142.0	607.9
Capital expenditure		
Finland	1.2	1.3
Sweden	0.1	0.1
Total	1.3	1.4

¹ 2024 assets include continuing and discontinued operations

1.2 Revenue from contracts with customers

Accounting policy

The disaggregation of revenue is presented for continuing operations in accordance with IFRS 5. The revenue of continuing operations consists of Facility Services in Finland and Sweden.

The revenue of the circular economy business is presented in the result of discontinued operations.

Revenue from customer contracts is recognised when, or as, a performance obligation is satisfied by transferring the promised good or service to the customer. A good or service is transferred to the customer when the customer obtains control of it. Revenue is recognised at the amount to which the Company expects to be entitled in exchange for those goods or services.

The Company acts as principal in all of its customer contracts.

The Company applies a practical expedient and does not disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period. This is because the duration of customer contracts, such as project deliveries, is typically short.

However, in long-term services, contracts may span several years. For these contracts, the Company applies a practical expedient whereby it is entitled to consideration from the customer in an amount that corresponds directly to the value of the performance completed to date. In such cases, the Company recognises revenue in the amount that it is entitled to invoice.

Services business

Services business comprises of long-term service agreements and separately ordered services.

Long-term service contracts include, for example, cleaning services and property maintenance services within Facility Services. In long-term service contracts, the performance delivered to the customer consists of one or more service bundles that are provided evenly throughout the duration of the contract. Under a single contract, a customer may order, for example, cleaning services, outdoor maintenance and technical property maintenance services, each of which constitutes a separate service bundle. Each service bundle represents a distinct performance obligation, as the customer can benefit from them separately and could, if desired, procure the services from different providers. If a contract contains more than one distinct performance obligation, the transaction price is allocated to each performance obligation based on their stand-alone selling prices. In addition to long-term service contracts, the Company provides services that are ordered separately within property and cleaning services. Separately ordered services differ from long-term services in

that the work performed is typically short in duration and either occurs sporadically or as a one-off assignment.

Revenue from service operations is recognised over time, as the customer receives and consumes the benefits of the service as it is provided. Services billed at a fixed monthly fee are recognised evenly over the contract period, as the service is also delivered evenly. Hourly billed work is recognised and invoiced based on hours worked. Management has identified that, particularly in long-term property maintenance service contracts, seasonal variation may occur because the nature of the work performed varies between seasons. According to management's assessment, the expenses related to these services are incurred largely evenly over time, and therefore the related revenue is also recognised evenly over the contract period.

Project business

The Group's project business includes refrigeration technology and energy management project contracts within Facility Services. In project deliveries, the customer orders the project as a single whole, in which case the project typically comprises one performance obligation. A contract may also include several separate sites, each of which constitutes a distinct performance obligation. If a contract contains more than one distinct performance obligation, the transaction price is allocated to each performance obligation based on their stand-alone selling prices.

Project deliveries are recognised over time, as the contracts performed by the Company generally relate to improving an asset that is under the customer's control. In the project business, the stage of completion of a performance obligation is determined using a cost-to-cost method. Management assesses that the costs to fulfil the projects can be measured reliably. In addition, due to the contractual structure of the projects, management considers that the Company is always entitled to payment for the work performed to date. In the project business, invoicing typically takes place based on predefined payment instalments.

Amounts arising from contracts recognised in the balance sheet

Contract assets and trade receivables

A contract asset is the right to consideration for goods or services that have been transferred to the customer. If goods or services are transferred to the customer before an invoice is issued, a contract asset is presented in the financial statements. If the Company has an unconditional right to consideration, the amount is presented as a trade receivable in the balance sheet.

Contract assets and trade receivables are assessed for impairment in accordance with IFRS 9. The Company's standard payment term for customers is 14 days, but this may vary on a case-by-case basis.

Contract liabilities

A contract liability is an obligation to transfer goods or services to a customer for which consideration has been received from the customer. If the customer pays the consideration before the good or service is transferred to the customer, a contract liability is presented in the financial statements once the payment has been received.

Costs arising from a contract

The Company does not have material incremental costs of obtaining a contract. The Company applies a practical expedient under which incremental costs of obtaining a contract may be expensed as incurred.

Estimating variable consideration

Customer contracts may include components of variable consideration, such as bonuses and penalties for delays. Management has assessed that, as a rule, the uncertainty related to the amount of consideration to be received is low. The estimate of variable consideration is updated at the end of each reporting period.

Disaggregation of revenue

Revenue is divided into services recognised over time and goods recognised at a point in time. Services recognised over time include revenue from long-term service contracts, separately ordered services, and project business.

Revenue is presented in Note 6 for discontinued operations.

Critical judgements by Management

The amount and timing of revenue recognition involves management's judgement especially in the following areas:

- Identification of performance obligations in service business.
- Timing of revenue recognition in service and project business.

The judgment applied in recognition is described in more detail in the respective revenue recognition section.

The Company reports its revenue in three main categories: long-term service contracts, separately ordered services and project business. The classification is based on the structure of the Company's customer solutions and on how revenue recognition and the underlying economic earning logic are formed in the different types of services. This division also reflects management's monitoring and internal reporting.

2025 MEUR	Long-term service agreements	Separately ordered services	Project business	Total net sales
Facility Services Finland	166.8	52.9	4.7	224.4
Facility Services Sweden	49.1	67.0	5.9	121.9
Total	215.9	119.9	10.5	346.3
Interdivision	-	-	-	-0.4
External net sales	-	-	-	346.0

2024 MEUR	Long-term service agreements	Separately ordered services	Project business	Total net sales
Facility Services Finland	169.3	62.1	6.6	238.0
Facility Services Sweden	46.0	62.0	3.8	111.9
Total	215.3	124.2	10.4	349.9
Interdivision	-	-	-	-0.4
External net sales	-	-	-	349.5

Contract balances

MEUR	2025	2024
Trade receivables	36.7	37.4
Contract assets	8.8	8.9
Contract liabilities	1.0	1.0

Contract assets consist of unbilled revenue that will be invoiced during the following financial year and for which the Company does not have an unconditional right to consideration at the reporting date.

Contract liabilities relate mainly to long-term service contracts and are recognised as revenue during the following period. Contract liabilities are included in the balance sheet item Trade and other payables.

No revenue was recognised during the financial year from performance obligations satisfied in previous periods.

Revenue from customer contracts is presented for continuing operations in accordance with IFRS 5, as the circular economy business is classified as discontinued operations. The information on discontinued operations is presented in Note 6.

1.3 Other operating income

Accounting policy

The disaggregation of other operating income is presented for continuing operations in accordance with IFRS 5.

Other operating income includes items not related to the core business operations, such as gains from the sale of assets and businesses, and compensation received.

Government grants

Public grants received as compensation for expenses incurred are recognised in profit or loss when the Group meets the conditions for receiving the grant and it is reasonably certain that the grants will be received.

Public employment subsidies, apprenticeship subsidies and other similar grants that are directly related to personnel expenses are recognised as a reduction of employee benefit expenses. Public grants related to the acquisition of property, plant and equipment are recognised as a reduction in the original acquisition cost of the asset. The grants are recognised in profit or loss over the asset's useful life through lower depreciation charges.

Other operating income

MEUR	2025	2024
Gains on disposal of property, plant and equipment	0.5	0.7
Compensation received and public grants ¹	0.2	0.2
Other	0.2	1.1
Total	0.8	2.0

¹ Compensation received and public grants: Luotea FM AB received EUR 173.5 thousand in government grants for business development in 2025, and Luotea Plc received EUR 12.9 thousand in welfare support.

Other operating income is presented for continuing operations in accordance with IFRS 5, as the circular economy business is classified as discontinued operations. The information on discontinued operations is presented in Note 6.

1.4 Materials and services

Accounting policy

The Materials and services item includes raw materials, supplies, goods and services purchased during the financial year that are acquired for resale or used in production. In accordance with the accounting policies, these expenses are recognised in profit or loss in the financial period in which they are consumed or in which the related revenue is generated.

The disaggregation of materials and services is presented for continuing operations in accordance with IFRS 5.

MEUR	2025	2024
Materials and supplies	-46.6	-43.8
Subcontracting services	-52.7	-61.9
Change in inventories	0.0	-0.1
Total	-99.3	-105.8

Of materials and supplies, EUR 31.0 million relates to materials and supply purchases for technical services. The expense item also includes costs that are recharged to customers

1.5 Employee benefit expenses

Accounting policy

The disaggregation of employee benefits is presented for continuing operations in accordance with IFRS 5.

Employee benefits in the Group include wages and salaries, post-employment benefits (defined contribution and defined benefit pension plans), share-based payments, and other personnel expenses (statutory social security costs).

Information on share-based payments is presented in Note 1.7 Share-based payments. Information on management's employee benefits is presented in Note 5.4 Related party transactions. Information on the balance sheet items of defined benefit pensions is presented in Note 2.6 Pension obligations.

MEUR	2025	2024
Wages and salaries	159.4	160.5
Pension costs		
Defined contribution plans	37.9	37.5
Defined benefit plans	0.0	0.0
Share-based payments	0.5	0.4
Other personnel expenses	3.8	3.3
Total	201.6	201.6

Average number of employees in full-time equivalents	2025	2024
Finland	3,248	3,434
Sweden	772	719
Total	4,020	4,153

Employee benefit expenses are presented for continuing operations in accordance with IFRS 5, as the circular economy business is classified as discontinued operations. The information on discontinued operations is presented in Note 6.

1.6 Other operating expenses

Accounting policy

The disaggregation of other operating expenses is presented for continuing operations in accordance with IFRS 5.

Other operating expenses include, among other things, expert and consulting fees, losses arising from the sale of assets and businesses, credit loss expenses and provisions as well as their reversals, expenses related to the use of vehicles and machinery, ICT expenses, voluntary personnel expenses, travel expenses, premises expenses, and cloud service implementation costs.

Other operating expenses

MEUR	2025	2024
ICT costs	9.0	9.3
Travel costs	3.8	3.6
Bad debts and changes in allowances for impairment	1.0	1.0
Changes in provisions for onerous contracts	-1.1	3.3
Fuels for vehicles and machinery	1.7	2.1
Maintenance and repair of vehicles and machinery	5.8	6.8
Insurances	0.6	0.7
Property maintenance costs	0.4	0.9
Expert fees	6.4	7.0
Voluntary social security costs	3.5	2.9
Marketing costs	0.6	0.8
Losses on sales of intangible and tangible assets	0.1	0.0
Other	-0.7	2.1
Total	31.1	40.5

Other operating expenses are presented for continuing operations in accordance with IFRS 5, as the circular economy business is classified as discontinued operations. The information on discontinued operations is presented in Note 6.

1.7 Share-based payments

Accounting policy

The Group has several incentive schemes in which payments are made either in equity-settled instruments or in cash. The benefits granted under the schemes are measured at fair value at the grant date and are recognised as an expense evenly over the vesting period. The impact of the scheme on profit or loss is presented within employee benefit expenses.

Performance Share Plan 2023–2027

On 14 December 2022, the Board of Directors of Lassila & Tikanoja Plc resolved to establish a new share-based incentive scheme.

The share-based incentive plan for 2023–2027 consists of three three-year performance periods: calendar years 2023–2025, 2024–2026 and 2025–2027. The Board determines the performance criteria and the targets set for each criterion at the beginning of each performance period.

The rewards payable for the 2023–2025 performance period corresponded, at the start of the period, to the value of a maximum of approximately 173,032 Lassila & Tikanoja Plc shares, including the portion to be paid in cash.

The target group of the share-based incentive plan for the 2023–2025 performance period includes approximately 36 key employees, including the President and CEO and the Group Executive Board. The reward for the 2023–2025 performance period is based on return on capital employed (ROCE), total shareholder return (TSR) and reduction of the carbon footprint (ESG) in 2023–2025.

The rewards payable for the 2024–2026 performance period corresponded, at the start of the period, to the value of a maximum of approximately 202,672 Lassila & Tikanoja Plc shares, including the portion to be paid in cash. At the start of the performance period, the target group of the share-based incentive plan for 2024–2026 consisted of approximately 38 key employees, including the President and CEO and the Group Executive Board. The reward for the 2024–2026 performance period was, at the start of the period, based on return on capital employed (ROCE), total shareholder return (TSR) and reduction of the carbon footprint (ESG) in 2024–2026.

The rewards payable for the 2025–2027 performance period corresponded, at the start of the period, to the value of a maximum of approximately 324,578 Lassila & Tikanoja Plc shares, including the portion to be paid in cash. At the start of the performance period, the target group of the share-based incentive plan for 2025–2027 consisted of approximately 50 key employees, including the President and CEO and the Group Executive Board. The reward for the 2025–2027 performance period was, at the start of the period, based on total shareholder return (TSR), return on capital employed (ROCE), reduction of the carbon footprint (ESG) and revenue growth in 2025–2027.

Due to the partial demerger of Lassila & Tikanoja, the Company's Board of Directors decided in early 2026 on the necessary updates to the share-based incentive plan 2023–2027 for the remaining years 2026 and 2027 of the ongoing performance periods 2024–2026 and 2025–2027.

Due to the partial demerger of Lassila & Tikanoja, the Company's Board of Directors decided in early 2026 on the necessary updates to the share-based incentive plan 2023–2027 for the remaining years 2026 and 2027 of the ongoing performance periods 2024–2026 and 2025–2027.

The update concerns the content of the ESG criterion. The ESG criterion was decided to be changed for the remaining years of the performance period from the reduction of the carbon footprint to eNPS, which measures employee experience. After the demerger, only those individuals who transferred to Luotea Plc remain in the target group of the incentive scheme. The reward levels and performance criteria otherwise remained unchanged.

For the 2024–2026 performance period, the earning of rewards is based on the following performance criteria:

- Relative total shareholder return (TSR) in 2024–2026
- Return on capital employed (ROCE) in 2024–2026
- Reduction of the carbon footprint, Scope 1, 2 and 3 (ESG) in 2024–2025 and eNPS (ESG) in 2026

For the 2025–2027 performance period, the earning of rewards is based on the following performance criteria:

- Relative total shareholder return (TSR) in 2025–2027
- Return on capital employed (ROCE) in 2025–2027
- Reduction of the carbon footprint, Scope 1, 2 and 3 (ESG) in 2025 and eNPS (ESG) in 2026–2027
- Net sales growth in 2025–2027

Bridge Plan 2023–2026

Due to the partial demerger of Lassila & Tikanoja Plc on 31 December 2025, the content of the ESG metric (reduction of the carbon footprint) included in the 2024–2026 and 2025–2027 performance periods will be redefined for the years following the demerger by the Board of Directors of Luotea Plc. The metrics themselves (ROCE, TSR, ESG, revenue) will remain unchanged until the end of the respective performance periods, irrespective of the demerger. As a result of the partial demerger, the target groups of the 2024–2026 and 2025–2027 performance periods will also change, and the maximum rewards will be converted into Luotea Plc shares.

The rewards payable for the 2024–2026 performance period will henceforth correspond to the value of a maximum of approximately 49,391 Lassila & Tikanoja Plc shares (to be converted later into Luotea Plc shares), including the portion to be paid in cash. The target group of the share-based incentive plan for the 2024–2026 performance period will in future consist of 9 key employees, including the President and CEO and the Group Executive Board.

The reward for the 2024–2026 performance period will henceforth be based on return on capital employed (ROCE) and total shareholder return (TSR) in 2024–2026, the reduction of the carbon footprint (ESG) in 2024–2025, and the employee net promoter score (ESG) in the final year of the performance period, 2026.

The rewards payable for the 2025–2027 performance period will henceforth cor-

respond to the value of a maximum of approximately 78,538 Lassila & Tikanoja Plc shares (to be converted later into Luotea Plc shares), including the portion to be paid in cash. The target group of the share-based incentive plan for the 2025–2027 performance period will in future consist of 16 key employees, including the President and CEO and the Group Executive Board.

The reward for the 2025–2027 performance period will henceforth be based on return on capital employed (ROCE) and total shareholder return (TSR) in 2025–2027, the reduction of the carbon footprint (ESG) in 2025, the employee net promoter score (ESG) in 2026–2027, and net sales growth in 2025–2027.

On 14 December 2022, the Board of Directors of Lassila & Tikanoja Plc resolved to introduce a transitional share-based incentive scheme.

The transitional share-based incentive plan for 2023–2026 has comprised two (2) one-year performance periods, calendar years 2023 and 2024. Each performance period is followed by a two-year commitment period. The purpose of the scheme has been to support the transition from the old share-based incentive plan to the new share-based incentive plan.

The Board has determined the performance criteria and the targets set for each criterion at the beginning of the respective performance periods.

The rewards payable for the 2023 performance period were paid in February 2024 and reported in the 2025 financial statements.

The rewards payable for the 2024 performance period corresponded to the value of a maximum of approximately 15,200 Lassila & Tikanoja Plc shares, including the portion to be paid in cash. The target group of the transitional share based incentive plan for the 2024 performance period consisted of approximately 9 key employees, including the President and CEO and the Group Executive Board.

In February 2025, the rewards paid for the 2024 performance period corresponded to the value of approximately 1,787 Lassila & Tikanoja Plc shares, including the portion to be paid in cash. The reward for the 2024 performance period was based on return on capital employed (ROCE) and the reduction of the carbon footprint (ESG) in 2024.

By decision of the Company's Board of Directors, the commitment period related to the non-employer company shares earned by the individuals covered by the transitional share-based incentive plan ended at the moment of the partial demerger.

Expenses arising from share-based incentive programmes, MEUR	2025	2024
Share component	0.5	0.4
Total	0.5	0.4

Continuing and discontinued operations

Information on the share-based incentive programmes

Share-based incentive programme	Performance share plan 2023-2027			Bridge plan 2023-2026	Bridge plan 2023-2026
	Performance period 2025-2027	Performance period 2024-2026	Performance period 2023-2025	Performance period 2024	Performance period 2023
Grant date	14.3.2025	17.1.2024	16.1.2023	17.1.2024	16.1.2023
Start of the earnings period	1.1.2025	1.1.2024	1.1.2023	1.1.2024	1.1.2023
End of the earnings period	31.12.2027	31.12.2026	31.12.2025	31.12.2024	31.12.2023
Average share price at grant date	8.88	9.88	11.48	9.88	11.48
Maximum number of shares	78,538	49,391	44,075	15,200	15,200
Realisation on closing date, shares	-	-	9,352	1,787	1,543
Returned shares	-	-	-	-	-
Obligation to hold shares, years	-	-	-	2	2
Release date of shares	-	-	-	31.3.2027	31.3.2026
Number of persons included	15	9	9	2	2

Table presents Luotea's part of the share-based incentive programme

1.8 Expenses related to leases

Accounting policy

The disaggregation of lease-related expenses is presented for continuing operations in accordance with IFRS 5.

The Group leases production and office premises, related land areas, vehicles and ICT equipment. At the commencement date of a lease, a right-of-use asset and a lease liability are recognised in the balance sheet, measured at the present value of future lease payments.

The right-of-use asset is subsequently measured at the initial acquisition cost less depreciation and impairment, and adjusted for any remeasurement of the lease liability. Depreciation is calculated on a straight-line basis from the commencement of the lease term to the end of the lease term, or to the end of the asset's useful life if this is earlier. Depreciation of right-of-use assets is presented in the statement of profit or loss under Depreciation and impairment.

The right-of-use asset is subsequently measured at the initial acquisition cost less depreciation and impairment, and adjusted for any remeasurement of the lease liability. Depreciation is calculated on a straight-line basis from the commencement of the lease term to the end of the lease term, or to the end of the asset's useful life if shorter. Depreciation of right-of-use assets is presented in the statement of profit or loss under Depreciation and impairment.

The Group applies the short-term lease exemption to production and office premises leases, and the low-value asset exemption to ICT equipment leases. For these leases, no right-of-use asset or lease liability is recognised. Lease payments related to low-value assets and short-term leases are presented in the statement of profit or loss under Other operating expenses and Materials and services.

MEUR	2025	2024
Depreciation expense of right-of-use assets	-6.6	-6.1
Interest expenses on lease liabilities	-0.5	-0.6
Expenses related to leases of low-value assets	-1.5	-1.8
Total	-8.6	-8.5

Lease-related cash flows for continuing and discontinued operations amounted to EUR -22.2 million (-22.8) in 2025.

Lease-related expenses are presented for continuing operations in accordance with IFRS 5, as the circular economy business is classified as discontinued operations. The information on discontinued operations is presented in Note 6.

1.9 Depreciation, amortisation and impairments

Accounting policy

Depreciation and impairment are presented for continuing operations in accordance with IFRS 5, as the circular economy business is classified as discontinued operations.

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Straight-line depreciation is calculated based on either the estimated useful economic life or the lease term, whichever is shorter.

Intangible assets: 5–10 years

Intangible assets acquired in business combinations: 3–13 years

Buildings and structures: 5–30 years

Transport equipment: 6–15 years

Machinery and equipment: 4–15 years

Goodwill is not amortised; instead, it is tested annually for impairment during the fourth quarter.

Impairments

The Group assesses the carrying amounts of its assets at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of the estimated future net cash flows expected to be derived from the asset or the cash-generating unit. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised in profit or loss when the carrying amount of an asset exceeds its recoverable amount. An impairment loss recognised for a cash-generating unit is allocated first to reduce the carrying amount of goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis.

Intangible assets under development consist of software projects for which separate impairment tests cannot be performed because they do not generate independent cash flows. If, at the end of the financial year, it is determined that the projects will be completed and the software will be taken into use, no impairment is considered necessary. However, intangible assets under development are tested as part of the cash-generating unit to which they belong.

An impairment loss previously recognised for an asset other than goodwill is reversed if there has been a change in circumstances and the recoverable amount has changed. An impairment loss recognised for goodwill is not

reversed. The impairment testing of goodwill is described in Note 3.2 Goodwill impairment testing.

Gains and losses on sales of assets

Gains and losses arising from the disposal and retirement of property, plant and equipment are recognised in profit or loss and presented under other operating income or expenses.

MEUR	2025	2024
Depreciation and amortisation		
Intangible assets	-2.4	-2.6
Buildings	-0.2	-0.3
Machinery and equipment	-2.6	-3.1
Right-of-use assets	-6.6	-6.1
Total	-11.8	-12.1
Impairments ¹		
Goodwill	-	-23.3
Total	-	-23.3
Gains and losses on sales of intangible and tangible assets		
Gain on sales of intangible and tangible assets	0.5	0.7
Loss on sales of intangible and tangible assets	-0.1	-0.0
Total	0.4	0.6

¹ Impairment of goodwill in 2024 is related to Facility Services Sweden. More information on the impairment testing is presented in note 3.2 Goodwill impairment testing

Depreciation and impairment are presented for continuing operations in accordance with IFRS 5, as the circular economy business is classified as discontinued operations. The information on discontinued operations is presented in Note 6.

1.10 Financial income and expenses

Accounting policy

Finance income and finance costs are presented for continuing operations in accordance with IFRS 5, as the circular economy business is classified as discontinued operations.

Exchange gains and losses arising from foreign-currency-denominated business transactions and from the translation of monetary items are recognised in profit or loss. In the notes to the financial statements, 'foreign currency' refers to Swedish krona.

Exchange gains and losses from business operations are included in the corresponding items above operating profit, and exchange gains and losses from financing items are included in finance income or finance costs. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. At the reporting date, no such items existed.

Transaction costs directly attributable to the drawdown of loans are included in the initial carrying amount of the loan and are amortised as interest expense over the loan term using the effective interest method.

MEUR	2025	2024
Financial income		
Interest income on loans and other receivables	0.5	0.7
Total financial income	0.5	0.7
Financial expenses		
Interest expenses on borrowings measured at amortised cost	0.5	0.9
Interest expenses on lease liabilities	0.5	0.6
Other financial expenses	0.1	0.0
Losses on foreign exchange	0.1	0.0
Total financial expenses	1.2	1.5
Financial income and expenses	-0.7	-0.8

Finance income and finance costs are presented for continuing operations in accordance with IFRS 5, as the circular economy business is classified as discontinued operations. The information on discontinued operations is presented in Note 6.

1.11 Income taxes

Accounting policy

The Group's taxes consist of current taxes on the taxable income of continuing operations and deferred taxes. Tax expense is recognised in profit or loss, except for the tax effects of items recognised directly in equity or in other comprehensive income, which are recognised in the respective items. Current taxes are calculated on taxable income using the tax rates enacted in each country. Taxes are adjusted for any taxes relating to previous periods.

Deferred taxes are calculated on temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured using the tax rates that are enacted at the reporting date, and when tax rates change, using the new tax rate that is known. No deferred tax is recognised on goodwill impairments that are not deductible for tax purposes. A deferred tax asset is recognised to the extent that it is probable that it can be utilised against future taxable profits.

Income tax in the income statement

MEUR	2025	2024
Income tax for the period	-0.3	-6.3
Income tax for previous periods	0.0	-0.1
Change in deferred tax	-0.8	7.5
Total	-1.1	1.1

Reconciliation between tax expense in the statement of profit or loss and taxes calculated using the Group's domestic tax rate

MEUR	2025	2024
Profit before tax	2.3	-32.6
Income tax at Finnish tax rate 20%	-0.5	6.5
Difference between tax rate in Finland and in other countries	0.0	0.1
Non-deductible expenses	-0.2	-4.4
Tax exempt income	0.2	-0.0
Income tax for previous periods	0.0	-0.1
Unrecognised deferred tax on loss for the period	-0.6	0.0
Utilisation of previously unrecognised tax losses	-	-0.7
Other items	-0.1	-0.2
Total	-1.1	1.1

Deferred taxes in the statement of financial position

MEUR	2025	2024
Deferred tax assets	2.1	2.0
Deferred tax liabilities	-4.5	-26.6
Deferred taxes, net	-2.4	-24.7

At the reporting date, the Group companies had a total of EUR 6.1 million (3.3) of tax losses for which no deferred tax asset has been recognised, as the realisation of the tax benefit is not considered probable. Deferred taxes are presented in the balance sheet separately as deferred tax assets and deferred tax liabilities. Deferred tax assets and liabilities are presented on a net basis when there is a legally enforceable right to offset them and when they relate to the same taxation authority.

The Group is within the scope of the OECD Pillar Two model rules. The Pillar Two legislation has been in force in Finland since 1 January 2024. The Group has not recognised any tax expense related to top-up tax in 2025. The Group has applied the mandatory temporary relief from recognising deferred tax liabilities for potential impacts of the top-up tax and will recognise it as current tax if it materialises. According to the Group's assessment, its exposure to top-up tax is limited, as the Group operates in Finland and Sweden, both of which have a corporate tax rate exceeding 15 percent.

Income taxes are presented for continuing operations in accordance with IFRS 5, as the circular economy business is classified as discontinued operations. The information on discontinued operations is presented in Note 6.

Critical judgements by Management

The recognition of deferred tax assets involves management judgment. At each financial statement closing date, the criteria for recognising deferred tax assets are assessed. This includes evaluating how probable it is that the subsidiaries will generate taxable profit against which unused tax losses or unused tax credits can be utilised. The factors used in the forecasts may differ from actual outcomes, which may lead to the write-down of deferred tax assets.

Tax effects of components of other comprehensive income

MEUR	2025			2024		
	Before tax	Tax expense/ benefit	After tax	Before tax	Tax expense/ benefit	After tax
Items arising from re-measurement of defined benefit plans	0.0	-0.0	0.0	-0.0	0.0	-0.0
Currency translation differences, continuing operations	1.2	-	1.2	-1.8	-	-1.8
Currency translation differences, discontinued operations	0.7	-	0.7	-0.3	-	-0.3
Components of other comprehensive income	1.9	-0.0	1.9	-2.1	0.0	-2.1

Deferred tax assets and liabilities

MEUR	1 Jan 2025	Recognised in income statement	Recognised in equity	Exchange rate differences	Business acquisitions	Partial de- merger	31 Dec 2025
Deferred tax assets							
Tax losses	2.1	0.0	-	0.1	-	-	2.2
Lease liabilities	14.3	1.1	-	-	-	-12.4	3.0
Pension benefits	0.1	-	-0.0	-	-	-	0.1
Provisions	1.9	-0.0	-	-	-	-1.6	0.3
Unused depreciation	1.6	0.1	-	-	-	-1.6	0.1
Other temporary differences	3.9	-0.4	-	-	-	-2.8	0.8
Netting of deferred taxes	-21.9	-	-	-	-	-	-4.4
Total	2.0	0.8	-0.0	0.1	0.0	-18.4	2.1
Deferred tax liabilities							
Fixed assets	-26.0	0.4	-	-0.1	-0.3	20.8	-5.1
Acquisitions	-13.8	-1.3	-	-	-	12.2	-2.9
Appropriations	-7.4	0.2	-	-	-	6.6	-0.6
Other temporary differences	-1.3	-1.0	-	-	-	2.0	-0.2
Netting of deferred taxes	21.9	-	-	-	-	-	4.4
Total	-26.6	-1.5	-	-0.1	-0.3	41.6	-4.5

MEUR	1 Jan 2024	Recognised in income statement	Recognised in equity	Exchange rate differences	Business acquisitions	31 Dec 2024
Deferred tax assets						
Tax losses	1.4	0.7	-	-0.1	-	2.1
Lease liabilities	15.5	-1.3	-	-	-	14.3
Pension benefits	0.1	-	0.0	-	-	0.1
Provisions	1.8	0.2	-	-	-	1.9
Unused depreciation	1.7	0.0	-	-	-	1.6
Other temporary differences	4.6	-0.6	-	-	-	3.9
Netting of deferred taxes	-21.8	-	-	-	-	-21.9
Total	3.1	-1.0	0.0	-0.1	-	2.0
Deferred tax liabilities						
Fixed assets	-26.3	0.4	-	0.1	-0.2	-26.0
Acquisitions	-15.2	1.4	-	-	-	-13.8
Appropriations	-7.6	0.2	-	-	-	-7.4
Other temporary differences	-1.0	-0.3	-	-	-	-1.3
Netting of deferred taxes	21.8	-	-	-	-	21.9
Total	-28.3	1.7	-	0.1	-0.2	-26.6

2 Operational assets and liabilities

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2.1 Trade and other receivables

Accounting policy

Trade receivables are measured at the amount of the original sales transaction, reduced by expected credit losses. The receivables are non-interest-bearing, and the Company's standard payment term is 14 days. Trade receivables also include unbilled revenue for which the Company has fulfilled its performance obligation and has an unconditional right to consideration. Trade receivables are classified as financial assets, which are described in more detail in Notes 4.1 Financial assets and liabilities and 4.2 Financial risk management.

The recognition of credit losses is based on the simplified impairment model in accordance with IFRS 9.

Expected credit losses are calculated by grouping trade receivables into ageing categories and multiplying these categories by a loss rate based on historical credit loss experience for trade receivables, taking into account near-term economic outlook. The impairment model applies to the Company's trade receivables and contract assets.

Based on historical data and near-term economic outlook, the following credit loss provision rates are applied (comparison period rates in parentheses): Trade receivables not yet due: 0.1% (0.1), Overdue 1–90 days: 0.9% (0.7), Overdue 91–365 days: 35% (17.8).

Trade receivables more than 360 days past due are written down in full. If a customer has become insolvent, for example through bankruptcy or restructuring proceedings, the trade receivable is derecognised from the balance sheet as a final credit loss when it is no longer considered reasonable to expect any payment.

MEUR	2025	2024
Trade receivables ¹	36.7	86.5
Contract assets ¹	8.8	16.1
Accrued income	5.6	6.7
Prepayments	0.1	0.2
Tax receivables	0.6	0.3
Other receivables	7.4	0.3
Total	59.2	110.1

¹ The impact of the partial demerger on trade receivables and other receivables is EUR 51.5 million.

Change in credit loss allowance

MEUR	2025	2024
Credit loss allowance at 1 January	0.4	0.5
Change in allowance recognised in profit or loss	0.0	-0.1
Effect of the demerger	-0.4	-
Credit loss allowance at 31 December	0.1	0.4

Credit losses and changes in the credit loss allowance are presented in Note 1.4 Other operating income and expenses. All financial assets are unsecured, and no impairment has been recognised for other financial assets.

Maturity of trade receivables, contract assets and allowance for impairment

MEUR	2025		2024	
	Trade receivables and contract assets	of which the allowance for impairment	Trade receivables and contract assets	of which the allowance for impairment
Trade receivables and contract assets not past due	39.9	0.0	92.2	0.1
Past due 1-90 days	5.6	0.0	10.1	0.1
Past due 91-365 days	0.1	0.0	0.5	0.1
Past due over 365 days	0.0	0.0	0.2	0.2
Total	45.6	0.1	103.1	0.4

Specification of accrued income

MEUR	2025	2024
Interest	-	-
Employees' health care compensation	1.0	1.6
Licences	0.7	0.6
Other	4.0	4.5
Total	5.6	6.7

2.2 Inventories

Accounting policy

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories are determined using the FIFO principle.

In the partial demerger, all inventories were transferred to Lassila & Tikanoja.

MEUR	2025	2024
Raw materials and consumables	-	4.2
Finished goods	-	1.2
Other inventories	-	3.8
Total	-	9.2

An expense of EUR 0.1 million (0.0) was recognised to reduce the carrying amount of inventories to their net realisable value. The expense is presented in the statement of profit or loss for discontinued operations under Materials and services.

2.3 Trade and other current payables

Accounting policy

Trade payables and other short-term non-interest-bearing liabilities are recognised in the balance sheet at their original amount. The effect of discounting is not material given the maturity of the liabilities. Trade payables are classified as financial liabilities, which are described in more detail in Notes 4.1 Financial assets and liabilities by measurement category and 4.2 Financial risk management.

MEUR	2025	2024
Advances received	1.0	10.5
Trade payables	25.4	51.7
Current tax liabilities	0.2	0.3
Other liabilities	11.8	23.6
Accrued expenses and deferred income	35.5	73.0
Total	73.9	159.2
Accrued expenses and deferred income		
Liabilities related to personnel expenses ¹	34.7	66.7
Other accrued expenses	0.9	6.3
Total	35.5	73.0

¹ Accrued personnel expenses include ordinary accruals for wages, pensions and social security costs.

Advances received include contract liabilities and advance payments received for leases. The fair values of trade payables and other short-term non-interest-bearing liabilities are equal to their carrying amounts. The impact of the partial demerger on trade payables and other short-term non-interest-bearing liabilities is EUR 107.2 million.

2.4 Other non-current liabilities

MEUR	2025	2024
Advances received	-	6.7
Deferred consideration	-	5.9
Other liabilities	-	0.8
Total	-	13.4

The contingent consideration relates to the discontinued operations in Sweden and to the acquisition of 70 percent of the shares in Sand & Vattenbläst i Tyringe AB ("SVB"), a company providing industrial cleaning services, completed on 1 February 2022.

2.5 Provisions

Accounting policy

A provision is recognised when, as a result of a past event, the Group has a legal or constructive obligation to a third party, a payment obligation is probable, and the amount of the obligation can be estimated reliably. The provision is measured at the present value of the expenditures required to settle the obligation. The increase in the provision due to the passage of time is recognised as an interest expense. Changes in the provision are recognised in profit or loss in the same line item in which the provision was originally recognised.

Environmental provisions are recognised when a present obligation has arisen and the incurrence of a payment obligation is probable and can be estimated reliably. Environmental provisions related to site restoration are recognised at the start of the project. The costs capitalised as part of the provision, together with the asset's original acquisition cost, are depreciated over the asset's useful life, and the provisions are discounted to their present value.

Changes in estimates affecting the amount of environmental provisions are recorded as an adjustment to the costs capitalised as part of the provision. The largest provisions in the balance sheet, in monetary terms, relate to capping obligations for landfill sites and contaminated soil treatment areas.

A provision for onerous contracts is recognised when the unavoidable costs of fulfilling the obligations under a contract exceed the benefits expected to be received from it. Provisions related to landfill sites were transferred in full to the new Lassila & Tikanoja in connection with the partial demerger.

MEUR	2025	2024
Non-current provisions	0.0	9.0
Current provisions	1.8	2.5
Total	1.8	11.5

Critical judgements by Management

Recognising and measuring provisions requires management's best estimate of the expenditures needed to settle an existing obligation at the reporting date. The actual costs and the timing of their realisation may differ from these estimates. Environmental provisions in particular are characterised by the fact that the related expenditures may materialise only after a very long period or over an extended timeframe, increasing estimation uncertainty. The carrying amount of provisions is reviewed regularly and adjusted as necessary to reflect changes in cost estimates, regulation, applicable technologies and circumstances.

Provisions for onerous contracts

The provisions recognised for onerous contracts relate to fixed-price public sector customer contracts in Facility Services Sweden, for which the future costs are, according to management's assessment, expected to exceed the anticipated revenues. The provisions recognised for onerous contracts were reversed during the 2025 financial year.

Other provisions

Other provisions consist mainly of provisions for restructuring and accident insurance contribution as well as restoration provisions for leased premises.

Obligations covered by the environmental provisions

Environmental provisions amounting to EUR 6.3 million were transferred to the new Lassila & Tikanoja in connection with the partial demerger.

2.6 Retirement benefit obligations

Accounting policy

Pension arrangements are classified as defined benefit or defined contribution plans. In defined contribution plans, the Group pays fixed contributions and has no legal or constructive obligation to make additional payments. All arrangements that do not meet these criteria are defined benefit pension plans. The pension arrangements comply with the local regulations and practices of each country and are mainly defined contribution plans. Contributions made to defined contribution plans are recognised in profit or loss in the financial period to which the charge relates.

The Company has a small number of defined benefit pension plans, mainly arising from business acquisitions. Some of these defined benefit pensions are the responsibility of the Group, while others are covered by pension insurance. The obligations are calculated separately for each plan using the projected unit credit method. Pension expenses are recognised as an expense over the employees' service period based on calculations performed by authorised actuaries. In determining the present value of the pension obligation, the discount rate is based on market yields of high-quality corporate bonds with maturities that substantially match the estimated maturity of the obligation. The risk premium is based on corporate bonds issued by companies with an AA credit rating. The fair value of plan assets included in the pension arrangement is deducted from the present value of the pension obligation at the reporting date. The balance sheet reflects the net defined benefit liability (or asset).

The service cost for the period (pension expense) and the net interest on the net defined benefit liability are recognised in profit or loss and presented under employee benefit expenses.

Remeasurements of the net defined benefit liability (or asset), including actuarial gains and losses and the return on plan assets excluding amounts included in net interest, are recognised in other comprehensive income in the financial period in which they arise.

Past service costs are recognised in profit or loss at the earlier of the following dates: when the plan amendment or curtailment occurs, or when the entity recognises the related restructuring costs or termination benefits.

In Sweden, the Group has a small number of pension deposits relating to individual employees, for which the Group has no legal or constructive obligation to make additional contributions. The assets related to these arrangements are recognised in non-current receivables in the balance sheet, and an equivalent liability is recognised under pension obligations.

MEUR	Environmental provisions	Onerous contracts	Other provisions	Total
Provisions at 1 Jan 2025	6.3	3.3	1.9	11.5
Additions	0.5	-	1.8	2.4
Used during the year	-0.4	-0.3	-1.3	-1.9
Reversals of unused provisions	-	-2.9	-0.5	-3.4
Effect of discounting	-0.1	-0.2	0.0	-0.3
Effect of exchange rate changes	-	0.1	0.0	0.1
Effect of demerger	-6.3	-	-0.3	-6.6
Provisions at 31 Dec 2025	-	-	1.8	1.8

MEUR	Environmental provisions	Onerous contracts	Other provisions	Total
Provisions at 1 Jan 2024	7.2	-	0.9	8.1
Additions	0.6	3.3	1.2	5.1
Used during the year	-0.4	-	-0.2	-0.6
Reversals of unused provisions	-	-	-	-
Effect of discounting	-1.0	-	-	-1.0
Provisions at 31 Dec 2024	6.3	3.3	1.9	11.5

MEUR	2025	2024
Amounts recognised in the statement of financial position		
Present value of funded obligations	0.3	0.3
Fair value of plan assets	-0.3	-0.3
	0.0	0.0
Present value of unfunded obligations	0.5	0.5
Liability related to pension deposits	0.4	0.6
Closing net liability	0.9	1.1
Changes in present value of obligation		
Opening defined benefit obligation	1.4	1.4
Interest cost	0.0	0.0
Actuarial gain (-) and loss (+) on obligation	-0.0	0.0
Benefits paid	-0.1	-0.1
Change in liability related to pension deposits	-0.1	-0.1
Effect of demerger	-0.1	-
Closing value of obligation	1.1	1.4
Changes in fair value of plan assets		
Opening fair value of plan assets	0.3	0.3
Interest income	0.0	0.0
Actuarial gain (+) and loss (-)	0.0	0.0
Benefits paid	-0.0	-0.0
Closing fair value of plan assets	0.3	0.3

MEUR	2025	2024
Movements in the liability recognised in the statement	1.1	1.2
Opening liability	0.0	0.0
Expense recognised in the income statement	0.0	0.0
Actuarial gain (-) and loss (+)	-0.0	0.0
Contributions paid	-0.0	-0.0
Change in liability related to pension deposits	-0.1	-0.1
Effect of demerger	-0.1	-
Closing liability	0.9	1.1
Amounts recognised in the statement comprehensive income		
Service cost for the financial year	0.0	0.0
Interest cost	0.0	0.0
Interest income	-0.0	-0.0
Actuarial gain (-) and loss (+)	-0.0	0.0
Total	0.0	0.0

Defined contribution maturity of the obligation

MEUR	2025	2024
Maturity of less than one year	0.1	0.1
1-5 years	0.3	0.3
5-10 years	0.3	0.3
10-15 years	0.2	0.2
15-20 years	0.1	0.1
20-25 years	0.1	0.1
25-30 years	0.1	0.1
over 30 years	0.1	0.1
Total	1.1	1.1

The Group estimates that it will contribute EUR 36 thousand to defined benefit plans in 2026.

MEUR	2025	2024
Present value of obligation	1.1	1.4
Fair value of plan assets	-0.3	-0.3
Deficit	0.9	1.1
Principal actuarial assumptions used, %		
Discount rate	3.5	3.1
Expected rate of return on plan assets	3.2	3.1
Expected rate of salary increase	2.2	2.1
Expected rate of inflation	2.0	1.9

3 Intangible and tangible assets and other non-current assets

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3.1 Goodwill and other intangible assets

Accounting policy

Goodwill represents the portion of the acquisition cost by which the consideration transferred, the share of non-controlling interests in the acquiree and the previously held interest, in aggregate, exceed the fair value of the acquired net assets at the acquisition date. Goodwill is not amortised; instead, it is tested annually for impairment during the final quarter. Goodwill is measured at its original acquisition cost less any accumulated impairment losses.

Intangible assets acquired in business combinations are measured at fair value at the acquisition date. The useful lives of intangible assets are assessed to be either finite or indefinite. The intangible assets recognised in the Group's business combinations consist mainly of customer relationships. The amortisation period for customer relationships is on average ten years. Other intangible assets are measured at acquisition cost less accumulated amortisation and impairment losses. Other intangible assets are amortised on a straight-line basis over their useful economic lives.

The costs of software projects are capitalised as other intangible assets once the projects have moved from the research phase to the development phase and the outcome of the project constitutes an identifiable intangible asset. Such an intangible asset must be expected to generate future economic benefits for the Group in excess of the costs incurred in developing it. The acquisition cost includes all expenses directly attributable to bringing the asset to the condition necessary for it to be capable of operating as intended by management. The largest cost items consist of consulting fees paid to external parties.

The amortisation period for software and software licences is 5-10 years. The impairment testing of goodwill is described in Note 3.2 Goodwill impairment testing, and the amortisation and impairment of other intangible assets are described in Note 1.9 Depreciation and impairment.

MEUR	Goodwill	Customer relationships arising from acquisitions	Agreements on prohibition of competition arising from acquisitions	Other intangible assets arising from acquisitions	Intangible rights	Other intangible assets	Prepayments and construction in progress	Total
Acquisition cost, 1 Jan 2025	170.7	59.1	1.4	10.0	9.8	20.8	20.9	292.6
Additions	-	-	-	-	0.0	0.1	2.6	2.7
Business acquisitions	6.4	4.9	0.2	-	-	-	-	11.5
Disposals	-	-	-	-	-0.1	-2.1	-	-2.2
Effect of demerger ¹	-125.7	-33.2	-0.3	-10.1	-1.1	-33.5	-1.7	-205.6
Transfers between items	-	-	-	-	-	21.5	-21.5	-
Exchange differences	1.5	1.3	0.1	0.0	0.3	0.0	-	3.2
Acquisition cost, 31 Dec 2025 ¹	52.9	32.1	1.4	0.0	10.0	6.7	0.2	102.3
Accumulated depreciation, 1 Jan 2025 ¹	-13.6	-45.9	-1.4	-9.9	-7.8	-14.8	-	-93.4
Accumulated amortisation on disposals and transfers	-	-	-	-	0.0	2.1	-	2.1
Amortisation charge	-	-3.1	-0.0	-0.0	-0.6	-3.1	-	-6.9
Effect of demerger	-	20.7	0.1	10.0	0.4	10.1	-	41.3
Exchange differences	-0.5	-1.0	-0.1	-0.0	-0.2	-0.0	-	-1.8
Accumulated depreciation, 31 Dec 2025	-14.1	-29.2	-1.4	-0.0	-8.1	-5.7	-	-58.6
Carrying amount at 31 Dec 2025	38.8	2.9	-	-	0.8	1.0	0.2	43.6

Other intangible assets arising from business combinations consist mainly of environmental permits, which were transferred to the new Lassila & Tikanoja in the partial demerger.

Other intangible assets consist mainly of software and software licences.

¹ includes an impairment of EUR 23.3 million for the year 2024

MEUR	Goodwill	Customer relationships arising from acquisitions	Agreements on prohibition of competition arising from acquisitions	Other intangible assets arising from acquisitions	Intangible rights	Other intangible assets	Prepayments and construction in progress	Total
Acquisition cost, 1 Jan 2024	194.7	59.1	1.5	10.1	9.8	18.4	14.6	308.2
Additions	-	-	-	-	0.1	0.0	9.5	9.7
Business acquisitions	0.8	0.7	0.0	-	-	-	-	1.5
Disposals	-	-	-	-	-0.0	-0.9	-	-1.0
Impairments	-23.3	-	-	-	-	-	-	-23.3
Transfers between items	-	-	-	-	-	3.3	-3.3	-
Exchange differences	-1.6	-0.7	-0.0	-0.0	-0.1	-0.0	-	-2.5
Acquisition cost, 31 Dec 2024	170.7	59.1	1.4	10.0	9.8	20.8	20.9	292.6
Accumulated depreciation, 1 Jan 2024	-13.9	-43.1	-1.4	-9.8	-7.2	-13.8	-	-89.2
Accumulated amortisation on disposals and transfers	-	-	-	-	0.0	0.9	-	1.0
Amortisation charge	-	-3.3	-0.0	-0.1	-0.6	-2.0	-	-6.0
Exchange differences	0.3	0.5	0.0	0.0	0.1	0.0	-	0.9
Accumulated depreciation, 31 Dec 2024	-13.6	-45.9	-1.4	-9.9	-7.8	-14.8	-	-93.4
Carrying amount at 31 Dec 2024	157.0	13.2	0.0	0.2	2.0	5.9	20.9	199.2

3.2 Goodwill impairment testing

Accounting policy

The goodwill impairment test is performed at least annually during the fourth quarter, or more frequently if there are indications of impairment. The impairment testing is carried out based on the business structure in place at the time of testing.

In the impairment testing, the recoverable amounts are assessed based on value in use. The future cash flows are based on management's four-year annual profit and maintenance investment forecasts prepared as part of the strategic planning process. Management bases its forecasts on historical performance and its view of the industry's growth prospects (overall market development and unit profitability, pricing, personnel and raw material costs). Approved investment decisions are taken into account in the growth forecasts.

Cash flows extending beyond the four-year forecast period are calculated using the terminal value method. The growth rate applied in the calculations is based on management's assessment of the long-term growth and profitability development of the business.

The goodwill impairment testing note presents the continuing operations.

Critical judgements by Management

Preparing value-in-use calculations for goodwill impairment testing requires the use of management estimates. The future cash flows are based on the Board-approved forecasts for the strategy periods, which are derived from historical performance and management's view of the industry's growth prospects. The terminal growth assumption is based on management's assessment of the long-term growth of the business. The discount rate applied reflects management's best estimate of the weighted average cost of capital. Although management considers the assumptions used to be appropriate, the actual future cash flows may differ materially from those estimated.

Goodwill allocation

The carrying amounts of goodwill are allocated to cash-generating units in accordance with the table below:

MEUR	2025	2024
Facility Services, Finland	28.6	28.6
Facility Services, Sweden	10.2	9.6
Yhteensä	38.8	38.2

Goodwill Impairment testing in 2025

The impairment testing has been performed using value-in-use calculations in which future cash flows are discounted to their present value. A terminal growth rate of 2.0 percent has been applied in the cash-generating units, corresponding to the European Central Bank's medium-term inflation target. The same terminal growth assumption is used for all cash-generating units due to the uniform nature of the business area. The discount rate used in the calculations is based on the Group's weighted average cost of capital (WACC). The components of the WACC include the risk-free interest rate, market risk premium, company-specific beta, cost of debt, and the proportion of equity and debt. A specific discount rate has been determined for each cash-generating unit.

Key assumptions used in the calculations

%	2025	2024
Discount rate pre tax, Facility Services, Finland	8.2	8.8
Discount rate pre tax, Facility Services, Sweden	8.0	8.8
Revenue growth assumption for the review period, Finland	5.4	3.6
Revenue growth assumption for the review period, Sweden	1.0	3.9
Terminal revenue growth assumption, Finland	2.0	2.0
Terminal revenue growth assumption, Sweden	2.0	2.0
EBITDA % during the review period, Facility Services Finland	9.6	8.4
EBITDA % during the review period, Facility Services Sweden	6.5	5.2

The loss for Facility Services Sweden in 2025 decreased as expected. The 2024 result was weaker than anticipated, and the value in use calculated in the impairment testing for Facility Services Sweden amounted to EUR 22 million, which was below the carrying amount of the assets tested. As a result, an impairment loss of EUR 23 million was recognised on the goodwill allocated to Facility Services Sweden for 2024. The impairment loss is presented in the consolidated statement of profit or loss under Goodwill impairment.

Sensitivity analyses of impairment testing

A sensitivity analysis was performed for each cash-generating unit, in which the key assumptions used in the calculations were tested. The assumptions tested included the discount rate and the EBITDA margin applied in the terminal value calculation, determined based on historical performance.

In the sensitivity analysis, the threshold levels at which the value in use equals the carrying amount were calculated by varying one key assumption at a time. Significant changes in future growth, revenue development or EBITDA margin could lead to a reduction in goodwill. Management does not consider this scenario likely.

3.3 Tangible assets

Accounting policy

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and impairment losses. The original acquisition cost includes all expenditures directly attributable to the acquisition of the asset. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the acquisition cost of the asset. The acquisition cost also includes any estimated restoration costs related to the asset.

In business combinations, property, plant and equipment are measured at fair value at the acquisition date. In the balance sheet, property, plant and equipment are presented at cost less accumulated depreciation and any impairment losses.

Depreciation of property, plant and equipment is calculated on a straight-line basis over the estimated useful lives of the assets, with the exception of new landfill sites.

Completed landfill sites are depreciated using the units-of-production method, in which depreciation is based on the volume of waste deposited in the landfill area. The estimated useful lives are reviewed at each reporting date, and if they differ significantly from previous estimates, the depreciation periods are adjusted to reflect changes in expected economic benefits.

Property, plant and equipment related to landfill sites were transferred in full to the new Lassila & Tikanoja in connection with the partial demerger.

Depreciation in the financial statements is based on the following estimated useful lives:

Buildings and structures	5–30 years
Vehicles	6–15 years
Machinery and equipment	4–15 years

Land is not depreciated.

If an item of property, plant and equipment consists of several components with different useful lives, each component is treated as a separate asset. Ordinary repair and maintenance costs are recognised in profit or loss in the financial period in which they occur. Expenditures for major renovations and improvements are capitalised if it is probable that the future economic benefits associated with the asset will flow to the Group. The depreciation and impairment of property, plant and equipment are described in Note 1.9 Depreciation and impairment.

MEUR	Land	Buildings	Machinery and equipment	Other	Prepayments and construction in progress	Total
Acquisition cost, 1 Jan 2025	7.7	152.6	423.4	0.4	8.0	592.2
Additions	0.0	1.1	9.1	0.0	12.0	22.2
Business acquisitions	-	-	1.0	0.0	-	1.0
Disposals	-	-1.3	-17.4	0.8	-	-18.0
Effect of demerger	-7.6	-135.6	-320.0	-1.1	-12.5	-476.8
Transfers between items	-	3.7	3.7	-	-7.4	0.0
Exchange differences	-	0.0	0.6	0.0	0.0	0.7
Acquisition cost, 31 Dec 2025	0.1	20.5	100.3	0.1	0.1	121.2
Accumulated depreciation, 1 Jan 2025	-	-116.5	-311.2	-0.2	-	-427.9
Depreciation for the period	-	-5.4	-21.7	-0.0	-	-27.2
Accumulated depreciation on disposals and transfers	-	1.1	16.4	-0.8	-	16.7
Effect of demerger	0.0	101.0	221.7	0.9	0.0	323.7
Exchange differences	-	-0.0	-0.2	-0.0	-	-0.3
Accumulated depreciation, 31 Dec 2025	-	-19.9	-95.0	-0.1	-	-114.9
Carrying amount at 31 Dec 2025	0.1	0.7	5.3	0.0	0.1	6.3

Contractual commitments for the acquisition of property, plant and equipment amounted to EUR 1.6 million (0.0).

MEUR	Land	Buildings	Machinery and equipment	Other	Prepayments and construction in progress	Total
Acquisition cost, 1 Jan 2024	7.7	146.1	416.4	0.3	16.0	586.5
Additions	0.0	0.7	10.4	0.0	18.6	29.7
Business acquisitions	-	-	0.3	0.0	-	0.4
Disposals	-	-3.7	-20.4	-	-0.1	-24.1
Transfers between items	-	9.5	16.9	-	-26.4	0.0
Exchange differences	-	-0.0	-0.3	-0.0	-0.0	-0.3
Acquisition cost, 31 Dec 2024	7.7	152.6	423.4	0.4	8.0	592.2
Accumulated depreciation, 1 Jan 2024	-	-113.8	-307.7	-0.1	-	-421.7
Accumulated depreciation on disposals and transfers	-	2.6	19.9	-	-	22.5
Depreciation for the period	-	-5.4	-23.4	-0.0	-	-28.8
Exchange differences	-	0.0	0.1	0.0	-	0.1
Accumulated depreciation, 31 Dec 2024	-	-116.5	-311.2	-0.2	-	-427.9
Carrying amount at 31 Dec 2024	7.7	36.1	112.3	0.2	8.0	164.3

3.4 Right-of-use assets and lease liabilities

Accounting policy

A right-of-use asset arising from a lease is recognised at the commencement date of the lease, i.e. the date on which the lessor makes the underlying asset available for use by the Group.

The right-of-use asset is measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability. The initial cost of the right-of-use asset includes the amount of the lease liability recognised at the commencement date, lease payments made before that date less any lease incentives received, and any initial direct costs incurred. The acquisition cost also includes any estimated restoration costs related to the underlying asset. The carrying amounts of right-of-use assets are assessed at each reporting date for potential impairment, as described in Note 1.9 Depreciation and impairment.

At the commencement date of the lease, the lessee measures the lease liability by discounting the future minimum lease payments to their present value. As the interest rate implicit in the Group's leases cannot be readily determined, the future minimum lease payments are discounted using the Group's incremental borrowing rate. In accordance with the standard, the incremental borrowing rate is the rate of interest that the lessee would have to pay to borrow, over a similar term and with similar security, the funds necessary to acquire an asset of a similar value to the right-of-use asset in a similar economic environment. The Group has determined the incremental borrowing rate for its leases based on the maturity of the lease contracts and the relevant economic environment.

The Company's lease liability includes the lease obligations for assets leased through finance companies as well as other lease contracts, excluding short-term and low-value leases for which no lease liability is recognised. The Company's lease contracts do not include material variable lease payments or residual value guarantees.

MEUR	Land	Buildings	Machinery and equipment	Total
Acquisition cost, 1 Jan 2025	13.6	68.7	70.1	152.5
Additions	1.0	17.0	11.7	29.6
Business acquisitions	0.0	0.9	0.0	1.0
Disposals	-0.3	-17.6	-11.2	-29.2
Effect of demerger	-11.7	-42.6	-49.0	-103.2
Exchange differences	-	0.6	0.8	1.4
Acquisition cost, 31 Dec 2025	2.6	27.0	22.5	52.1
Accumulated depreciation, 1 Jan 2025	-5.1	-38.8	-39.4	-83.3
Accumulated depreciation on disposals and transfers	0.1	14.1	9.4	23.7
Effect of demerger	3.3	16.4	22.7	42.5
Depreciation for the period	-0.9	-10.0	-8.4	-19.3
Exchange differences	-	-0.4	-0.6	-1.0
Accumulated depreciation, 1 Jan 2025	-2.6	-18.7	-16.2	-37.5
Carrying amount at 31 Dec 2025	0.0	8.4	6.2	14.6

MEUR	Land	Buildings	Machinery and equipment	Total
Acquisition cost, 1 Jan 2024	15.1	59.2	81.7	155.9
Additions	0.4	16.0	3.5	19.9
Business acquisitions	-	0.1	0.0	0.1
Disposals	-1.8	-6.3	-14.7	-22.8
Exchange differences	-	-0.3	-0.4	-0.7
Acquisition cost, 31 Dec 2024	13.6	68.7	70.1	152.5
Accumulated depreciation, 1 Jan 2024	-4.5	-33.6	-41.8	-79.9
Accumulated depreciation on disposals and transfers	0.4	4.9	11.9	17.2
Depreciation for the period	-1.0	-10.3	-9.8	-21.1
Exchange differences	-	0.1	0.3	0.4
Accumulated depreciation, 1 Jan 2024	-5.1	-38.8	-39.4	-83.3
Carrying amount at 31 Dec 2024	8.5	29.9	30.8	69.1

At the reporting date, no new lease contracts are known to enter into force in future financial periods that would have a material impact on the amount of right-of-use assets or lease liabilities.

Lease liabilities and their maturities are presented in Notes 4.1 Financial assets and liabilities and 4.2 Financial risk management.

Further information on lease-related expenses is provided in Note 1.8 Lease-related expenses.

Critical judgements by Management

The Group has lease contracts valid until further notice, particularly in relation to properties and land areas. For open-ended property and land leases, the length of the lease term is based on management's assessment. The assessment takes into account, for example, significant improvements made to the leased asset during the lease term, the costs associated with terminating the lease, and the importance of the underlying asset to the Group's operations, considering the specific characteristics of the asset, its location, and the availability of suitable alternatives. Management will reassess the lease term in the future to ensure that it reflects the circumstances prevailing at the time of assessment.

3.5 Other non-current assets

Accounting policy

The Group's other non-current assets consist of interests in associates and joint ventures, as well as other shares and holdings.

The Group's interests in associates and joint ventures are accounted for in the consolidated financial statements using the equity method. The Group's share of the post-acquisition profits or losses of an associate or joint venture, after taxes, is recognised in profit or loss and correspondingly as an adjustment to the carrying amount of the investment in the balance sheet.

When the Group's share of the losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Other shares and holdings consist of shares in a few smaller companies and golf shares, and they are measured at fair value through profit or loss.

Other receivables mainly include funded assets related to pension obligations of the Group's Swedish companies and long-term advance payments.

MEUR	Shares in associated companies and joint ventures	Other shares and holdings	Other receivables
Acquisition cost, 1 Jan 2024	17.6	0.2	1.5
Disposals	-0.0	-	-0.6
Share of the result of associated companies and joint ventures	3.2	-	-
Received dividends	-1.8	-	-
Exchange differences	-	-	-0.0
Acquisition cost, 31 Dec 2024	18.9	0.2	1.0

MEUR	Shares in associated companies and joint ventures	Other shares and holdings	Other receivables
Acquisition cost, 1 Jan 2025	18.9	0.2	1.0
Disposals	-	-	-0.2
Share of the result of associated companies and joint ventures	1.9	-	-
Received dividends	-1.6	-	-
Exchange differences	-	-	-0.0
Effect of demerger	-19.2	-0.1	-0.3
Acquisition cost, 31 Dec 2025	-	0.1	0.4

As a result of the partial demerger, all associates and joint ventures were transferred to Lassila & Tikanoja.

4 Financial risks and capital structure

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4.1 Financial assets and liabilities

Accounting policy

The Group's financial assets and liabilities consist of cash and cash equivalents, trade and other receivables, trade and other payables, bank loans, bonds, commercial papers, lease liabilities and derivatives.

The Group's financial assets and liabilities are classified into the following measurement categories:

Fair value through profit and loss

- Contingent considerations related to business combinations

Amortised cost

- Cash and cash equivalents
- Trade and other receivables
- Interest-bearing liabilities, such as bank loans,
- bonds, commercial papers, lease liabilities
- Trade and other payables

This classification is made at the time of the initial recognition of the financial asset or liability. The classification of financial assets into different measurement categories is based on the business model within which the financial assets are managed and on the characteristics of the contractual cash flows. The classification of financial liabilities into different measurement categories is based on the original purpose for which the financial liabilities were incurred. A financial asset is derecognised when the Group loses its contractual rights to the cash flows or when substantially all the risks and rewards of ownership have been transferred outside the Group.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets measured at amortised cost

Cash and cash equivalents consist of cash on hand, bank deposits redeemable on demand and other short-term liquid investments. Their maturity is no longer than three months from the acquisition date.

They are recognised as of the settlement date and measured at historical cost. Foreign currency transactions are translated into euros using the exchange rates prevailing on the balance sheet date. The used credit limits are included in current interest-bearing liabilities.

Trade and other receivables are measured at amortised cost. Receivables are classified as current financial assets unless their maturity date is more than 12 months from the balance sheet date. Trade are recognised at historical cost less allowances for impairment. A valuation allowance for impairment of trade receivables is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The Group applies the simplified approach to providing for expected credit losses, which permits the use of the lifetime expected loss provision for all trade receivables. Impairments are recognised

as an expense in the income statement. Sold non-recourse trade receivables' credit risk and contractual rights are transferred from the Group on the selling date and related expenses are recognised as financial expenses.

More information about allowance for impairment of trade receivables is presented in note 2.1 Trade and other receivables.

Financial liabilities measured at fair value through profit or loss

Derivatives not subject to hedge accounting, as well as contingent considerations related to business combinations, are measured at fair value through profit or loss. The derivatives included in this category are short-term liabilities with a maturity of less than 12 months, and they are measured at fair value through profit or loss using market quotations at the reporting date.

Contingent considerations are typically long-term liabilities with a maturity of more than 12 months. The determination of the fair value of contingent consideration is based on the agreement between the seller and the buyer.

Both unrealised and realised gains and losses arising from changes in fair value are recognised in profit or loss in the financial period in which they occur.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost are initially recognised in the consolidated balance sheet at the amount of consideration received.

Transaction costs that are directly attributable to the acquisition or issuance of the loan are included in the initial carrying amount of the financial liability. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. Interest expenses are recognised in profit or loss using the effective interest method. Financial liabilities maturing within 12 months after the reporting date, including utilised bank overdraft facilities, are classified as current interest-bearing liabilities, and those maturing later are classified as non-current interest-bearing liabilities.

Lease liabilities

The fair value of lease liabilities has been estimated by discounting the future cash flows using the incremental borrowing rate. Further information on the accounting principles applied to lease liabilities is presented in Note 3.4 Right-of-use assets and lease liabilities.

Fair value hierarchy of financial assets and liabilities measured at fair value

Financial assets and liabilities measured at fair value must be classified using a three-level fair value hierarchy that reflects the significance of the inputs used in determining their fair values.

Level 1 includes financial instruments whose fair value is based on quoted prices in active markets.

Level 2 financial instruments include over-the-counter (OTC) derivatives and loan receivables and borrowings measured at amortised cost. A financial instrument is classified as Level 3 when its fair value cannot be determined based on observable market data.

In the Group, derivatives and contingent considerations related to business combinations are measured at fair value. The fair values of derivatives, which consist of interest rate swaps, correspond to Level 2. The fair values of financial instruments are based on prices derived from quoted prices in active markets or on commonly accepted valuation models whose inputs are, to a significant extent, based on verifiable market data. The fair value of contingent consideration belongs to Level 3. Its valuation is described in more detail below:

Reconciliation of financial liabilities recognised at fair value according to the level 3

MEUR	2025	2024
Carrying amount 1 Jan	6.7	5.9
Additions	1.1	-
Change in fair value	-0.9	1.0
Exchange differences	0.4	-0.2
Effect of demerger	-7.3	-
Carrying amount 31 Dec	-	6.7

The contingent consideration relates to the acquisition of 70 percent of the shares in Sand & Vattenbläst i Tyringe AB ("SVB"), a company providing industrial cleaning services in Sweden, completed on 1 February 2022. SVB was transferred to the new Lassila & Tikanoja in the partial demerger. Until the partial demerger, SVB was consolidated into the Luotea Group at 100 percent, and in connection with the arrangement Luotea had recognised in financial liabilities an estimate of the contingent consideration relating to the acquisition of the non-controlling interests.

It is measured at fair value, which reflects the present value of the estimated obligation. The contingent consideration falls due for payment no earlier than 1 February 2026. The valuation of the contingent consideration is based on the shareholders' agreement and is affected by the balance sheet structure of the acquired company and its EBITDA for 2025. The contingent consideration will be paid during the first half of 2026.

The increase during 2025 relates to the acquisition of RecondConcept i Ånge AB in December 2025. In connection with the transaction, Luotea recognised a contingent consideration (earn-out) of EUR 1.1 million in non-current liabilities. The contingent consideration is measured at fair value, which is based on the development of RecondConcept i Ånge AB's EBITDA in 2026 and 2027.

RecondConcept i Ånge AB and the related assets and liabilities were transferred to Lassila & Tikanoja in the partial demerger.

Net interest-bearing liabilities

MEUR	2025	2024
Loans from financial institutions	5.0	40.3
Bonds	-	74.8
Lease liabilities	8.8	53.2
Non-current interest-bearing liabilities	13.8	168.3
As a result of the partial demerger, EUR 173.3 million of non-current interest-bearing net liabilities were transferred to new Lassila & Tikanoja Plc		
Lease liabilities	6.0	18.1
Current loans	-	0.5
Current interest-bearing liabilities	6.0	18.6
As a result of the partial demerger, EUR 13.6 million of current lease liabilities were transferred to new Lassila & Tikanoja		
Total interest-bearing liabilities	19.8	186.9
Cash and cash equivalents	15.7	33.9
Net interest-bearing liabilities	4.1	153.0

MEUR	2025			2024			Fair value hierarchy level	Note
	Amortised cost	Fair value through profit or loss	Carrying amounts by balance sheet item	Amortised cost	Fair value through profit or loss	Carrying amounts by balance sheet item		
Non-current financial assets	-	-	-	-	-	-		
Other shares and holdings	-	0.1	0.1	-	0.2 ¹	0.2 ¹	3	
Other receivables	0.4	-	0.4	0.7	-	0.7		
Current financial assets								
Trade and other receivables	44.2	-	44.2	86.8	-	86.8		2.1
Cash and cash equivalents	15.7	-	15.7	33.9	-	33.9		
Total financial assets	60.2	0.1	60.3	121.4	0.2	121.6		
Non-current financial liabilities								
Borrowings	5.0	-	5.0	115.1	-	115.1	2	
Lease liabilities	8.8	-	8.8	53.2	-	53.2		4.2
Deferred consideration	-	-	-	-	6.7	6.7	3	
Current financial liabilities								
Borrowings	-	-	-	0.5	-	0.5	2	
Lease liabilities	6.0	-	6.0	18.1	-	18.1		4.2
Interest liabilities	0.0	-	0.0	2.2	-	2.2		
Trade and other payables	28.5	-	28.5	56.9	-	56.9		2.3
Total financial liabilities	48.3	-	48.3	246.0	6.7	252.7		

Non-current other liabilities do not include advances received. Trade receivables and other receivables do not include tax receivables or accrued receivables, and trade payables and other liabilities do not include statutory liabilities (such as taxes payable) or accrued liabilities. The fair values of the balance sheet items do not differ significantly from their carrying amounts. 1 In the 2024 financial statements, other shares and holdings were presented as part of the Other receivables item.

Change in net interest-bearing liabilities

MEUR	2025					2024				
	Loans from financial institutions	Bonds	Lease liabilities	Cash and cash equivalents	Total	Loans from financial institutions	Bonds	Lease liabilities	Cash and cash equivalents	Total
Carrying amount on 1 Jan	-40.8	-74.8	-71.3	33.9	-153.0	-41.4	-74.7	-77.6	32.9	-160.9
Change in net interest-bearing liabilities, cash										
Proceeds from non-current loans	-55.0	-	-	-	-55.0	-	-	-	-	-
Repayments of non-current loans	40.9	-	-	-	40.9	0.6	-	-	-	0.6
Proceeds from current loans	-30.0	-	-	-	-30.0	-60.0	-	-	-	-60.0
Repayments of current loans	30.0	-	-	-	30.0	60.0	-	-	-	60.0
Repayments of lease liabilities	-	-	20.2	-	20.2	-	-	20.4	-	20.4
Change in cash and cash equivalent	-	-	-	19.0	19.0	-	-	-	1.1	1.1
Total cash flows	-14.1	-	20.2	19.0	25.1	0.6	-	20.4	1.1	22.1
Change in net interest-bearing liabilities, non-cash:	-	-	-	-	-	-	-	-	-	-
Change in lease liabilities	-	-	-25.6	-	-25.6	-	-	14.1	-	-14.1
Acquired businesses	-0.5	-	-	-	-0.5	-	-	-	-	-
Effect of demerger	50.4	74.8	61.9	-37.4	149.7	-	-	-	-	-
Other changes	0.0	-	-	0.1	0.1	-	-0.1	-	-0.1	-0.2
Total non-cash movements	49.9	74.8	36.3	-37.2	123.8	-	-0.1	-14.1	-0.1	-14.3
Carrying amount on 31 Dec	-5.0	-	-14.8	15.7	-4.1	-40.8	-74.8	-71.3	33.9	-153.0

4.2 Financial risk management

The principles of financial risk management are defined in the financial policy approved by the Board of Directors. The purpose of financial risk management is to protect the Group against significant financial risks and to limit the adverse effects of changes in financial markets and other risk factors on the Group's result. The Group's financing and liquidity management are handled centrally within Group Finance, which is led by the Chief Financial Officer. Transactions related to financial risk management are carried out within Group Finance.

Foreign exchange risk

The Group consists of the parent company operating in Finland and subsidiaries operating in Finland and Sweden. The functional and reporting currency of the parent company and the Finnish subsidiaries is the euro, while the foreign subsidiaries use the currency of their respective countries of operation. Fluctuations in exchange rates therefore affect the Group's profit and equity.

Translation risk

The position exposed to translation risk consists of net investments made in foreign subsidiaries, including equity investments and retained earnings.

The net investment position in foreign subsidiaries is not hedged, as the holdings are regarded as long-term strategic investments. Due to exchange rate movements in 2025, translation differences of EUR 1.9 million (-2.1), including continuing and discontinued operations, were recognised in equity. The portion of translation differences attributable to continuing operations was EUR 1.2 million in 2025.

The translation difference arises solely from the Swedish operations.

The Swedish-krona-denominated translation position at the reporting date was EUR 31.5 million (33.1), including continuing and discontinued operations.

The portion attributable to continuing operations was EUR 18.8 million in 2025.

Transaction risk

The business of the foreign subsidiaries is conducted almost entirely in their functional currency and therefore does not give rise to transaction risk. The Company's policy is to hold cash and cash equivalents mainly in the Group's functional currency, thereby avoiding exposure to foreign exchange risk. Group companies operating in Finland use the euro almost exclusively as the invoicing currency for sales. The subsidiaries' financing is mainly arranged through intra-group loans denominated in the functional currency of each subsidiary. The amount of intra-group loans is small and does not give rise to significant transaction risk.

Price risk of investments

The Group has not invested in quoted shares whose value fluctuates due to changes in market prices, and is therefore not exposed to price risk related to securities markets.

Commodity price risk

Fluctuations in the global market price of crude oil are reflected in the prices of fuels used in production equipment.

Interest rate risk

Due to the Group's low net debt, Luotea's interest rate risk is limited. This is because interest rate changes in variable-rate liabilities and variable-rate interest-bearing investments largely offset each other. The average interest rate on long-term loans, excluding lease liabilities, was 2.9 percent (3.8). The majority of the Group's revenue is generated from long-term service contracts. Due to the high predictability of cash flows, the Group's financial policy stipulates that the amount of liquid funds should be kept at a sufficient level relative to the prevailing short-term financing needs.

Credit and counterparty risk

Financial instruments involve the risk that a counterparty will be unable to fulfil its contractual payment obligations. Counterparty risk is managed by entering into financing and derivative contracts only with the largest Nordic banks. The Company has a broad customer base consisting of companies, institutions, office and commercial properties, institutional property owners, housing companies, the public sector and households. Trade receivables consist mainly of a large number of relatively small receivables, and there are no significant concentrations of credit risk.

The Company applies credit control procedures designed to ensure that services and products are sold only to creditworthy customers or against advance payment if a customer's creditworthiness is insufficient. A large part of customer relationships is based on long-term service agreements, and customers are generally not required to provide collateral. For trade receivables and contract assets, the simplified impairment model is applied, whereby the estimated credit loss is based on lifetime expected credit losses. The expected credit loss model is forward-looking, and the expected loss rate is based on historical credit loss experience. Additional information on the credit loss allowance is provided in Note 2.1 Trade receivables and other receivables. Collection activities related to trade receivables in Finland are handled centrally within Group Finance. Foreign subsidiaries manage the collection of their own trade receivables locally.

Financial assets and related credit risk¹

MEUR	2025	2024
Other non-current receivables	0.4	0.9
Trade receivables	36.7	86.5
Other current receivables	7.4	0.2
Cash and cash equivalents	15.7	33.9

¹ The figures include continuing and discontinued operations.

Liquidity and refinancing risk

The purpose of liquidity risk management is to ensure that the Group is able to meet its financial obligations related to operations at all times at the lowest possible cost.

The Group aims to maintain strong liquidity through efficient cash management. The liquidity position is monitored continuously and forecasted using cash flow projections. The Group operates a group cash-pooling system to support cash management. Refinancing risk is managed through flexible loan terms and sufficiently early refinancing. The Group's liquidity is secured through adequate cash and cash equivalents and a committed credit facility. To cover short-term liquidity needs arising from cash flow fluctuations, the Company has two bank overdraft facilities

of EUR 10 million each. Luotea's remaining debt includes a EUR 5 million term loan and a EUR 10 million revolving credit facility. These mature in the second quarter of 2028 and include an option to extend by two years. Both the overdraft facility and the committed credit facility were undrawn at the end of the financial year, as in the comparison period. In addition, the Company has a EUR 100 million commercial paper programme, which was entirely unused at the end of the financial year (also unused in the comparison period). At the end of the financial year, the Group's cash

and cash equivalents amounted to EUR 15.7 million (33.9). All covenant conditions were met at year-end, and the Company expects them to continue to be met over the next twelve months. The financing arrangements are subject to the following financial covenants: equity ratio and net debt to EBITDA. Compliance with covenant terms is monitored quarterly. The following table presents the Group's financial liabilities classified by contractual maturity at the reporting date. The figures in the table represent undiscounted contractual cash flows.

Maturity of financial liabilities

MEUR 2025	Carrying amount	Contractual cash flows	2026	2027	2028	2029	2030	2031 and later
Loans from credit institutions	5.0	5.4	0.1	0.1	5.1	-	-	-
Lease liabilities	14.8	15.5	6.5	5.8	1.9	0.9	0.4	-
Trade and other payables	28.5	28.5	28.5	-	-	-	-	-
Total	48.3	49.3	35.1	6.0	7.1	0.9	0.4	-

MEUR 2024	Carrying amount	Contractual cash flows	2025	2026	2027	2028	2029	2030 and later
Loans from credit institutions	40.8	40.8	0.5	40.3	0.1	0.0	-	-
Bonds	74.8	75.0	-	-	-	75.0	-	-
Interest liabilities	2.2	13.8	4.4	4.4	2.5	2.5	-	-
Lease liabilities	71.3	76.0	21.2	16.1	8.2	6.7	5.8	18.0
Trade and other payables	56.9	56.9	56.9	-	-	-	-	-
Total	246.0	262.5	83.0	60.7	10.8	84.2	5.8	18.0

Structure of loans and credit facilities

	2025			2024		
	In use	Undrawn	Total	In use	Undrawn	Total
Loans from financial institutions and pension loans	5.0	-	5.0	40.8	-	40.8
Bonds	-	-	-	74.8	-	74.8
Account limit	-	20.0	20.0	-	10.0	10.0
Committed credit facility	-	10.0	10.0	-	40.0	40.0
Commercial paper programme	-	100.0	100.0	-	100.0	100.0
Lease liabilities ¹	14.8	-	14.8	71.3	24.7	96.0
Total	19.8	130.0	149.8	186.9	174.7	361.6

¹ Includes lease liabilities from financial institutes and other lease liabilities

Sensitivity to interest rate risks arising from financial instruments

The sensitivity analysis presented below aims to illustrate the sensitivity of the Group's profit for the financial year and equity to changes in interest rates arising from the financial instruments in the balance sheet, i.e. financial assets and liabilities. The following assumptions have been applied in calculating the sensitivity to changes in interest rates:

- An increase in the interest rate is assumed to be +1.0 percentage point and a decrease -1.0 percentage point.
- The position used as the basis of the calculation includes interest-bearing financial liabilities and assets.

Floating rate loans:	2025	2024
+ 1.0% change in market interest rates	-0.0	-0.4
- 1.0% change in market interest rates	0.0	0.4

4.3 Equity

Accounting policy

Ordinary shares are presented as share capital. Costs directly attributable to the issuance or acquisition of the Company's own shares are recognised as a deduction from equity. If the Group reacquires its own equity instruments, the acquisition cost of those instruments is deducted from equity.

Luotea Plc has one share class. According to the Articles of Association, there is no maximum number of shares and the Company does not have a maximum share capital. The shares have no nominal value or accounting par value. All issued shares have been fully paid.

Based on the resolution of the Extraordinary General Meeting on 4 December 2025, Luotea Plc reduced its share capital to EUR 1,000,000. At the end of the review period, the Company held 587,150 of its own shares, representing 1.5% of all shares and votes. Based on the decision of the General Meeting, Luotea Plc transferred EUR 18.4 million from share capital to the reserve for invested unrestricted equity.

In connection with the partial demerger, the reserve for invested unrestricted equity of Luotea Plc was reduced, and entries previously recognised in the Group's reserve for invested unrestricted equity relating to old option programmes were transferred to retained earnings.

"The line item 'effect of the demerger' is formed in accordance with IFRIC 17 such that the carrying amounts of the assets transferred to the owners in the demerger and their fair values, together with the difference between them, are recognised in equity.

In line with the principles of IFRIC 17, the assets distributed in the demerger are measured at their fair value at the demerger date, and the reduction in equity corresponds to the carrying amount of those assets.

The difference between fair value and carrying amount is presented in equity under 'effect of the demerger'."

Other reserves

Translation reserve

Translation differences arise from the translation of the equity and earnings of foreign subsidiaries into euros.

MEUR	Number of outstanding shares, 1,000 shares	Share capital	Invested non-restricted equity reserve	Own shares	Total
At 1 Jan 2025	38,189	19.4	0.6	-9.4	10.6
Reduction of share capital	-	-18.4	18.4	-	-
26 February 2025 Transfer of own shares	8	-	-	0.1	0.1
2 May 2024 ⁵ Transfer of own shares	14	-	-	0.2	0.2
Effect of demerger	-	-	-18.9	-	-18.9
31.12.2025	38,212	1.0	0.1	-9.1	-8.0

MEUR	Number of outstanding shares, 1,000 shares	Share capital	Invested non-restricted equity reserve	Own shares	Total
At 1 Jan 2024	38,154	19.4	0.6	-10.0	10.1
26 February 2024 Transfer of own shares	21	-	-	0.3	0.3
2 May 2024 Transfer of own shares	13	-	-	0.2	0.2
At 31 Dec 2024	38,189	19.4	0.6	-9.4	10.6

Capital management

The objective of the Group's capital management is to ensure the continuity of operations and to maintain an optimal capital structure in order to support investments, taking capital costs into account. Capital is defined as equity and interest-bearing liabilities, less advances received. The Company's objective is to distribute at least 50% of the profit for the financial year as dividends. The development of the capital structure is monitored quarterly using the equity ratio and the net gearing ratio.

MEUR	2025	2024
Equity in the consolidated statement of financial position	41.1	209.2
Equity and liabilities total	142.0	607.9
Current advances received	-1.0	-10.5
Non-current advances received	-	-6.7
Total	141.0	590.7
Equity ratio, %	29.1	35.4

MEUR	2025	2024
Equity in the consolidated statement of financial position	41.1	209.2
Non-current financial liabilities	13.8	168.3
Current financial liabilities	6.0	18.6
Cash and cash equivalents	-15.7	-33.9
Net interest-bearing liabilities	4.1	153.0
Gearing, %	10.1	73.2

4.4 Earnings per share and dividend per share

Accounting policy

Earnings per share are calculated by dividing the profit for the financial year attributable to the owners of the parent company by the weighted average number of shares outstanding during the period, adjusted for share issues and excluding the shares held by the Company. For the calculation of diluted earnings per share, the weighted average number of shares takes into account the dilutive effect of all potential shares. Earnings per share and dividends per share for continuing operations are presented in the table below.

	2025	2024
Result attributable to equity holders of the company, MEUR ¹	1.2	-31.5
Adjusted weighted average number of ordinary shares outstanding during the year, million shares	38.2	38.2
Earnings per share, EUR, continuing operations ¹	0.03	-0.82
Earnings per share, diluted, EUR, continuing operations ¹	0.03	-0.82
Earnings per share, EUR, discontinued operations ¹	4.20	0.78
Earnings per share, diluted, EUR, discontinued operations ¹	4.20	0.78
Earnings per share, EUR, total ¹	4.23	-0.05
Earnings per share, diluted, EUR, total ¹	4.23	-0.05
Dilution effect of the share-based incentive plan, million shares	0.1	0.1
Weighted average number of diluted shares outstanding during the period, million shares	38.2	38.3
Earnings per share, EUR, ¹	0.03	-0.82

¹ The Board of Directors proposes to the Annual General Meeting to be held on 29 April 2026 that a dividend of EUR 0.07 per share be distributed for the financial year 2025. For the financial year 2024, the Company distributed a dividend of EUR 0.50 per share based on the resolution of the Annual General Meeting.

4.5 Commitments and contingent liabilities

MEUR	2025	2024
Collaterals for own commitments		
Mortgages on rights of tenancy	-	0.1
Company mortgages	-	0.5
Other securities	0.0	0.0
Bank guarantees required for environmental permits	-	25.0
Other bank guarantees	2.7	7.1
Mortgages under own control		
Company mortgages	-	0.2
Liabilities on behalf of the joint venture		
Bank guarantees	-	16.5
Future lease payments		
Within one year	0.4	0.8
Over one year	0.3	0.5

The figures for the comparison period include the commitments and contingent liabilities related to the circular economy business, which were transferred to Lassila & Tikanoja in the partial demerger.

Until the date of the partial demerger, the Group held a 55% ownership interest in Laania Oy, a joint venture established on 1 July 2022 together with Neova. The Group's share of the joint venture's obligations was reported in proportion to its ownership interest, based on the maximum amount of the liability. The shares in Laania and the obligations related to the joint venture were transferred to Lassila & Tikanoja in the partial demerger.

Lease commitments consist of minimum lease payments for low-value asset leases, to which the Group applies the exemption permitted by IFRS 16.

The Group company Luotea FM AB (formerly Lassila & Tikanoja FM AB) is both plaintiff and defendant in legal proceedings in Sweden concerning unpaid receivables invoiced from a former customer of the Group.

In June 2022, Luotea FM AB filed a lawsuit in the Solna District Court against the former customer company, demanding payment of the outstanding receivables. A full impairment has been recognised for the receivables as at the end of the 2025 financial year. The former customer has disputed Luotea FM AB's claims and its payment obligation, and has simultaneously filed a counterclaim demanding approximately SEK 144 million from Luotea FM AB. The dispute is still ongoing. Luotea considers the counterclaim to be unfounded and has not recognised any provision in respect of it.

In addition to the dispute mentioned above, Luotea Plc is a party to a few other disputes related to the Group's ordinary business operations, the outcomes of which are not expected to have a material impact on the Group's financial position.

5 Consolidation and other notes

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5.1 Consolidation

Subsidiaries

The consolidated financial statements include the parent company, Luotea Plc, as well as all subsidiaries over which the Group has control. Control exists when the Group, by being involved in the investee, is exposed to or has rights to variable returns from the investee and has the ability to affect those returns through its power over the investee.

Intra-group shareholdings are eliminated using the acquisition method. The consideration transferred and the identifiable assets and liabilities of the acquired company are measured at their fair values at the acquisition date. Acquisition-related costs, except for those related to the issuance of debt or equity securities, are expensed as incurred. Any contingent consideration is measured at fair value at the acquisition date and is classified either as a liability or as equity. Contingent consideration classified as a liability is subsequently measured at fair value at each reporting date, with any resulting gain or loss recognised in profit or loss. Contingent consideration classified as equity is not remeasured.

Any non-controlling interest in the acquiree is measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The measurement basis is determined separately for each business acquisition. The treatment of goodwill arising from the acquisition of subsidiaries is described in Note 3.1 Goodwill and other intangible assets. Subsidiaries are consolidated into the consolidated financial statements from the date on which the Group obtains control until the date on which control ceases.

Profit or loss and other comprehensive income for the period are attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a negative balance. The share of equity attributable to non-controlling interests is presented as a separate component of equity in the balance sheet. Changes in the parent company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The Group has no non-controlling interests.

In a step acquisition, the previously held interest is measured at fair value, and any resulting gain or loss is recognised in profit or loss. When the Group loses control of a subsidiary, the remaining investment is measured at fair value on the date control is lost, and any resulting difference is recognised in profit or loss.

Intra-group transactions, receivables, liabilities, unrealised gains and internal profit distributions are eliminated in the consolidated financial statements. Unrealised losses are not eliminated if the loss results from an impairment. The allocation of the profit or loss for the financial year and other comprehensive income between the owners of the parent and non-controlling interests is presented in connection with the separate income statement and statement of comprehensive income, and the share of equity is presented as a separate line item in the consolidated balance sheet.

Associated companies and joint ventures

Associates are entities over which the Group has significant influence but not control. Significant influence generally arises when Luotea holds more than 20 percent of the voting rights of an entity, or when the Group otherwise has significant influence but not control. Joint ventures are arrangements in which the Group has joint control together with the other parties to the arrangement.

The Group's interests in associates and joint ventures are accounted for in the consolidated financial statements using the equity method. At the acquisition date, the investment is measured at fair value. The Group's share of the post-acquisition profits or losses of an associate or joint venture, after taxes, is recognised in profit or loss. When the Group's share of the losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate or joint venture.

All associates and joint ventures of Luotea Plc were transferred to Lassila & Tikanoja in the partial demerger.

Foreign currency translation

The figures relating to the results and financial position of the Group's units are determined in the currency of the primary economic environment in which each unit operates (the functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of the Group's parent company.

Foreign-currency-denominated business transactions are recorded in the functional currency using the exchange rate prevailing at the transaction date. In practice, a rate that approximates the exchange rate at the transaction date is often used. Foreign-currency-denominated monetary items are translated into euros using the exchange rates at the reporting date. Non-monetary items are translated using the exchange rate at the transaction date. The Group has no foreign-currency-denominated non-monetary items measured at fair value. Exchange gains and losses arising from foreign-currency-denominated business transactions and from the translation of monetary items are recognised in profit or loss. Exchange gains and losses from business operations are included in the corresponding items above operating profit, and exchange gains and losses from financing items are included in finance income or finance costs.

The income statements of Group companies whose functional currency is not the euro are translated into euros at the average exchange rate for the financial year, and the balance sheets are translated at the exchange rate on the reporting date. Translating the profit for the period and other comprehensive income using different rates in the income statement and balance sheet gives rise to a translation difference, which is recognised in the translation reserve within equity. Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and from the translation of equity items accumulated after acquisition are recognised in the translation reserve.

Goodwill arising from the acquisition of foreign units and the fair value adjustments made to the carrying amounts of the assets and liabilities of those units at the acquisition date are treated as assets and liabilities of the respective units and are translated into euros using the exchange rates at the reporting date.

5.2 Group companies

The Group's holding of shares and votes, %

The Group's parent company	
Luotea plc	
Finnish subsidiaries	
Luotea Kiinteistöhuolto Oy, Helsinki	100.0
Luotea Siivous Oy, Helsinki	100.0
Luotea Kiinteistötekniikka Oy, Helsinki	100.0
Foreign subsidiaries	
Luotea FM AB, Stockholm, Sweden	100.0
Luotea Service AB, Stockholm, Sweden	100.0

5.3 Business acquisitions

Accounting policy

All business acquisitions made in 2025 related to the circular economy business. In the partial demerger, the balance sheet items related to these acquisitions were transferred to Lassila & Tikanoja.

In business combinations, property, plant and equipment are measured at fair value based on the market prices of comparable assets, taking into account the age, wear and other similar factors of the assets. Property, plant and equipment are depreciated over their estimated useful economic lives based on management's assessment, taking into account the depreciation principles applied in the Group.

Intangible assets acquired in business combinations are recognised separately from goodwill at their fair value at the acquisition date, provided that they are identifiable. In the acquired businesses, the Group has mainly acquired non-competition agreements, customer relationships and environmental permits. The fair value of customer agreements and the related customer relationships has been determined based on the estimated duration of the customer relationships and the discounted net cash flows expected from existing customers. The value of non-competition agreements has been calculated in a similar manner based on the cash flows over the term of the agreement. Intangible assets are amortised over their economic useful lives, determined based on the contract terms or management's assessment.

Critical judgements by Management

Assets and liabilities acquired in business combinations, as well as assets and liabilities classified as held for sale, are measured at fair value. Management uses observable market values when available; otherwise, valuation is based on the asset's historical performance. Valuation of intangible assets relies primarily on discounted cash flows and requires management's estimates of future cash flows. Although the estimates reflect management's best judgement, actual outcomes may differ. Carrying amounts are reviewed continuously for potential impairment, as described in Note 1.9 Depreciation and impairment.

Business acquisitions 2025

All business acquisitions made in 2025 related to the circular economy business. In the partial demerger, the balance sheet items related to these acquisitions were transferred to Lassila & Tikanoja. Luotea Plc's subsidiary L&T Ympäristöpalvelut Oy acquired Stena Recycling Oy's pallet business on 2 June 2025. The annual revenue of the acquired business has been approximately EUR 10 million. The acquisition strengthens the Group's service offering in the circular economy business and supports its growth. Following the transaction, the Group's pallet business employs more than 30 people across four locations. In the fair value allocation, intangible assets based on customer relationships amounting to EUR 3.7 million and goodwill amounting to EUR 3.4 million were identified. The goodwill is mainly attributable to an expanded service network, a strengthened service offering and future growth prospects. The goodwill is deductible for tax purposes.

Luotea Plc's subsidiary L&T Teollisuuspalvelut Oy acquired the entire share capital of Viemärihuolto Reinikka Oy on 1 December 2025. In the fair value allocation, intangible assets based on customer relationships amounting to EUR 0.9 million and goodwill amounting to EUR 1.4 million were identified. The goodwill is primarily attributable to an expanded service network, a strengthened service offering and future growth prospects.

Luotea's Swedish subsidiary Sand & Vattenbläst i Tyringe AB (SVB) acquired the entire share capital of RecondConcept i Ånge AB, a provider of industrial cleaning services in Sweden, on 1 December 2025. In the fair value allocation, intangible assets based on customer relationships amounting to EUR 0.4 million and goodwill amounting to EUR 1.6 million were identified. The goodwill is mainly attributable to a strengthened service offering and future growth prospects. In connection with the transaction, Luotea recognised a contingent consideration (earn-out) of EUR 1.1 million in non-current liabilities. The contingent consideration is measured at fair value, which is based on the development of RecondConcept i Ånge AB's EBITDA in 2026 and 2027.

The business acquisitions completed during the financial year increased the revenue of the Group's discontinued operations by EUR 7.1 million and operating profit by EUR 0.3 million. Had the acquisitions been completed on 1 January 2025, the revenue of Luotea's discontinued operations would have been approximately EUR 434.7 million and operating profit approximately EUR 45.0 million. Transaction costs of EUR 0.3 million (0.3) related to the acquired businesses were recorded in other operating expenses of the discontinued operations for the financial year.

Fair value, MEUR	2025
Intangible assets	5.1
Property, plant and equipment	1.0
Right-of-use assets	1.0
Inventories	0.5
Receivables	0.6
Cash and cash equivalents	0.8
Total assets	9.0
Lease liabilities	0.9
Other liabilities	1.1
Deferred tax liabilities	0.3
Total liabilities	2.3
Net assets acquired	6.7
Total consideration	13.0
Goodwill	6.4
Impact on cash flow:	
Total consideration	-13.0
Contingent consideration (earn-out)	1.1
Consideration paid in cash	-11.9
Cash and cash equivalents of the acquired company	0.8
Total impact on cash flow	-11.1

The purchase price allocations for 2025 are still preliminary. The fair values of the net assets of the acquisitions completed in December will be finalised during the first half of 2026. Information on acquired companies and businesses that are not material individually is presented in aggregate.

	Net sales	Operating profit
Continuing operations 2024	349.5	-31.8
Discontinued operations 2024	424.0	41.6
Group	770.7	9.8
Incl. acquired operations	770.8	9.8
Impact of acquired operations	0.1	0.0
Including the impact of discontinued operations 2024	424.1	41.6

5.4 Related-party transactions

Luotea Group's related parties include the key management personnel of the Group (members of the Board of Directors, the President and CEO, and members of the Executive Management Team) and their close family members and entities over which they have control or significant influence, the subsidiaries, as well as Luotea Sickness Fund (formerly L&T Sickness Fund).

In connection with the partial demerger, the subsidiaries L&T Ympäristöpalvelut Oy, L&T Teollisuuspalvelut Oy, Suomen Keräystuote Oy, Viemärihuolto Reinikka Oy, Sand & Vattenbläst i Tyringe AB and RecondConcept i Ånge AB, as well as the joint venture Laania Oy, were transferred to Lassila & Tikanoja. Until the partial demerger date of 31 December 2025, these companies were part of the Luotea Group's related parties.

Contributions paid by Group companies to the Luotea Sickness Fund during the financial year amounted to EUR 1.0 million (1.0). The share of the 2025 contributions relating to the subsidiaries transferred to Lassila & Tikanoja in the partial demerger was EUR 0.5 million. The Group has ordinary intra-group transactions between Group companies.

The Group's transactions with Laania Oy are presented in the table below. The guarantees provided by the Group for Laania's financing arrangements were released in the fourth quarter of 2024. In 2025, Laania paid dividends of EUR 1.6 million (1.8) to Luotea. The Group has no significant transactions with other related parties.

Transactions with the joint venture

MEUR	2025	2024
Net sales	2.7	3.1
Purchases of materials and services	-0.8	-0.9
Trade and other receivables	-	0.0

The joint venture Laania Oy relates to discontinued operations. There are no trade receivables or other receivables from discontinued operations.

Employee benefits to the President and CEO

TEUR	2025	2024
Salaries and other short-term employee benefits	472.4	473.9
Bonuses	92.6	89.4
Share-based payments	66.3	145.7
Pension expenses, statutory	52.2	48.7
Total	683.5	757.8

Includes only the remuneration of the former CEO.

Employee benefits to other members of the Group Executive Board

TEUR	2025	2024
Salaries and other short-term employee benefits	2,004.9	1,510.4
Bonuses	143.3	134.7
Termination benefits	-	697.3
Share-based payments	34.2	246.6
Pension expenses, statutory	132.1	160.0
Total	2,314.5	2,749.0

Salaries and remunerations paid to members of the Board of Directors

TEUR	2025	2024
Jukka Leinonen, Chairman of the Board	98	97
Sakari Lassila, Deputy Chairman of the Board	68	67
Teemu Kangas-Kärki	64	50
Laura Lares	3	49
Juuso Maijala	48	48
Anni Ronkainen	48	50
Pasi Tolppanen	48	49
Tuija Kalpala ¹	48	-
Timo Karppinen	-	-
Soile Kankaanpää	-	-
Johan Mild, Chairman of the Board starting 31 Dec 2025	-	-
Anna-Maria Tuominen-Reini ¹	49	-

¹Member of the board starting 27 Mar 2025.

In 2025, a total of 8,399 Lassila & Tikanoja Plc shares were delivered to the CEO and members of the Executive Management Team as part of the share-based incentive schemes (21,499). On 2 May 2025, 14,392 Lassila & Tikanoja Plc shares were delivered to members of the Board of Directors as part of their remuneration (8 May 2024: 13,332). The members of the Board of Directors, the CEO and other members of the Executive Management Team do not have pension agreements with the Company. The Company sold services related to its ordinary course of business to related parties in 2025 at market prices for a total of EUR 5,289.

Members of the Board of Directors are not included in the share-based incentive schemes. No loans have been granted to persons belonging to the Group's related parties, nor have guarantees or other securities been provided on their behalf.

5.5 Auditing costs

MEUR	2025	2024
Auditing	0.2	0.3
Other assignments in accordance with the auditing act	0.3	0.0
Tax consulting services	0.1	0.0
Other services	0.7	0.1
Total	1.2	0.5

Other services provided by the statutory auditor, PricewaterhouseCoopers Oy, amounted to EUR 755 thousand in the 2025 financial year (EUR 178 thousand in the 2024 financial year).

5.6 Events after the balance sheet date

On 13 January 2026, the Company announced that the Shareholders' Nomination Board will propose to the Annual General Meeting to be held on 29 April 2026 that the Board of Directors consist of six (6) members. The Nomination Board proposes that all current members of the Board—Johan Mild, Pasi Tolppanen, Anna-Maria Ronkainen, Juuso Maijala, Timo Karppinen and Soile Kankaanpää—be re-elected. The Nomination Board also proposes that Johan Mild continue as Chair of the Board and Pasi Tolppanen as Vice Chair. All candidates have given their consent to the election and are independent of the Company and its significant shareholders.

The Shareholders' Nomination Board consists of representatives appointed by the Company's three largest shareholders as well as the Chair of the Board of Directors of Luotea Plc. The members of the Shareholders' Nomination Board were Miikka Maijala, Chair (shareholder group), Juhani Lassila (Evald ja Hilda Nissin Säätiö), Dag Marius Nereng (Protector Forsikring ASA) and Johan Mild (Chair of the Board of Directors of Luotea Plc).

On 9 February 2026, the Company announced that Luotea has appointed Hanna Inget (M.Sc. Econ.) as the Company's Chief Commercial Officer and a member of the Executive Management Team. She will assume her position on 1 March 2026. Inget will be responsible for Luotea's growth, commercial operations and the development of customer experience.

6 Discontinued operations



Income statement, discontinued operations

Luotea (the former Lassila & Tikanoja) published a demerger plan on 7 August 2025 for the partial demerger of the Company's circular economy business. An Extraordinary General Meeting approved the demerger plan on 4 December 2025. The demerger was completed on 31 December 2025. Presented below are the statement of profit or loss, balance sheet and cash flow statement for the discontinued operations. The statement of profit or loss for discontinued operations includes the revenue of the circular economy business and the expenses directly related to it, which will no longer be incurred by the Group after the demerger. In addition, the result of discontinued operations includes the demerger gain and the costs related to the demerger, as well as the translation differences accumulated from the circular economy business that were recognised in profit or loss in connection with the demerger. The balance sheet presents the assets and liabilities related to the circular economy business as at 31 December 2025, which were transferred to Lassila & Tikanoja in the demerger.

Income statement, discontinued operations

2025 MEUR	Group 2025	Group 2024
Net sales	426.7	424.0
Other operating income	3.4	2.7
Change in inventories	0.6	1.8
Materials and services	-126.8	-125.4
Employee benefit expenses	-142.0	-141.2
Other operating expenses	-76.3	-76.5
Depreciation, amortisation and impairments	-41.5	-43.8
Operating profit	44.2	41.6
Financial income and expenses	-7.1	-7.8
Share of the result of associated companies and joint ventures	1.9	3.2
Result before taxes	39.0	37.0
Income taxes	-7.7	-7.2
Gain from fair value measurement of net assets of discontinued operations	134.0	-
Expenses related to demerger	-5.7	-
Taxes on expenses related to the demerger	1.1	-
Translation differences	-0.2	-
Result for the period	160.4	29.7

2025 MEUR	Group 2025	Group 2024
Gross capital expenditure	40.3	35.9

Assets and liabilities, discontinued operations

Assets

MEUR	31 Dec 2025
Non-current assets	
Intangible assets	164.3
Tangible assets	153.1
Right-of-use assets	60.8
Shares in associated companies and joint ventures	19.2
Other shares and holdings	0.1
Deferred tax assets	0.3
Other receivables	0.4
Total non-current assets	398.2
Current assets	
Inventories	9.9
Trade receivables	51.5
Contract assets	12.3
Other receivables	1.4
Cash and cash equivalents	37.4
Total current assets	112.5
Total assets	510.7

Liabilities

MEUR	31 Dec 2025
Non-current liabilities	
Deferred tax liabilities	23.5
Retirement benefit obligations	0.1
Provisions	6.3
Borrowings	125.0
Lease liabilities	48.3
Other liabilities	7.0
Total non-current liabilities	210.2
Current liabilities	
Borrowings	0.2
Lease liabilities	13.6
Trade and other payables	101.0
Income tax liabilities	6.1
Provisions	0.3
Total current liabilities	121.1
Total liabilities	331.4

Net cash flow, discontinued operations

2025 MEUR	Group 2025	Group 2024
Net cash flow from operating activities	57.9	73.2
Net cash flow from investing activities	-31.5	-39.9
Net cash flow from financing activities	-4.6	-14.9

Financial statements of the parent company

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Income statement of the parent company

EUR thousand	2025	2024	Note
Net sales	23,163	23,633	1
Other operating income	4,268	2,864	4
Employee benefit expenses	-11,077	-10,494	2
Other operating expenses	-23,450	-18,121	3,4
Depreciation, amortisation and impairment	-929	-767	
Operating result	-8,025	-2,884	
Financial income and expenses	-1,075	-19,462	5
Result before appropriations and taxes	-9,100	-22,346	
Appropriations			6
Increase/decrease in accumulated depreciation difference	-26	-58	
Group contribution	9,950	35,281	
	9,924	35,223	
Income taxes	-140	-5,265	7
Result for the period	-684	7,612	

Balance sheet of the parent company

EUR thousand	2025	2024	Note
ASSETS			
Non-current assets			
Intangible assets			8
Intangible rights	-	2	
Other intangible assets	623	2,382	
Advance payments and construction in progress	215	244	
	838	2,628	
Tangible assets			9
Buildings and constructions	-	124	
Machinery and equipment	87	44	
Other tangible assets	-	42	
Prepayments and assets under construction	26	-	
	113	210	
Investments			10
Shares in group companies	38,430	125,696	
Shares in joint venture	-	9,947	
Other shares and holdings	6	106	
	38,436	135,749	
Total non-current assets	39,388	138,587	
Current assets			
Non-current receivables			
Loan receivables from group companies	-	2,225	
Prepaid expenses and accrued income	-	237	
Other non-current receivables	-	60	
Deferred tax assets	70	86	12
	70	2,607	
Current receivables			
Receivables from group companies	21,970	53,588	11
Trade receivables	2	-	
Other receivables	7,108	267	
Prepaid expenses and accrued income	1,281	819	11
	30,361	54,674	
Cash and cash equivalents	15,679	32,014	
Total current assets	46,110	89,295	
Total assets	85,498	227,881	

EUR thousand	2025	2024	Note
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			13
Share capital	1,000	19,399	
Invested non-restricted equity reserve	80	727	
Retained earnings	13,583	32,038	
Profit for the period	684	7,612	
	15,346	59,776	
Accumulated appropriations			
Depreciation difference	126	238	
Obligatory provisions			14
Non-current	231	249	
Current	0	21	
	232	270	
Liabilities			15
Non-current			
Loans from credit institutions	5,000	40,000	
Bonds	-	75,000	
	5,000	115,000	
Current			
Trade payables	8,360	3,215	
Liabilities to group companies	55,125	43,871	
Other liabilities	514	714	
Accrued expenses and deferred income	795	4,799	
	64,794	52,597	
Total liabilities	69,794	167,597	
Total shareholders' equity and liabilities	85,498	227,881	

Cash flow statement of the parent company

EUR thousand	2025	2024
Operating activities		
Profit (+) / loss (-) before appropriations and taxes	-9,100	-22,346
Adjustments:		
Depreciation, amortisation and impairments	929	767
Gains and losses on sales of non-current assets	32	-2
Financial income and expenses	1,075	-13,763
Impairment of investments held as non-current assets ¹	-	33,226
Provisions	-11	-29
Merger gain	-	-2,661
Other adjustments	-	117
Cash flow before change in working capital and change in cash pool account balance	-7,075	-4,692
Change in working capital		
Increase/decrease in current non-interest-bearing receivables	-7,774	241
Increase/decrease in current non-interest-bearing liabilities	6,820	1,611
Change in net working capital	-954	1,851
Change in cash pool account balance	2,839	-12,223
Interest expenses and other financial expenses paid	-8,114	-6,097
Interest received from operations	3,127	2,788
Direct taxes paid	-999	-4,588
Cash flow from operating activities	-11,176	-22,961
Investing activities		
Increase in loan receivables from subsidiaries	1,762	-1,498
Proceeds from sale of other shares	-	65
Investments in subsidiaries and associated companies and Acquired businesses	-1,809	-
Investments in tangible and intangible assets	-1,014	-532
Proceeds from sale of tangible and intangible assets	-	2
Received dividends	1,586	17,019
Cash flow from investing activities	2,999	15,056

EUR thousand	2025	2024
Financing activities		
Paid group contributions	-	-3,358
Received group contributions	35,281	31,526
Proceeds from short-term borrowings	30,000	60,000
Repayments of short-term borrowings	-30,000	-60,000
Proceeds from long-term borrowings	55,000	-
Repayments of long-term borrowings	-40,000	-
Dividends paid	-19,078	-18,686
Cash flow from financing activities	31,203	9,482
Cash and cash equivalents transferred in the partial de-merger	-33,363	
Change in cash and cash equivalents	-16,335	1,576
Cash and cash equivalents at 1 January	32,013	30,437
Cash and cash equivalents at 31 December	15,679	32,014

¹ The impairments relate to shares of a Swedish subsidiary.

Accounting policies of the parent company

Basis of preparation

Luotea Plc is the parent company of the Luotea Group and is domiciled in Helsinki. The Company provides centralised administrative services to Group companies. The financial statements of Luotea Plc have been prepared in accordance with the Finnish Accounting Act (FAS). The financial statements are presented in euros, and the items have been measured at historical cost unless otherwise stated in the exceptions to the accounting principles guiding the timing of recognition as at 31 December 2025. In its separate financial statements, Luotea Plc applies, where applicable, the accounting policies based on the IFRS standards applied in the Luotea Group. The accounting policies of the consolidated financial statements are presented in the notes to the consolidated financial statements. The following sections present the accounting principles applied by Luotea Plc that differ from the Group's accounting principles.

Subsidiary shares

Subsidiary shares are recognised in the balance sheet at their original acquisition cost less impairment losses. The carrying amounts of subsidiary shares are reviewed as part of the Group's impairment testing, in which cash flow forecasts based on value-in-use calculations are prepared for the Group's cash-generating units. In the impairment testing of subsidiary shares, the cash flows are further allocated to the recoverable amounts of the subsidiaries. An impairment loss is recognised if the combined amount of the carrying value of the subsidiary shares and the net loan receivables from the subsidiary exceeds the recoverable amount of the corresponding asset.

Interests in joint ventures and other shares and holdings

Interests in joint ventures and other shares and holdings are recognised in the balance sheet at their original acquisition cost less impairment losses.

Loans from financial institutions and bonds

Loans are recognised in the balance sheet at their original acquisition cost.

Transaction costs and other expenses directly attributable to obtaining the financing are capitalised as prepayments and amortised as expenses on a straight line basis over the loan period. Interest on loans is recognised as an expense in the financial period to which it relates.

Share-based payments

Share based rewards settled in shares are recognised in equity as a deduction from the acquisition cost of the Company's own shares. Share based rewards related to employee stock options that are settled in cash are recognised as an expense in the income statement under employee benefit expenses and as a liability until the payment is made.

Leases

Lease payments under lease agreements are recognised as an expense over the lease term and are presented under other operating expenses. Leased assets and the related liabilities are not recognised in the parent company's balance sheet.

Research and development expenses

Research and development expenses are recognised as an expense in the financial year in which they are incurred.

Provisions

Provisions presented in the balance sheet comprise items that are based on law or represent obligations towards third parties arising from contracts or other binding commitments, but which have not yet been realised. They relate to the current or a previous financial year, their realisation is considered certain or probable at the time the financial statements are prepared, but the exact amount and timing are uncertain, and no corresponding income is certain or probable. Changes in provisions are recognised in the income statement.

Pensions

Most of the Company's pension arrangements are defined contribution plans, under which the Company pays fixed contributions to insurance companies. These contributions are recognised as an expense in the income statement in the financial period to which the charge relates. The Company's defined benefit pension arrangements are limited in scope and relate to a small number of individuals.

Partial demerger

The circular economy business of Lassila & Tikanoja Plc was separated on 31 December 2025 through a partial demerger into an independent company, which was named Lassila & Tikanoja Plc. At the same time, the former Lassila & Tikanoja changed its name to Luotea Plc. In the partial demerger, the assets and liabilities transferred to the new Lassila & Tikanoja were derecognised from the parent company's balance sheet at their carrying amounts as at 31 December 2025. The difference between the assets and liabilities transferred was recognised as a deduction in the Company's equity. The impact of the partial demerger on the parent company's equity was EUR 26.0 million.

Notes to the financial statements of the parent company

1. Net sales

EUR thousand	2025	%	2024	%
Net sales				
Administrative services, group companies	23,163	100.0	23,633	100.0
Total	23,163	100.0	23,633	100.0
Net sales by market area				
Finland	23,163	100.0	23,633	100.0
Total	23,163	100.0	23,633	100.0

2. Personnel and administrative bodies

	2025	2024
Average number of personnel		
Salaried employees	95	95
Total	95	95

EUR thousand	2025	2024
Personnel expenses		
Salaries and bonuses	9,271	8,885
Pension expenditure	1,564	1,427
Other salary-related expenses	242	182
Total	11,077	10,494

Salaries, bonuses and pension benefits of the management are described in the note 5.4 Related-party transactions of the consolidated financial statements.

No loans were granted to the related parties of the Group Companies.

3. Auditor's fees

EUR thousand	2025	2024
Auditing	60	59
Other assignments in accordance with the auditing act	252	14
Tax consulting services	52	7
Other services	691	104
Total	1,055	184

4. Other operating income and expenses

¹ Includes EUR 4.2 million of income related to the partial demerger, received from Lassila & Tikanoja Plc.

EUR thousand	2025	2024
Other operating income		
Government grants	13	-
Merger gains	-	2,661
Compensations received		187
Other operating income ¹	4,255	16
Total	4,268	2,864
Other operating expenses		
ICT costs	13,458	10,446
Travel costs	381	212
Vehicles and machinery	130	61
Rents and real estate costs	1,967	1,623
Expert fees	5,920	4,996
Voluntary social security costs	466	401
Other	1,127	383
Total	23,450	18,121

5. Financial income and expenses

EUR thousand	2025	2024
Interest and other financial income	4,879	19,806
Interest and other financial expenses	-5,954	-6,043
Impairment of investments held as non-current assets	-	-33,226
Total financial income and expenses	-1,075	-19,462
Financial income and expenses include:		
Interest income		
from group companies	2,626	2,149
from others	502	638
Dividend income		
from group companies	-	15,200
from joint ventures ²	1,586	1,818
from others	-	0.1
Other financial income		
from others	-	0.2
Exchange gains		
from others	166	-
Interest expenses		
to group companies	-784	-757
to others	-4,430	-5,063
Exchange gains		
to others	-20	
Other financial expenses		
to others	-720	-222
Impairments of shares in group companies	-	-33,226
Total	-1,075	-19,462

¹ The impairments relate to the shares of the Swedish subsidiary.

² The figure consists mainly of the dividend from Laania Oy, which is no longer a joint venture of Luotea as of 31 Dec 2025

6. Appropriations

EUR thousand	2025	2024
Increase/decrease in accumulated depreciation difference		
Intangible assets	-36	-58
Tangible assets	10	-
	-26	-58
Group contribution		
Group contribution received	9,950	35,281
Total group contributions	9,950	35,281
Total appropriations	9,924	35,223

7. Income taxes

EUR thousand	2025	2024
Income taxes on operations for the financial year	157	5,275
Income taxes from previous financial years	-25	-20
Change in deferred taxes	9	11
Total	140	5,265

8. Intangible assets

2025 EUR thousand	Intangible rights	Other intangible assets	Prepayments and construction in progress	Total
Acquisition cost, 1 Jan	307	8,398	244	8,948
Additions	-	-	1,308	1,308
Disposals	-33	-2,595	-	-2,628
Transfers in the partial demerger	-38	-2,421	-1,049	-3,508
Transfers between items	-	288	-288	-
Acquisition cost, 31 Dec	236	3,670	215	4,121
Accumulated amortisation, 1 Jan	-305	-6,016	-	6,321
Accumulated amortisation on disposals and transfers	32	2,566	-	-
Transfers in the partial demerger	38	1,160	-	1,198
Amortisation during the period	-2	-756	-	-758
Accumulated amortisation, 31 Dec	-236	-3,047	-	3,282
Total carrying amount, 31 Dec	-	623	215	838

Other intangible assets include several ICT projects.

2024 EUR thousand	Intangible rights	Other intangible assets	Prepayments and construction in progress	Total
Acquisition cost, 1 Jan	307	7,614	1,365	9,286
Additions	-	-	402	402
Disposals	-	-740	-	-740
Transfers between items	-	1,523	-1,523	-
Acquisition cost, 31 Dec	307	8,398	244	8,948
Accumulated amortisation, 1 Jan	-291	-6,038	-	-6,329
Accumulated amortisation on disposals and transfers	-	740	-	740
Amortisation during the period	-13	-718	-	-731
Accumulated amortisation, 31 Dec	-305	-6,016	-	-6,321
Total carrying amount, 31 Dec	2.4	2,382	244	2,628

9. Tangible assets

2025		Buildings and constructions	Machinery and equipment	Other tangible assets	Prepayments and assets under construction	Total
EUR thousand						
Acquisition cost, 1 Jan		359	274	42	-	675
Additions		-	181	-	199	381
Disposals		-206	-213	-3	-	-421
Transfers in the partial demerger		-	-127	-40	-173	
Acquisition cost, 31 Dec		153	116	0	26	295
Accumulated depreciation 1 Jan		-235	-230	-	-	-465
Accumulated depreciation on disposals and transfers		206	213	-	-	419
Transfers in the partial demerger		-	36	-	-	36
Depreciation during the period		-124	-47	-	-	-171
Accumulated depreciation, 31 Dec		-153	-28	-	-	-181
Total carrying amount, 31 Dec		-	87	0	26	113

2024		Buildings and constructions	Machinery and equipment	Other tangible assets	Prepayments and assets under construction	Total
EUR thousand						
Acquisition cost, 1 Jan		359	289	42	-	690
Disposals		-	-15	-	-	-15
Acquisition cost, 31 Dec		359	274	42	-	675
Accumulated depreciation 1 Jan		-214	-230	-	-	-444
Accumulated depreciation on disposals and transfers		-	15	-	-	15
Depreciation during the period		-21	-15	-	-	-36
Accumulated depreciation, 31 Dec		-235	-230	-	-	-465
Total carrying amount, 31 Dec		124	44	42	-	210

10. Investments

EUR thousand	Shares in Group companies	Shares in joint ventures	Other shares and holdings	Total
2025				
Acquisition cost, 1 Jan	125,696	9,947	106	135,749
Additions ¹	1,809	-	-	1,809
Transfers in partial demerger	-89,075	-9,947	-100	-99,122
Acquisition cost, 31 Dec	38,430	-	6	38,436
Total carrying amount, 31 Dec	38,430	0	6	38,436
2024				
Acquisition cost, 1 Jan	159,085	9,947	171	169,200
Impairments ¹	-33,226	-	-	-33,226
Disposals	-160	-	-65	-225
Acquisition cost, 31 Dec	125,696	9,947	106	135,749
Total carrying amount, 31 Dec	125,696	9,947	106	135,749

¹ The additions and impairments relate to the shares of the Swedish subsidiary

	Holding of shares and votes, %
Holdings in group companies	
Luotea Kiinteistöhuolto Oy, Helsinki	100.0
Luotea Kiinteistötekniikka Oy, Helsinki	100.0
Luotea Siivous Oy, Helsinki	100.0
Luotea Service Ab, Stockholm, Sweden	100.0
Luotea FM AB, Stockholm, Sweden	100.0

11. Short-term receivables

EUR thousand	2025	2024
From Group Companies		
Cash pool receivables	10,319	18,307
Trade receivables	1,701	-
Group contribution receivable	9,950	35,281
Total	21,970	53,588
Other receivables ¹	7,108	
Prepaid expenses and accrued income		
Employees' health care compensation	9	29
Licences	690	605
Taxes	359	-
Other	223	184
Total	1,281	819

¹ Includes EUR 6,933 thousand of receivables related to the partial demerger from Lassila & Tikanoja Plc.

The financing of the Group companies is centralised to the parent company. The intra-group financing between the parent company and the subsidiaries is conducted on an arm's length basis.

12. Deferred tax assets

EUR thousand	2025	2024
Unused depreciation	2	5
Obligatory provisions	46	54
Impairment of non-current assets	22	27
Total	70	86

13. Shareholders' equity

EUR thousand	2025	2024
Restricted equity		
Share capital at 1 Jan	19,399	19,399
Reduction of share capital at 31 December ^{1 2}	-18,399	
Restricted equity, total	1,000	19,399
Non-restricted equity		
Reserve for invested unrestricted equity at 1 January	727	727
Effect of the demerger at 31 December ¹	-19,046	
Transfer of share capital to the reserve for invested unrestricted equity ^{1 2 3}	18,399	
Invested non-restricted equity reserve 31 Dec	80	727
Retained earnings at 1 Jan	39,650	50,608
Dividend distribution	-19,099	-18,706
Expired dividends	15	19
Transfer of treasury shares	-	117
Effect of the demerger at 31 December ¹	-6,983	
Retained earnings at 31 Dec	13,583	32,038
Profit for the period	683	7,612
Non-restricted equity total	14,346	40,377
Shareholders' equity at 31 Dec	15,346	59,776
Distributable funds		
Retained earnings	13,583	32,038
Profit for the period	684	7,612
Invested non-restricted equity reserve	80	727
Total distributable funds	14,346	40,377

¹ In connection with the demerger, share capital was reduced by EUR 18,399 thousand in accordance with the demerger plan, and the reduction in share capital was transferred to the reserve for invested unrestricted equity. The reserve for invested unrestricted equity decreased by EUR 19,046 thousand as a result of the demerger, resulting in a net change of EUR -647 thousand. In addition, retained earnings amounting to EUR 6,983 thousand were transferred in the demerger

² The Extraordinary General Meeting of 4 December 2025 resolved to reduce the share capital and transfer the reduction to the reserve for invested unrestricted equity.

14. Obligatory provisions

EUR thousand	2025	2024
Pension liabilities	231	249
Restructuring provisions	0	21
Total	232	270

15. Liabilities

Repayments of non-current borrowings in coming years

EUR thousand	2026	2028
Loans from credit institutions	-	5,000

EUR thousand	2025	2024
Short term liabilities to Group Companies		
Trade payables	-	20
Group company liabilities	54,956	43,468
Other liabilities	-	219
Accrued expenses and deferred income	168	164
Total	55,125	43,871
Accrued expenses and deferred income		
Personnel expenses	601	1,943
Interest expenses	8	2,189
Taxes	157	664
Other expenses	30	3
Total	795	4,799

16. Contingent liabilities

EUR thousand	2025	2024
For own commitments		
Mortgages on rights of tenancy	-	122
Lease liabilities		
Maturity within 1 year	466	1,694
Maturity in subsequent years	953	506
Total	1,419	2,200
Guarantees For Group Companies	2,704	44,000
Guarantees on behalf of others	32,377	
Guarantees For Joint Ventures	-	16,500
Other bank guarantees	348	265
Mortgages under own control		
Company mortgages	-	210

Proposal by the Board of Directors for distribution of profit

According to the financial statements, Luotea plc's unrestricted equity amounts to EUR 14,346,297.25 with the result for the period representing EUR 683,830.79 of this total. There were no substantial changes in the financial position of the company after the end of the period, and the solvency test referred to in Chapter 13, Section 2 of the Companies Act does not affect the amount of distributable profits.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.07 per share be paid for the financial year 2025. The dividend is to be paid to shareholders included in the company shareholder register maintained by Euroclear Finland Oy on the record date, 4 May 2026. The Board proposes to the Annual General Meeting that the dividend be paid on 11 May 2026. No dividend will be paid on the Company's own shares held by the Company on the dividend reconciliation date of 4 May 2026.

On the day the proposal for the distribution of profit was made, the number of shares entitling to dividend was 38,211,724, which means

the total amount of the dividend would be	EUR 2,674,820.68
To be retained and carried forward	EUR 11,671,476.57
Total	EUR 14,346,297.25

Statements of the Board of Directors and signatures to the Report of the Board of Directors and the Financial Statements for the year 2025

The financial statements have been prepared in accordance with applicable accounting regulations and provide a true and fair view of the assets, liabilities, financial position, and results of operations of both the company and the entities included in the consolidated financial statements. The report by the board of directors includes a fair review of the development and performance of the business of the company and the entities included in the consolidated financial statements, along with a description of the principal risks and uncertainties and other relevant information. The sustainability report included in the report by the board of directors has been prepared in accordance with the requirements set forth in Chapter 7 of the accounting act as well as the article 8 of the taxonomy regulation.

Helsinki on 7 April 2026

Johan Mild

Pasi Tolppanen

Timo Karppinen

Soile Kankaanpää

Juuso Maijala

Anna-Maria Ronkainen

Antti Niitynpää

President and CEO

The Auditor's Note

We have today submitted our report on the audit conducted by us.

Helsinki on 8 April 2026

PricewaterhouseCoopers Oy

Samuli Perälä
APA

Auditor's Report

To the Annual General Meeting of Luotea plc

Report on the Audit of the Financial Statements

Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

What we have audited

We have audited the financial statements of Luotea plc (business identity code 1680140-0) for the year ended 31 December 2025. The financial statements comprise:

- the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements, which include material accounting policy information and other explanatory information
- the parent company's balance sheet, income statement, cash flow statement and notes.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

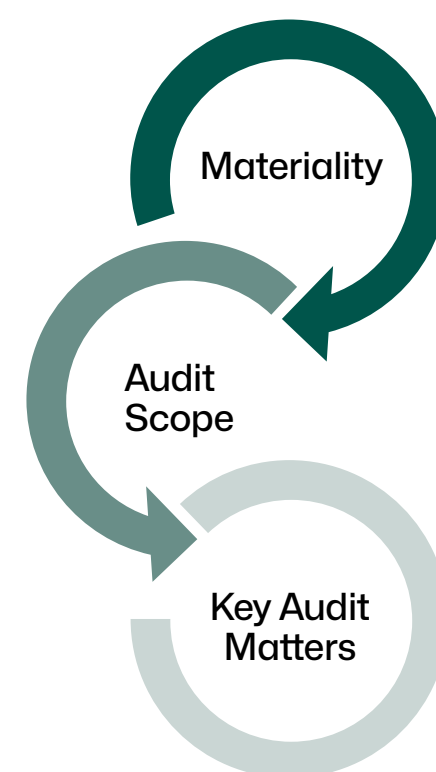
Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 5.5 to the Financial Statements.

Our Audit Approach

Overview



- Overall group materiality: € 4,500,000
- The group audit scope included the most significant group companies and covered a sufficient share of group's revenues, assets, and liabilities.
- Revenue recognition
- Employee benefit expenses
- Valuation of goodwill
- Valuation of shares in group companies and receivables from group companies in the parent company financial statements

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably

be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

Overall group materiality	€ 4,500,000 (previous year €4 600 000)
How we determined it	We used net sales as benchmark to determine overall group materiality
Rationale for the materiality benchmark applied	We chose net sales as the benchmark because, in our view, it is the appropriate benchmark that users of the financial statements regularly use to evaluate the group's performance.

How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the Luotea Group, the accounting processes and controls, and the industry in which the group operates.

The Group has two reportable segments: Facility Services Finland and Facility Services Sweden, its main markets being Finland and Sweden. We have scoped our audit to obtain sufficient audit coverage of Luotea Group's consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the consolidated financial statements	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p><i>Refer to note 1.1 and 1.2 in the consolidated financial statements)</i></p> <p>The Group's total net sales for continuing operations amounted to EUR 346 million. Revenue from contracts with customers is generated from multiple revenue streams as described in note 1.2. Revenue recognition principles vary depending on the nature of the revenue stream.</p> <p>Revenue recognition is considered a key audit matter due to the significance of revenue to the financial statements and due to management judgment involved in selecting the appropriate revenue recognition method for the different revenue streams.</p>	<p>Our audit procedures included, for example, the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the company's revenue recognition policies and compared these to the respective IFRS standards • We obtained an understanding of the internal controls that the company uses to assess the completeness, accuracy, and timing of revenues • We tested revenue transactions on a sample basis • We tested, on a sample basis, revenue related balance sheet items such as contract assets and liabilities.
<p>Employee benefit expenses</p> <p><i>(Refer to note 1.5 and 5.4 in the consolidated financial statements)</i></p> <p>The Group operates in a highly labor-intensive business. Wages, salaries, and other employee benefit expenses form a significant part of the Group's operating expenses. In 2025 employee benefit expenses for continuing operations were EUR 202 million.</p> <p>Employee benefit expenses is considered a key audit matter due to its significance to the consolidated financial statements.</p>	<p>Our audit procedures included, for example, the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the company's payroll process • We evaluated and tested the internal controls that the company uses to assess the accuracy of employee benefit expenses • We performed analytical audit procedures in relation to employee benefit expenses • We tested on a sample basis employee benefit expenses related accruals.
<p>Valuation of goodwill</p> <p><i>Refer to note 3.1 and 3.2 in the consolidated financial statements)</i></p> <p>As of 31.12.2025, Goodwill in the consolidated balance sheet amounted to EUR 39 million. Goodwill is not amortised but is tested at least annually for impairment. Goodwill impairment testing has been prepared based on value-in-use calculations in which future cash flows are discounted to current value. Value-in-use calculations include significant management judgment in respect of profitability levels, long-term growth rates and discount rates.</p> <p>The valuation of goodwill is considered a key audit matter due to its significance as well as due to the management judgment involved in the impairment testing.</p>	<p>Our audit procedures included, for example, the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the methodology and assumptions used in the goodwill impairment testing • We tested the mathematical accuracy of the calculations • We assessed the reasonableness of the estimated future profitability levels and their consistency with the budgets and forecasts made by the management in connection with the strategy process • We assessed the reasonableness of the discount rates, long-term growth rates and certain other assumptions by e.g., comparing the inputs to observable market data • We assessed management's sensitivity analysis to ascertain the extent of change in key assumptions that either individually or collectively could result in an impairment of goodwill • We assessed the adequacy of the disclosures.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing

Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Appointment

We were first appointed as auditors by the annual general meeting on 17 March 2022.

Other Information

The Board of Directors and the Managing Director are responsible for the other

Key audit matter in the audit of the parent company financial statements

Valuation of shares in group companies and receivables from group companies in the parent company financial statements
(Refer to the accounting policies of the parent company and note 10 and 11)

The investments in shares in group companies amounted to EUR 38 million and current receivables from group companies to EUR 22 million.

The valuation of shares in group companies and receivables from group companies is assessed annually and tested for impairment when necessary. Impairment testing is performed using the discounted cash flow model.

Valuation of shares in group companies and receivables from group companies is considered a key audit matter in the audit of the parent company due to the significance of these investments to the financial statements and due to management judgment involved in the impairment testing of these investments.

There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.

How our audit addressed the key audit matter

Our audit procedures included, for example, the following:

- We assessed the reasonableness of the management estimates by e.g. checking their consistency with the approved budgets and forecasts
- We assessed the methodology used in determining the discount rates and long-term growth rates by e.g., comparing the inputs to observable market data.

information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have

nothing to report in this regard.

Other Statements based on Law

Registration of the Income Tax Report

Our responsibility is to, based on our audit, express an opinion on the registration and publication of the income tax report required in Chapter 7 b of the Accounting Act.

The Board of Directors and the Managing Director are responsible for the registration and the publication of the income tax report.

In our opinion, the company has not been obliged to register and publish an income tax report referred to in Chapter 7 b of the Accounting Act for the financial year immediately preceding the financial year.

Helsinki 8 April 2026 Helsinki

PricewaterhouseCoopers Oy
Authorised Public Accountants

Samuli Perälä
Authorised Public Accountant (KHT)

Independent Assurance Report

To the Annual General Meeting of Luotea plc

We have performed a limited assurance engagement on the group sustainability report of Luotea plc (business identity code 1680140-0) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the reporting period 1.1.-31.12.2025.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability report does not comply, in all material respects, with

- 1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS), and
- 2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Luotea plc has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability report with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of requirements for the tagging of sustainability information in the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability report as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorised Group Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Authorised Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The authorised group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorised sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Luotea plc are responsible for:

- the group sustainability report and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified,
- the compliance of the group sustainability report with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, and for
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability report that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Report

In reporting forward-looking information in accordance with ESRS, management of the Company is required to prepare the forward-looking information on the basis of assumptions that have been disclosed in the sustainability report about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Responsibilities of the Authorised Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability report.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability report, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for example the following:

- We interviewed the company's management and the individuals responsible for collecting and reporting the information contained in the group sustainability report at different levels of the organization to gain an understanding of the sustainability reporting process and the related internal controls and information systems.

- We familiarised ourselves with the background documentation and records prepared by the company where applicable, and assessed whether they support the information contained in the group sustainability report.
- We assessed the company's double materiality assessment process in relation to the requirements of the ESRS standards, as well as whether the information provided about the assessment process complies with the ESRS standards.
- We assessed whether the sustainability information contained in the group sustainability report complies with the ESRS standards.
- Regarding the EU taxonomy information, we gained an understanding of the process by which the company has identified the group's taxonomy-eligible and taxonomy-aligned economic activities, and we assessed the compliance of the information provided with the regulations.

Helsinki on 8 April 2026

PricewaterhouseCoopers Oy
Authorised Sustainability Auditors

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